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**A STUDY OF GOVERNMENT  
MONITORING AND EVALUATION SYSTEMS:  
THE CASE OF VIETNAM**

**A REPORT COMMISSIONED BY  
THE CENTRAL EVALUATION OFFICE (CEO)  
UNDP**

**Prepared by  
Roger F. ROY  
Do Van LOC**

**September 1993**

**CEO Evaluation Studies No. 4/93**

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*a*

*"The views expressed herein are those of the author(s) and do not necessarily reflect the views of the United Nations or of the United Nations Development Programme."*

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## **P R E F A C E**

### **COUNTRY MONOGRAPHS ON MONITORING AND EVALUATION**

*Managing national development is a complex enterprise. Achieving maximum efficiency and self-reliance in this management depends, to a significant degree, on having well-organized national systems for monitoring and evaluation (M/E).*

*At the central, sectoral and district levels, government units and community groups alike need adequate standards and skills, as well as timely information flows, for tracking the progress of their various development programmes. In qualitative terms, they also face the more profound tasks of continuously assessing the validity, impact and sustainability of programmes, and of drawing lessons from experience for future programming.*

*Demand for practical knowledge in this field has been growing, as part of the emphasis on attaining greater self-reliance and on strengthening national institutions. Yet the "state of the art" in national M/E systems has only begun to be studied.*

*To help accumulate and analyse this experience, the Central Evaluation Office of the United Nations Development Programme (UNDP) has started a series of Country Monographs on Monitoring and Evaluation. Studies have so far been completed and published for four countries: Côte d'Ivoire, Malaysia, Morocco, Zimbabwe and Sri Lanka. The countries represent a variety of approaches to development and different systems of M/E, both in their coverage and their evolution. The monographs have been prepared with the expectation that, in comparing these systems, a number of developing countries can find lessons about strategies, methods and experience which may be relevant to their particular needs.*

## **A C K N O W L E D G E M E N T S**

*This monograph could not have been written without the cooperation of all the people in different Ministries and Committees who agreed to set up interviews in Hanoi, Hai Phong, Ho Chi Minh City and Da Nang during June and July 1992. A special note of thanks is due to the State Planning Committee (SPC) for their helpful suggestions on individuals and groups for the mission to meet in various regions of Viet Nam.*

*This study simply would not have been possible to organize without the dedication and hard work of the National Consultant, Dr. Do Van Loc, Senior Expert with the State Committee for Sciences in Viet Nam. Mr. Loc organized the programme for the mission and handled the many logistical challenges with respect to our travels around the country. I am much indebted to him for his overall contribution to our study.*

*I would also like to express my thanks to Mr. Jens Wandel, Programme Officer of UNDP-Hanoi for reading the draft report and for the many helpful suggestions on Vietnamese development issues. Finally, I would like to thank Mr. Jacques Godfrin and Mr. Somendu Banerjee for their useful recommendations for preparing this monograph on Viet Nam. I would also like to thank Mrs. Mary Barnes for reformatting the text and matching the appendices and charts to each chapter.*

## **EXECUTIVE SUMMARY**

This study presents an overview and assessment of the Government of Viet Nam's development management system with respect to its monitoring and evaluation (M/E) practices. The monograph provides a number of recommendations for establishing M/E methodology and practices in various Ministries/Committees, as well as the National Assembly and People's Committees.

### **Major findings and recommendations**

The mission witnessed the beginning of a process to convert the existing appraisal system based on the central planned economic model and its economic technical justification (ETJ) approach to planning and M/E to a system which meets the demands of a market-oriented economy. This monograph must be placed within the overall context of Viet Nam's comprehensive programme to reform state enterprise. Part of the reform also includes the "corporatization" of these public enterprises through a new law on state enterprise as well as a Companies Law whereby state enterprises will be converted into limited liability and shareholding companies. Many of the mission discussions with senior planning officials revolved around the current effort to develop modern management appraisals and M/E systems which conform to the requirements of a market-based approach to economic development.

The mission found that Viet Nam's current planning and evaluation system suffers to some extent from the same weaknesses at both the central and provincial levels.

The mission notes that at present Viet Nam does not have a well-developed system of programme budgeting although a new Budget Law is being developed and is expected to be passed by the National Assembly by the end of 1992.

The existing information system at the central level is vertical in nature to serve the Council of Ministers. As a result, there is very little in the way of horizontal flow of information between line Ministries and a consequent lack of interdepartmental consultation and cooperation on overlapping policy areas of government affairs.

There is a lack of an information-gathering system to deal with the tremendous growth in the private sector.

At present, there is no standardized system of annual reports by individual Ministries/Committees, or by province/municipality, and this is unlikely to change until a project completion reporting system is instituted. The mission found that the Ministries of Health and Education and Training recently published survey reports on their activities and these could serve as models for other Ministries/Committees to follow. There is an urgent need for such a reporting system if the National Assembly is to properly carry out its role of M/E activities with respect to Viet Nam's social and economic development progress.

There has been no effective system developed to measure the impact of major projects and programmes in Viet Nam and such a system is of vital importance as it relates to the building of Viet Nam's infrastructure. The mission feels it would be useful for the State Planning Committee to develop an impact evaluation system for its major development project activities as a first step and leading to the eventual incorporation of this system throughout other government Ministries and State Committees.

The mission underscores the fact that Viet Nam lacks a well-developed information-collecting system and there is a great need for basic office equipment such as typewriters and telephones and almost no access to computer systems. In the last few years the General Statistics Office of Viet Nam (GSOV) has been strengthened and more survey research is being conducted, although future plans for a modern computer system have been constrained by lack of funds. The lack of basic office equipment and supplies is particularly acute at the Provincial Committee level.

The mission feels that the time is ripe to establish a comprehensive M/E system to replace the existing ETJ system inherited from the central planning system model.

### **Hanoi Workshop**

A Workshop was held in Hanoi at the State Planning Committee involving representatives from all the Ministries/State Committees with whom discussions were held during the course of the mission. Participants reviewed recommendations for managing a new M/E system in Viet Nam, as well as specific guidelines for the actual setting up of units in the State Planning Committee, the National Assembly, People's Committees, other appropriate Ministries/State Committees.

Workshop participants reviewed and commented on the mission's major findings and recommendations and a number of useful suggestions were made to strengthen the contents of the monograph. These have since been incorporated into the mission's findings, conclusions and recommendations.

Participants expressed strong interest and support for the proposed guidelines for establishing M/E units and for the actual planning and implementation of a staff training programme on M/E methodology and practices in the not-too-distant future while interest and commitment remains at a high level.

The mission emphasized to all groups it met with that an essential ingredient for setting up a M/E system was the development of a modern system of policies and management guidelines related to a "market mechanism approach" to planning and development. The setting up of M/E systems must be seen as only one part of a comprehensive programme with the objective of modernizing Viet Nam's system of public and private sector administration.

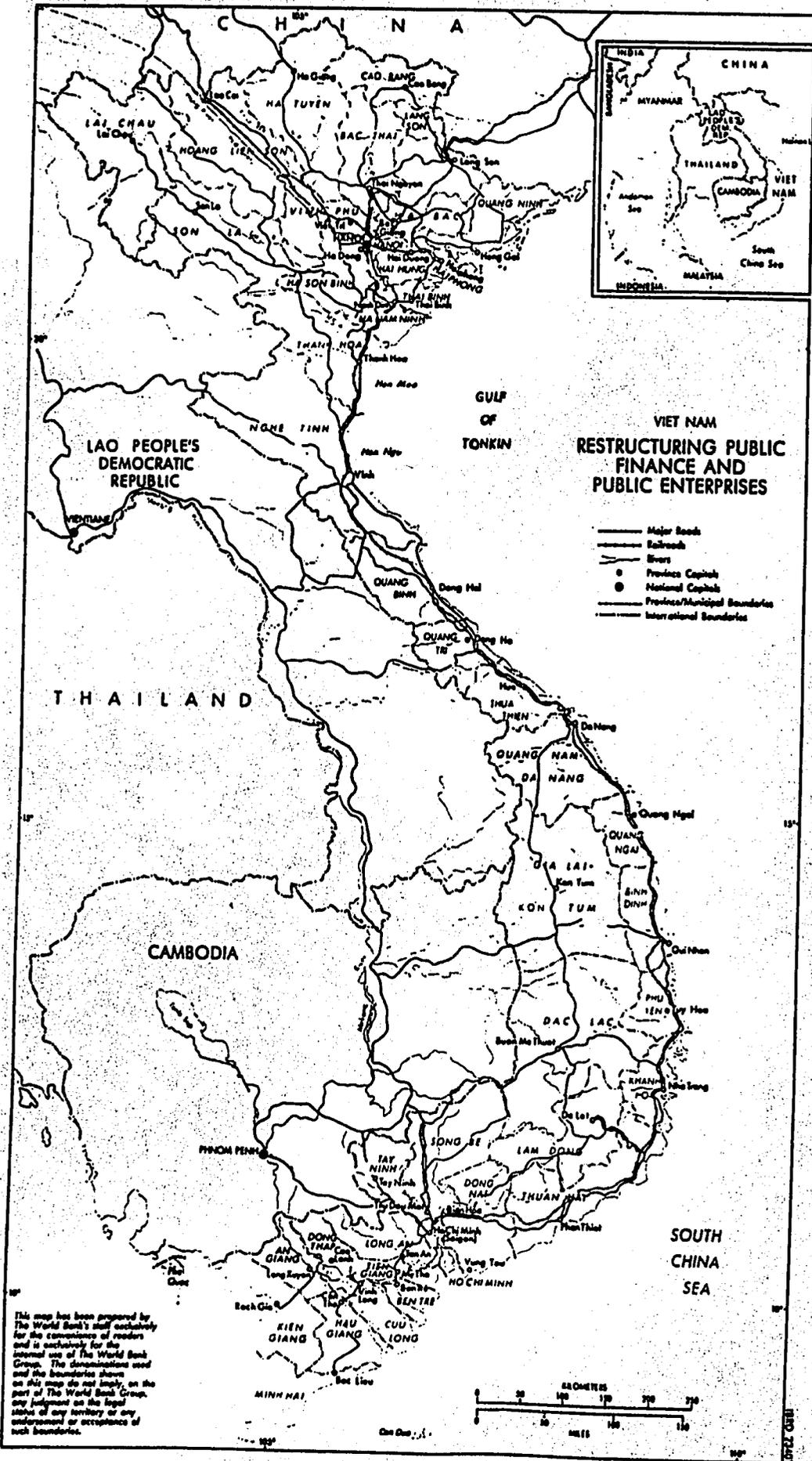
## ABBREVIATIONS

ADB	Asian Development Bank
AFI	agriculture and food industries
CEO	Central Evaluation Office
EPBC	Economic Planning and Budgetary Committee
EJT	Economic and Technical Justification
FAO	Food and Agriculture Organization of the United Nations
GSOV	General Statistics Office of Viet Nam
HDI	Human Development Index
IDRC	International Development and Research Centre
IMF	International Monetary Fund
IPDD	Industrial Projects Development Department
MET	Ministry of Education and Training
MOF	Ministry of Finance
NAC	National Appraisal Committee
NAO	National Assembly Office
NEV	National Economics University
NGO	non-governmental organization
ODA	official development assistance
PAC	Provincial Appraisal Committee
PC	Professional Committees
PCH	People's Committee of Hanoi
PTC	Plastics Technology Centre
SCCI	State Committee for Cooperation and Investment
SCS	State Committee for Sciences
SPC	State Planning Committee
SRV	Socialist Republic of Viet Nam
UNIDO	United Nations Industrial Development Organization
UPE	Union Plastics Enterprises

## **METHODOLOGY**

**The study on Viet Nam was prepared using the following methods:**

- 1. Interviews with key informants. Interviews were conducted with government officials, largely with Ministries and Committees and Provincial People's Committees involved with planning/appraisal of national and regional projects and activities. Appendix 1 provides a list of all persons interviewed by the mission.**
- 2. Documents and publications of the Government of the Socialist Republic of Viet Nam, donor agency reports and evaluations and other relevant papers. (Appendix 2)**
- 3. Briefings UNDP personnel received in New York and Hanoi.**



**Map of Viet Nam**

# CHAPTER 1

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## A STUDY OF GOVERNMENT MONITORING AND EVALUATION SYSTEMS THE CASE OF VIET NAM

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### Background and focus of study

The strengthening of government capacities to monitor and evaluate their own development is a task that UNDP has been requested to carry out by the United Nations General Assembly. Within UNDP, the Central Evaluation Office has been assigned to undertake the task. As part of its work, it has carried out a review of past work in this area. One of the conclusions of this review is that a series of monographs, which describe how information on economic and social development at all levels from micro to macro is generated and used by the Government in particular countries, would illuminate current thinking as how best to promote collection of the right data and better use of the resulting analysis.

The focus of this study is to examine the system currently used by the Socialist Republic of Viet Nam for collecting and analysing basic economic and social information which is relevant to the management of development and for applying the results of such analysis. In particular, the mission has looked at what is being monitored, what is evaluated, how the resulting observations are used and who uses them in the decision-making process.

The study, when completed, will attempt to provide the reader with a complete overview regarding information on macro-level data currently in use for overall formulation and implementation of policy and application of policy instruments and on a selected number of project and programme areas. Strengths and weaknesses of the present M/E system are noted along with some conclusions and recommendations for strengthening and improving the current M/E practices at the central and provincial administrative levels.

### 1.1 Terminology used for the study

In order to provide continuity for the series of monographs currently envisaged by the UNDP Central Evaluation Unit, the mission has employed the CEO's glossary of evaluation terms as a point of reference. It is hoped that the clarification of these terms will be helpful in the Workshop discussions today.

**PROJECT** is meant to refer to a planned undertaking which is designed to achieve certain objectives through specified means and within a given time period and budget allocation. Within UNDP's own context, a project refers to one or more technical activities, supported by UNDP, which together form a unit of management for UNDP. Therefore, in a particular country these may be seen as one or a number of components of another larger project or programme.

**MONITORING** is the continuous oversight of the implementation of an activity. It seeks to ensure that input deliveries, work schedules, targeted outputs and other required actions are proceeding according to plan.

**An AUDIT** is an examination or review which establishes to what extent a condition, process or output (performance) conforms to predetermined standards or criteria and reports on the extent of the conformity. The audit can be undertaken by an independent auditor who is appointed by a legislative body (external audit) or by members of the secretariat of an organization (internal audit).

**EVALUATION** is a process which attempts to determine as systematically and objectively as possible the relevance, effectiveness and impact of activities in the light of their objectives. It is seen to be a learning and action-oriented management tool and an organizational process for improving activities still in progress and future planning, programming and decision-making.

**ONGOING EVALUATION** is the analysis, during the implementation phase of the activity, of its continuing relevance and present and likely outputs, effectiveness and impact. This ongoing evaluation can be viewed as either an interim or a continuing activity, and of assistance to decision makers through the provision of information to any needed adjustment of objectives, policies, implementation strategies, or other elements of the activity, as well as for future planning.

**EX-POST EVALUATION (IMPACT EVALUATION)** is the analysis, after the completion of an activity, of its relevance, effectiveness and impact. This can be an important tool for assisting decision makers and the overall long-term management process by assessing the results of the activity and summarizing lessons learned as input for future planning. Impact evaluations usually take place after five years of operation of an activity to get a clear picture of benefits and inherent weaknesses.

**EFFECTIVENESS** in the development assistance process being examined is a measure of the extent to which an activity achieves its objectives.

**EFFICIENCY** is the productivity of the implementation process of an activity. Here we are looking at how well inputs were converted to outputs. An efficiency analysis usually compares a variety of ways to conduct an activity to find the ones which require minimum inputs to achieve some fixed goal or produce maximum outputs from a fixed quantity of inputs.

It is clear that whereas effectiveness is mainly concerned with the broader question of whether an activity has achieved its objectives, efficiency is more narrowly concerned with aspects of managerial performance and productivity. The latter is the interpretation used by this mission to review the state of management in the Vietnamese development process.

**INDICATORS** are objective and specific measures of changes or results expected from an activity. They are designed to provide a scale against which to measure and show the activity's progress towards producing its outputs and achieving its objectives. They may also refer to specific targets to be achieved at specific points in time during the implementation of the activity or they can be categorized by type, such as output indicators or impact indicators.

## CHAPTER 2

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### COUNTRY OVERVIEW

---

The Socialist Republic of Viet Nam became a unitary State comprised of the north and south regions of the country in July 1976. The country is ruled by a one-party system under the control of the Communist Party, which exercises a strong influence on almost every facet of economic and political life. However, in many respects the Communist Party is known for its pragmatism and this is reflected in the dramatic changes in terms of economic renewal, with a major target being the transformation of public sector enterprises from a centrally planned to market-economy management approach. Most of the key positions in the civil service are filled by senior members of the Party. The latter was modeled after the system of the former Union of Socialist Soviet Republic (USSR). The Politburo is the key institution of the Party and oversees its activities, and it has the power to issue decrees with legal status and this can be done without recourse to the government system. The Politburo, elected by the Central Committee, consists of 146 people; the latter body meets twice yearly and currently has 13 members. Party Congresses are held from time to time to ratify important policy changes with respect to the economic and political directions of the SRV, the Seventh Congress of June 1991 will be discussed below.

There is a National Assembly which acts as the supreme legislative body of the country with a mandate of five years. The SRV has a Council of State which operates as a collective presidency, and members are elected by and carry out the decisions of the National Assembly when it is not in session.

The Council of Ministers is the executive body of the National Assembly and is elected by the National Assembly. It is headed by a Chairman of the Council of Ministers (Prime Minister) and three Deputy Premiers. The present Prime Minister is Mr. Vo Van Kiet. The new Cabinet announced in early June 1992 has a total of 29 members, and there are 25 Ministers and/or Chairmen/Governors.

The year 1991 will go down in Vietnamese history as a seminal one, owing to the meetings of the SRV Communist Party's Seventh Congress in June as well as the Ninth National Assembly session that was held in August. It considered programmes and plans which will influence the economic and political directions of the country for many years. The foundation had been laid by the Sixth Party Congress, which introduced "doi moi" (or reform/renewal) into the country's economic policies. Instead of overemphasis on heavy industry, the Party attempted to address fundamental problems related to food production, consumer goods production and the promotion of exports. A key consideration was the providing of autonomy for state corporations with self-

supporting accounting procedures and an end to state subsidies. All economic growth was now to be carried out in line with the world economy.

The Communist Party passed the "Programme for Construction during the Period of Transition to Socialism", designed to revitalize and modernize the Party system and its training and recruitment of new members. The second major initiative of the Congress was the passing of the "Strategy Year 2000: Socio-Economic Stabilization and Development". This plan attempts to deal with a large number of issues and problems and related economics, education, external relations and social development. The whole notion of the "market mechanism economy" is integrated into this strategy. The Seventh Congress thrust is based on economic improvements to the country that will tend to improve the existing political system.

The State Planning Committee submits all plans to the Communist Party's Central Committee and its Politburo via its Economic Division for initial review purposes. A major interest of the Communist Party is to review the political focus and orientation of individual plans; it no longer is concerned with the details of plans and targets, as was more the case before 1989, and still retains an interest in the responsibilities and duties of various levels of personnel.

The new revised Constitution of 1992 continues to insist on the Communist Party playing the leading role in the operations of State. The SRV is cast in the mode of a socialist democracy. The keystone to understanding the new constitution seems to be the operative words "doi moi" and the Party sets the tone for the development of Viet Nam.

Viet Nam has a geographic area of 330,369 sq. km (from 8 degrees 34' N to 23 degrees 22'N). Its boundaries give it a peculiar S shape. About three quarters of the country is either mountainous or hilly and only 21 per cent is under cultivation. Viet Nam has a tropical climate but is sub-tropical in its northern regions.

See table 1 Basic indicators of Viet Nam and selected Asian countries.

**TABLE 1**  
**BASIC INDICATORS III**  
Comparison of selected indicators

Indicators	Unit	Viet Nam	Territory of Hong Kong	Republic of Korea	Indonesia	Malaysia	Thailand
Population (mid-1988)	million	64.2	5.7	42	174.8	16.9	54.5
Population growth (1980-1988)	per cent	2.4	1.5	1.2	2.1	2.6	1.9
Area	'000 sq km	330	1	99	1,905	330	513
GDP (1988)	\$ million	43,519 (official rate) 2,611 (market rate)	44,830	171,310	83,220	5,490	57,950
Average annual growth of GDP (1980-1988)	per cent	4.7	7.3	9.9	5.1	4.6	6.0
GNP per capita (1988)	\$	685 (official rate) 40 (market rate)	9,220	3,600	440	1,940	1,000
Average annual growth rate of per capita (1965-1988)	per cent	...	6.3	6.8	4.3	4.0	4.0
Agriculture (1988)	per cent of GDP	39	0	11	24	21.1	17
Industry (1988)	per cent of GDP	26	29	43	36	34.6	35
Manufacturing (1988)	per cent of GDP	...	22	32	19	24.3	24
Services (1988)	per cent of GDP	20	70	46	40	44.3	48
Gross domestic investment (1988)	per cent of GDP	...	28	30	22	26	28
Exports of goods and non-factor services (1988)	per cent of GDP	...	136	41	25	67	34
Current account balance (1988)	\$ million	-1,086	1,199	14,161	1,189	1,802	-1,671
External public debt (1988)	\$ million	9,703	...	21,349	41,258	16,101	13,375
Debt service (1988)	per cent of exports of goods and services	64 31	...	9.1	34.1	10	11.3
Official development assistance (1988)	\$ million	148	22	10	1,632	104	563
Average annual rate of inflation (1980-1988)	per cent	183.4	6.3	6.8	4.3	4.0	3.1

Source: Viet Nam - Industrial Policy Reform and International Cooperation. UNIDO, 1991.

## **2.1 Socio-Economic Picture**

### **2.1.1 Social Features**

In 1990 the population of Viet Nam was approximately 66.2 million people, with an average growth rate of 2.2 per cent. The population can be generally classified as 84 per cent as ethnic-Vietnamese, 2 per cent ethnic-Chinese and the remainder composed of some 53 ethno-linguistic minority groups.

The largest minorities are Tay, Thai, Hoa, Kho Me, Muong and Nung. The major religion is Mahayana Buddhism, and Catholicism has a following of some 900,000 mainly in the south.

UNDP's Human Development Report for 1990 provides insight into how human needs are at present being dealt with in Viet Nam through the introduction of a new statistical measure of human development.

The human development index (HDI) is based on merging income with life expectancy and literacy (including years of schooling). The result is that Viet Nam was rated at an index level of 0.608 and is ranked fifty sixth out of 130 countries surveyed (to be updated for 1992).

#### **1990 Indicators**

Life expectancy	62.7
Adult literacy rate	84%
Combined primary and secondary school enrolment	68%

The per capita income in 1990 was approximately US\$190.  
(Vietnamese currency US\$1.00 = 11,200 Dong (June 1992)).

About 75 per cent of the labour force is employed in the agricultural sector, with paddy production accounting for most of the country's yearly crops.

#### **Education system**

Viet Nam has a national education system which is comprised of pre-school education, general education, vocational and technical education and higher and adult education. In 1991 the Government passed a law on universalization of primary education, with a target of the year 2000. Education spending represents about 10-12 per cent of the national budget.

## **Health services**

Health care is available in all provinces and districts through an extensive system of Sanitary Offices, with some 153,000 provincial staff and additional 40,000 at grass-roots levels. Latest Ministry of Health statistics indicate there is 1 physician for every 2,469 of population (1990).

It is estimated that there are about 210,000 hospital beds in the country. Viet Nam suffers from severe environmental hygiene problems with only 21 per cent of the population having access to lavatories. Medical equipment and drugs are in short supply in all regions of Viet Nam.

## **Industrial sector**

During the early 1980s Viet Nam experienced a period of strong economic growth; however, macroeconomic problems plagued growth from 1985-8 but by 1989 the growth rate had reached 10 per cent owing to an expansion in the light industry sector. At present, industrial output represents over a fifth of national income, 11 per cent of employment and 40 per cent of exports. Major industries are foodstuff processing, textiles, wood products, chemicals, fertilizers and mechanical equipment. (Source Briefing Note - Socialist Republic of Viet Nam. UNDP Hanoi, February 1992.)

TABLE 2

Industrial production and investment, 1983-1989 <sup>a</sup> (Billion dong, at constant 1982 prices)							
	1983	1984	1985	1986	1987	1988	1989
Gross industrial production	83.03	93.95	105.34	111.75	122.38	137.83	132.34
By sector:							
Heavy industry	28.30	30.94	34.46	36.00	39.39	40.88	38.30
Light industry	54.73	63.02	70.88	75.75	82.99	96.95	94.04
By type of management:							
Central government	29.11	32.61	35.62	37.72	40.15	44.41	43.61
Local government	53.93	61.35	69.72	74.03	82.23	93.42	88.73
By industry:							
Energy, combustibles	5.42	5.48	6.05	7.05	7.56	7.40	7.48
Metallurgy	1.15	1.21	1.35	1.59	1.69	2.06	2.06
Machinery and engineering	11.01	12.35	14.68	16.27	18.61	23.96	20.95
Chemical industry	8.00	9.66	11.21	10.82	12.08	12.98	13.16
Construction materials							
earthenware, porcelain, glassware,							
wood, forest products, cellulose,							
paste, and paper industries	17.95	19.36	21.06	22.92	24.47	24.43	22.26
Food and foodstuffs	22.33	25.59	28.91	29.76	32.46	36.96	37.33
Weaving, leather, sewing, dyeing, printing							
and cultural products	14.01	16.57	17.77	18.83	20.88	24.22	23.45
Other industries	2.90	3.38	3.93	4.06	4.84	5.83	5.65
Investment in industry	7.50	7.80	...	7.40	...	...	...
By sector:							
Heavy industry	6.00	5.80	...	5.50	...	...	...
Light industry	1.50	2.00	...	1.90	...	...	...

Source: General Statistics Office, Statistical Data 1930-1984, and other official data provided by Vietnamese authorities, as cited in International Monetary Fund, Viet Nam - Recent Economic Developments, memo from the Secretary to members of the Executive Board, dated 11 May 1988, p. 11; and data provided by Vietnamese authorities as cited in United Nations Industrial Development Organization, Viet Nam's Industrial Development - An Assessment, report by the Regional and Country Studies Branch, Industrial Policy and Perspectives Division, UNIDO, Vienna, August 1989, p. 27 (data for 1983-1985). Socialist Republic of Viet Nam, General Statistics Office, Statistical Data of the Socialist Republic of Viet Nam 1976-1987 (Statistical Publishing House, Hanoi, 1990), pp. 72, 75 and 76.

Totals may not add due to rounding.

Table 3. **Composition of industrial production, 1983 and 1989 (Percentage of total production)**

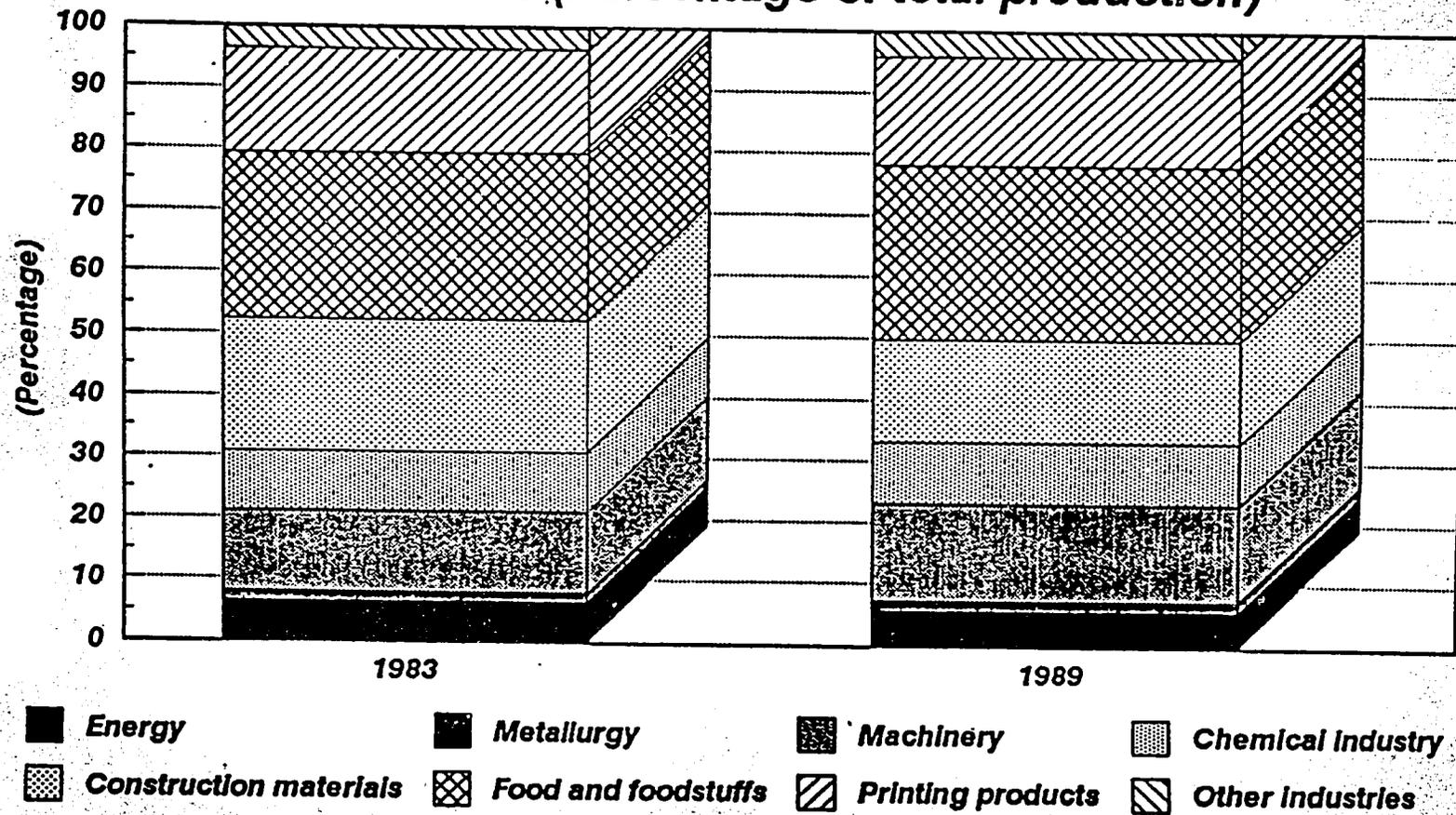


Table 4

## BASIC INDICATORS

Key industrial indicators<sup>2/</sup>

Gross material product in industry (1989) (constant 1982 prices)	54.0 billion dong						
Industrial employment	<u>1984</u> 2,685,000	<u>1989</u> 3,367,000					
Growth of gross material product in industry (percentage)	<u>1983</u> 6.7	<u>1984</u> 12.0	<u>1985</u> 12.4	<u>1986</u> 4.5	<u>1987</u> 11.3	<u>1988</u> 3.9	<u>1989</u> -3.6
Composition of gross industrial production (percentage)	<u>1983</u>	<u>1989</u>					
By sector							
Heavy industry	34.1	28.9					
Light industry	65.9	71.1					
By type of management							
Central government	35.1	33.0					
Local government	64.9	67.0					
By industry							
Food and foodstuffs	26.9	28.2					
Construction materials, earthenware, porcelain, glassware, wood, forest products, cellulose, paste, and paper industries	21.6	16.8					
Weaving, leather, sewing, dyeing, printing and cultural products	16.9	17.7					
Machinery and engineering	13.3	15.8					
Chemical industry	9.6	9.9					
Energy, combustibles	6.5	5.7					
Metallurgy	1.4	1.6					
Other industries	3.5	4.3					
Composition of exports (percentage)	<u>1983</u>	<u>1987</u>					
Coal	4.8	1.4					
Rubber	5.1	3.2					
Tea	2.3	1.8					
Coffee	0.9	3.2					
Wood flooring	1.7	2.2					
Marine products	10.2	12.8					
Agricultural/forestry products	25.7	33.9					
Handicrafts and light industry	49.3	27.4					
Petroleum	...	3.4					
Unclassified	...	10.8					
Destination of exports (percentage)							
Convertible area	38.1	48.9					
Non-convertible area	61.9	51.1					
Composition of imports (percentage)							
Consumer goods	11.1	14.3					
Capital and intermediate goods	88.9	85.7					
Origin of imports (percentage of total)							
Convertible area	25	21					
Non-convertible area	75	79					

<sup>2/</sup> Vietnamese national accounts data present only aggregate figures for the industrial sector as a whole, and do not distinguish between various industrial subsectors. The industrial sector in this context is defined to include manufacturing, mining and the production of electricity, but excludes construction and the provision of other public utilities such as gas and water. No accurate assessment is therefore possible of the contribution of manufacturing industry alone to the Vietnamese economy. This is widely acknowledged to be the most important component of the industrial sector, however, even though mining plays a significant role in northern Viet Nam and the importance of electricity production is increasing as a result of several new power generation projects coming on stream.

## CHAPTER 3

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### VIET NAM'S DEVELOPMENT MANAGEMENT SYSTEM/PUBLIC INVESTMENT PERSPECTIVE

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#### LEVELS OF MONITORING

##### 3.1 Central planning system: Institutional framework

(See table 5 - Plan of organization of the Socialist Republic of Viet Nam).

The systematic review of outputs that arise from a monitoring and evaluation (M/E) system at different levels represents the cornerstone that must be in place if the whole system is to function properly. In the following chapter an overview is given as to how the main levels of review occur.

In 1992, the Socialist Republic of Viet Nam adopted a new Constitution which lays out the government system for the country.

##### National Assembly level

The National Assembly (NA) is deemed to be the highest representative body of the people of Viet Nam and is the only body "vested with constitutional and legislative powers". It can make and amend laws and decide on the programme for elaboration of Vietnamese laws and decrees. It has the overall monitoring power to oversee laws and resolutions, "to examine reports by the President, the Standing Committee of the National Assembly, the Government (Council of Ministers), the Supreme People's Court and the People's Inspectorate General on their respective activities." Prior to 1987 the NA met in session for one week twice yearly, but now the length of sittings is two weeks and the last session in 1991 lasted one month because of the pressing issue of renewal and new institutions. At present, the 496-member assembly is being reduced to 395 to improve the quality of representation and new candidates are currently being nominated.

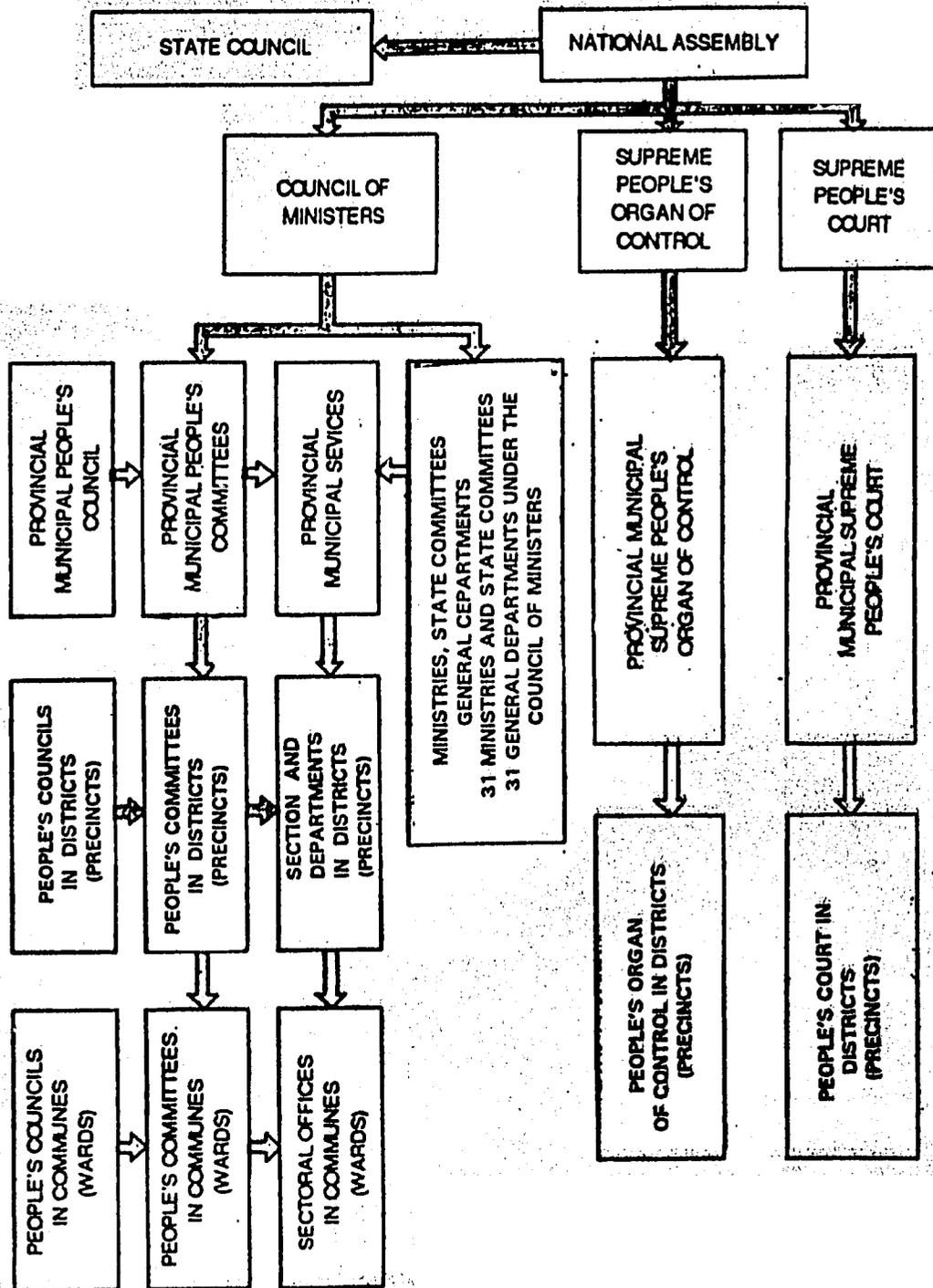
The National Assembly is now guided in its M/E work by chapter III of the Law of Organization of the National Assembly, approved on 18 April 1992.

There is a National Council which monitors national issues, especially with respect to minorities. There are seven Committees and their main tasks include: to evaluate and monitor the implementation of laws; and to make recommendations and suggestions regarding law issues.

##### National Assembly Office

The support office of the NA has a staff of 200 people, and management is headed by an Office Chairman and a Vice-Chairman. There is a Specialized Division for each of the four major Professional Committees as outlined below.

**Table 5. Plan of organization of the Socialist Republic of Viet Nam**



In the case of the Economic and National Budget Committee, however, a small core staff in the NAO of only five people provide support. Other major weaknesses cited were lack of equipment and staff experience to support the key Professional Committee of the NA. A plan is currently being developed to restructure the NAO.

The Standing Committee of the NA is responsible for all matters of the NA between sessions as well as the work of the seven Professional Committees.

### **NA Professional Committees**

The NA relies on seven Professional Committees (PC) to coordinate and execute the M/E of the work of the Council of Ministers (COM). Each Committee meets once every three months for two to three days and the Standing Board of each Committee convenes on a monthly basis for one to two days. Professional NA Committees include:

- \* Economy and National Budget;
- \* Social Issues;
- \* Legal Affairs;
- \* Foreign Affairs;
- \* Three Committees to cover all other subject areas, including minorities.

The resolutions passed by the NA are used by the PC's to review the circulars by the COM. Substantive reports are received by the PCs from the COM and provinces every three months (five to seven pages long). In addition, there are monthly reports from the COM that have been gathered by the General Department of Statistics for the Committees (three pages in length).

There are weaknesses in the information received from the COM through a heavy reliance on the information and statistics which are supplied through the General Bureau of Statistics (GBS). The NA feels that the GBS needs to improve the quality of its statistics. At times COM reports are examined with the help of Working Groups who consult people at the provincial, district and commune levels.

The NA also collects information through the activities of ten to twelve different Working Groups that go to various provinces to carry out M/E work. The Working Groups are composed of members of the PCs, specialists in the NA Office and experts from various government Ministries.

It was emphasized to the mission that the NA does not really have a headquarters building of its own and is now in the process of acquiring the building where the COM meets across from the NA.

The mission met with senior officials of the Economic Planning and Budgetary Committee (EPBC), which is used as a case study to illustrate the process of M/E and takes place at the legislative level.

The Committee is composed of 40 members, 5 of which are of Ministerial rank, 11 at the level of Deputy Ministers and the remainder come from Provincial People's Committees or their equivalent and expert members of the NA.

During the discussion period of the State Planning Committee (SPC) five-year and one-year draft plans for submission to the COM, the Economic and Budgetary Committee meets with responsible officials. Before the formal submission of draft plans to the EPEC, there is a Standing Board of the Committee which makes use of outside consultants. During the review process, members of the other six Committees of the NA are also asked for their input.

The Committee makes a decision on each major item in the COM plan/report and these opinions are then passed on to the full NA. The Committee report to the NA makes recommendations and this is presented both orally and in written form to the NA. There usually are three sections to the report, dealing with matters where there was (i) agreement by a majority of members and very few minority opinions are noted; (ii) simple majority; (iii) considerable dissent. In some cases there are major differences in opinion between the COM plan and the views of the NA. A recent example was the annual plan figures for 1991 with respect to the increase in the projected total national production at 5 per cent. It was recommended that the figure be less than 4 per cent and the COM agreed.

It was pointed out that one of the strengths of the NA Committees is that they are well represented from all regions of the country, and include members in various Ministries and some enterprises.

#### **Professional Committee Renewal: Findings**

1. Officials of the Economic and National Budget Committee underscored the need for proper training in the techniques and methodology of M/E for the NAO Divisions and members of the NA on the key Professional Committees.
2. There is an urgent need for basic office equipment and supplies, including typewriters, photocopy machines and some computers.

The mission was asked for assistance from UNDP for strengthening the NA information system and related M/E practices.

#### **The President of the State**

The President is elected by the NA and has the power to promulgate the Constitution, laws and ordinances.

#### **The Prime Minister level**

The Prime Minister directs the Government as well as the People's Committees at all levels, and is the Chairman of COM.

## **The Government - Council of Ministers**

The COM is responsible for implementing the socio-economic development plan and the state budget. It is responsible for "organizing and compilation of national inventories and statistics, the inspection and control work of the State." The COL is served by an Office of the COM whose terms of reference are outlined in Decree 112 of July 1987. The Office looks after the overall Council schedule and ensures that it is carried out. It is responsible for the "examination of all dossiers and drafts to be submitted to the Council" regarding issues of quality, deadlines and procedures.

It has a monitoring role to "ensure respect for the Council's decisions on the part of the administrative structures." In addition, it sees "that the Party's guidelines are taken into account, to the homogeneity and the validity of regulatory documents, and to translation of those documents by the levels concerned." The Office has a staff of some 480 people, of which 120 are reported to be "experts, researchers and other professionals" (Source: Report of the Public Administrative Diagnostic Mission. UNDP Hanoi, March 1991).

The above-mentioned report outlines a number of difficulties related to the operation of the Office which have important implications with respect to adequate M/E at this government level. These findings have been confirmed again to the mission in meetings held with various officials in Hanoi.

### **Weaknesses include:**

- \* Lack of adequate management systems to assist the decision-making process;
- \* Inadequate resources in order to publish and distribute the Government's Official Journal to various levels of government and the public at large.

The People's Inspectorate General is covered under article 137 and provides a monitoring role for the Party. Its mandate is to supervise and control the observance of law by the Ministries agencies, social and economic organizations, with a right to initiate prosecutions to enforce laws.

In conclusion, it is clear that there exists a multi-layered institutional framework at the central level which carries out its own form of appraisal and to some extent M/E activities. As a recent UNDP study points out, the difficulty is in the interface between the organizational system at the centre and the provincial organization system (as outlined below) whereby "the functional departments of government at the local level are subject to both the authority of the appropriate Ministry or State agency at the central level and to the Provincial or Municipal People's Committee at the local level. In other words, because of this dual authority organizational structure, "the head of a Department at the provincial level has two bosses whose interests may not always coincide."

The reality of the dual authority system in Viet Nam is that a national M/E system must be designed with both levels of Viet Nam's organizational structure in mind. In short, M/E must be established with the same rules and guidelines simultaneously at the central and provincial/district local level, if it is to function efficiently and effectively.

### **Communist Party of Viet Nam**

As outlined earlier, the Communist Party of Viet Nam provides a lead role in M/E activities in line with Party policies.

The mission is using a case study of the Economics Division of the Central Committee to illustrate how Communist Party M/E is carried out at this senior level. Other Divisions of the Central Committee Secretariat are International Relations, Organizations, Education Science and Technology, all of which report to the Politburo via the Standing Secretary.

The Central Committee approved the Economic and Social Development Strategy to the Year 2000, which was then approved by the NA's Seventh Congress.

The Economics Division currently is responsible for review and input into all economic and social aspects of the economic planning system and budget/banking/industry/agriculture/labour and social policies.

The Division conducts reviews of all 25 Ministries, including the SPC. It has 10 separate departments to conduct its work.

The mission was told that the Central Committee is in a strong position regarding M/E because of communist cells in each ministry who supply information, and furthermore Ministers and Chairmen of key Committees are members of the Communist Party and are obliged to supply needed information to the Central Committee. A copy of all unpublished ministry reports sent to the COM is forwarded to the Central Committee.

The Economics Division participates in the meetings of the SPC at the drafting stages of the one- and five-year plans, and the drafts are also reviewed by the Central Committee Economics Division before plans are submitted to the COM. Drafts of all plans are also submitted to the Politburo, and the Economics Department sends a separate report to the Politburo with comments and criticism. In addition, the COM invites the Economics Division to participate in its discussions with respect to plans.

The Economics Department reviews new staff appointments with respect to determining the suitability of a candidate's qualifications and experience for various Ministries.

There are no direct formal linkages between the NA and the Central Committee; however, meetings take place when the NA issues invitations to participate in its sessions. Sometimes the opinions of the Central Committee Secretaries are forwarded to the NA.

The mission was informed that a number of improvements were needed in the operation of Departments of the Central Committee including:

1. Training of staff on techniques and methodology of M/E practice;
2. Office equipment;
3. The development of a management system for M/E;
4. The acquiring of computers to store and analyse data.

The Central Committee is working on a plan which will see a reduction in the size of all Division staff.

### **State Planning Committee**

The SPC has the major responsibility for managing Viet Nam's overall planning and development by means of one-year and five-year plans. The specific functions and duties of this body are covered in detail in chapter 4. It must be emphasized that the SPC along with the Ministry of Finance, the State Bank of Viet Nam and the Central Institute of Economic Management are the key organizations that are managing the current efforts at economic reform. The above groups participate in the National Steering Committee on Debt Clearance (handling overdue liabilities of state enterprises), which is Chaired by the Prime Minister with National Working Groups in Hanoi and Ho Chi Minh City. There is also a National Steering Committee on Enterprise Reform, Chaired by the Vice Chairman of the Council of Ministers which is looking at "the conceptual and legal basis for the enterprise reform". (See appendix 3 for organizational chart of the State Planning Committee (currently under review).

### **Output of the M/E information system**

Evidence of a satisfactory M/E information system stems from a good availability of readable, consistent, periodic and timely reports on government performance. There can be little doubt that such reports facilitate management reviews internally in the Government as well as through external agencies. Experience based on past M/E missions underscores the need to be realistic in expecting highly visible information systems that record the work of government bodies. This has been very much the case in Viet Nam which qualifies as a least developed country.

The emphasis on inputs rather than outputs (outputs are seen as quotas and often do not reflect demand or the realistic actual production which is possible in many public sector enterprises) is expected to change as the country moves from a centrally planned to a market-directed economic system and the standardization of M/E practices as used in the United Nations agency system.

### **3.2 Provincial People's Committee system: institutional framework**

#### ***Decentralized government and people's participation in decision-making***

Viet Nam has evolved a highly decentralized system of government stretching back to before the French colonial period.

At present, there are 50 provinces and 3 municipalities which are further broken down into 485 district and urban sections and about 10,000 communes and rural units. Article 118 of the 1992 Constitution describes the People's Councils and People's Committees which exist at all the above levels: "The provinces are divided into districts, provincial cities and municipalities and cities are divided into precincts or districts and municipalities. Districts shall be divided into communes and townships; provincial cities and municipalities shall be respectively divided into wards and communes; districts shall be divided into wards."

The People's Councils and Committees at all the above levels play a very important role in M/E, colouring the outcome from the perspective of the Communist Party.

The People's Councils have the responsibility to motivate the people to implement the laws and policies of the State and the resolutions of People's Councils and to take part in State management.

Members of the People's Council have the right to petition State offices in their region and officials must receive deputies and examine and address Council petitions.

The People's Committee is elected by the People's Council and is the Executive Body. It acts as the local organ of State power and as such is responsible for implementing the Constitution and laws and texts which are adopted by higher State authorities as well as resolutions of the People's Council.

#### **PEOPLE'S COMMITTEE OF HAI PHONG**

The mission visited the Province of Hai Phong and feels it represents a typically well-developed administrative system at the provincial level.

#### **Provincial Planning: background**

As outlined in an earlier section, Viet Nam is now switching from a centrally planned to a market-directed approach for its future economic development. Before 1988, all orders with respect to the construction of new enterprises were received from the SPC. Major indicators related to value of goods and total production figures and were always based on the indicators of the SPC. Hai Phong officials felt that these imposed indicators were never very realistic and

all that was looked at were the financial and material inputs. Inefficiencies were created, for example, in the case of the two separate fish-processing factories built in Hai Phong, one by the central government and one by the provincial government.

Subsidies to provincial enterprises took the form of construction of a plant and installation of equipment by the central Government's investment. A bicycle factory also received subsidies through low cost construction materials, often at one fifth of the market price for such raw materials as steel and rubber.

All capital for production in the form of wages was paid by the Government and finally all products produced were then purchased by the Government to sell to the people.

Now Hai Phong is striving for self-sufficiency and existing enterprises who want to produce new products must submit a detailed proposal of "justification" to the SPC. The proposal must cover the technology to be used, the enterprises financial capacity, and the economic efficiency of the operation outlined. The mission was informed that money and trained personnel do not exist to carry out "Western style" market surveys for the public sector to measure municipal, regional and national product demand.

### **Provincial Appraisal Committee or Economic and Technical Justification**

Each Provincial Appraisal Committee (PAC) is created provincially to develop plan enterprise submissions that will be made to the Provincial People's Committee. The membership (five members) of the PAC is usually selected using the following criteria:

- \* Chairman - also the Chairman of the Provincial Planning Committee;
- \* Vice-Chairman - a Director of a relevant management body to the enterprise which is under consideration.

Other PAC members are drawn from:

- \* Chairman of the Provincial Finance Board;
- \* Chairman of the Provincial Bank;
- \* Chairman of the Capital Construction Board.

In addition, PAC co-opts specialists to serve as members and to make presentations according to the specific information needs of a project.

The PAC in effect is constituted as a Standing Committee which reviews enterprises on a case-by-case basis. In advance of all PAC meetings, a copy of the proposed project description is circulated to members. In 1990, a total of 80 projects were reviewed. Each project takes about two to three months for the review process. A final decision on the approval of a project is

taken on the basis of a majority vote, and in the case of Hai Phong, the recommendation is forwarded to the Chairman of the Hai Phong People's Committee.

### **Strengths and weaknesses of the appraisal system: Findings**

#### **Strengths**

1. The appraisal process is seen to work well but is judged in the context of every facet of an enterprise being reviewed and influenced by outside boards and committees. In this transition stage from a centrally planned to a market-oriented approach it is still not fully understood that appraisal should largely be on the basis of financial management and return on investment track record of enterprises.
2. The PAC now looks at the economic efficiency of the project to be undertaken although this does not constitute a full-fledged feasibility study approach. In the case of the 80 projects reviewed in 1991, Hai Phong planning officials felt most were a success. It was noted that one project that was not approved was carried out anyway and this occurred during the transition to a market-economy approach. This was the case of a joint venture for a hotel, but the project was stalled due to unfulfilled commitments by the foreign company.
3. The new process enables the province to determine if a project is realistic and the ETJ looks at all technological and financial aspects as well as market forces.
4. The work of the PAC is apparently well appreciated by the Provincial People's Committee.

#### **Weaknesses**

1. The PAC is still working under the shadow cast by the ETJ approach which reviewed and tried to influence the entire decision-making process in State-run enterprises. This is a 'transitional weakness' and explains why officials want more information for making decisions on production management issues rather than looking at efficiency of financial management and return on investment indicators. Often when demand is considered, the Committee does not know product demand is in Viet Nam and abroad and even at the local city level. To some extent information does exist at the various levels, but it is not shared (lack of horizontal communication). There is also a paucity of information on production technology, and detailed information on joint venture partners. In the latter case, it appears that the State Committee for Cooperation and Investment (SCCI) is not providing enough information.
2. There is a lack of appraisal/evaluation skills and practical experience in their application to project reviews. The problem is most noticeable in the methodology and structure of presentations made by specialists who are called before the PAC to give advice on

enterprises. At present, no proper training programmes exist. Opinion is often based on limited experience.

There is a need for specific training on M/E methodology. The mission was informed by Hai Phong officials that the recent UNDP Workshop on Privatization, while appreciated, was considered to be too general, and there was not enough emphasis on appraisals/evaluation/monitoring skills.

It was felt that what is needed is a good educational grounding in the role of the planning system in a market-directed economy.

3. Most financial/physical/technological information that is required for M/E is in short supply. Local officials felt that because of a lack of local funds, it became impossible to pay for local or outside specialists. In other words, each project evaluation exercise should have a fund set up at the beginning and this support is lacking from the centre.

It was pointed out to the mission that in December 1991, the Council of Ministers issued Decree 366, which stipulates that all joint ventures must be reviewed by the National Appraisal Committee (NAC). It was felt that this has worked at the central level but not provincially. There are some projects that still avoid "our" PAC, and some enterprises are supported directly by the Provincial Management Boards through the Chairman of the Provincial Committee (examples included Industrial and Financial Boards). Decree 366 further requires that a circular be issued to each province from the Chairman of the NAC.

### **Provincial project management system**

Each project or enterprise has an annual plan covering financial and physical inputs. The plan is developed through the Provincial Financial Board and relevant other management boards, as well as the Provincial Planning Committee (which handles project design). The project design is evaluated and approved by the appropriate management boards.

At present there are some 40 management boards; this number is currently being reduced to 25 as a result of the Council of Ministers Decree III, which is a Regulation on Organization of Provincial Administration. On the basis of this Decree, a new provincial administration system is being designed and will be submitted to the Organizations Committee of the Council of Ministers. It is hoped that this new system will be ratified by 1993.

### **Report on construction implementation for a project**

Once a winner has been determined through the bidding process, a report is written regarding capital construction with reference to 16 indicators. The completed report is submitted to six organizations and include:

- \* The relevant Management Board;
- \* The Provincial Planning Committee;
- \* The Provincial Finance Board;
- \* The Provincial Bank for Investment;
- \* The Provincial Statistics Office;
- \* The Provincial Capital Construction Board.

When a project has been completed, an Approval Committee is set up to put the project into operation and this body acts autonomously from the Provincial Appraisal Committee. The Approval Committee is composed of the following:

1. Chairman - also the Chairman of the Capital Construction Board.
2. Vice-Chairman - chosen on the basis of the source of investment for the project.
3. Standing members include representation from the:

- \* Finance Management Board;
- \* Provincial Planning Committee;
- \* State Bank;
- \* Capital Construction Committee;

Project financing begins once the report has been submitted and agreed upon. The relevant Management Board has the ongoing monitoring responsibility.

### **People's Committee of Hanoi**

The mission met with representatives of the People's Committee of Hanoi (PCH) who indicated that they have a monitoring system for their projects which makes use of the owner or investor in a project and by executing agencies.

The indicators that are employed in the reporting system for People's Committee projects include:

- \* The total budget per quarter as it relates to expenses for equipment, construction and outside experts;
- \* Loans and other forms of subsidies;
- \* Reports on the difficulties encountered in implementation of a project.

### **Monitoring weaknesses: Findings**

The People's Committee emphasized that the current monitoring system suffers from a number weaknesses.

These are:

- (a) A lack of professional management skills and technical knowledge on the part of staff;
- (b) A lack of knowledge of finance management and accounting skills;
- (c) Inaccuracies and mistakes in reports that are filed;
- (d) The absence of a training programme to correct the above deficiencies.

Following the completion of projects and the monitoring exercise, the People's Committee felt that it lacked adequate evaluation skills to assess completed projects.

### **PEOPLE'S COMMITTEE OF HO CHI MINH CITY**

Ho Chi Minh City is the largest in Viet Nam, with a population of some 4.5 million people and an area of 2,056 kms. One third of the nation's industrial production comes from there and is responsible for one fourth of all exports. The city has a difficult problem at present with an unemployment rate of over 9 per cent.

The mission was informed that a key priority of the Committee is to create a suitable environment for economic and social development and for trade as an engine for the growth of the city.

Like other sectors and levels of government in Viet Nam, the Planning Committee of Ho Chi Minh City is making substantial changes to its planning system which formerly relied on "forced indicators" that were provided by the central authorities. Planning indicators now include not only State-owned enterprises, but those of all economic sectors, such as family- and private-owned enterprises. Planning covers not only economic issues, but culture, the environment and education.

The 1992 plan for the city has a major objective of promoting and increasing the level of industrial production and the target is to increase growth from 7.6 per cent in 1991 to 10 per cent for the current year.

The Planning Committee is also responsible for agricultural production in the rim areas of the city and a target has been set to increase production by 5 per cent over last year.

A third area of concentration in the plan is increasing exports, which jumped by 25 per cent in 1991.

The city needs to create at least 260,000 new jobs per year but is currently running far behind, with creation at the rate of 100,000 new jobs.

The city faces major challenges with a crumbling infrastructure, including old roads, poor sanitation and water supplies and insufficient schools and hospitals, much of which dates back to the French colonial period. The present budget simply cannot cope with overall infrastructure demands.

In terms of the road system, planning indicators point to worsening conditions of the 1,280 km of roads, with only 19 per cent classified as good quality, 50 per cent as bad quality and 30 per cent as extremely poor. Of the city's 225 bridges, 26 per cent are in good shape, 39 per cent are judged of poor quality and 35 per cent are in a very poor state of repair. Several key bridges have collapsed from the heavy load of lorries in recent years.

### **Sanitation and drainage system**

The city is served by some 662 underground drainage channels and 100 outlets which date back 100 years or more. The poor maintenance of the channels and the building of houses at many outlets have blocked up the system. All open channels need to be dredged and it is impeded by the 98,000 houses that are now situated on these open sewers. It is estimated that 200 billion Dong or \$20 million will be needed to dredge and relocate housing.

### **Water supply**

The city supplies about 680,000 cubic metres per day, but once again a 100-year-old system is breaking down and cannot keep up with demand. The Planning Committee estimates that 37 per cent of the water supply leaks out in the 120 km of old pipes before reaching the consumer.

Foreign investment for Ho Chi Minh City is earmarked for five major areas, including infusion into existing factories by upgrading technology, creating new jobs, developing investment funds, improving the infrastructure and the environment and finally enhancing education and local culture.

### **City programme for poverty alleviation**

This programme was launched in 1992, following a survey of living conditions in the city (conducted by the City Statistics Bureau), using the following indicators for measurement to determine eligibility of possible recipients:

1. The average income of a family must be less than 2 million Dong or US\$200 per year;
2. It must be established that a family has not had money to purchase food for six months, i.e., have been receiving support to survive.

Each family has to respond to a questionnaire which seeks to determine the reasons why they have no food, i.e., no access to farming tools, land or money to buy seed, etc.

The survey results indicated that there are 103,000 poor peasant families, of which 35 per cent are considered to be poor (45,000 families) and of these, 9,000 receive regular assistance from the city and 2,000 apparently have no means to earn a living of any kind.

Assistance to poor families is available in two forms:

1. The supplying of seed, fertilizer, livestock and other agricultural materials to farmers;
2. A fund for assistance at an interest rate of 2 per cent per month available at the commune level.

The budget breakdown for the poverty alleviation programme consists of:

- |   |                  |
|---|------------------|
| (a) City contribution                                       | 1 billion dong   |
| (b) Resources from Youth and Women's Committees             | 450 million dong |
| (c) Loans from the Agricultural Investment Bank (City Loan) | 30 billion dong  |
| (d) Short-term loans from the Agricultural Trade Bank       | 9.8 billion dong |

Other assistance takes the form of redistributed land to needy families from unused land and 6,000 hectares from State-owned farms.

The overall approach of the programme is to help families to become self-sufficient, and not outright support, which as mentioned earlier goes only to the 2,000 poorest families.

#### **Appraisal of projects in Ho Chi Minh City**

The mission was informed that the Committee of Appraisal is not located in the Planning Committee as was found to be the case in other cities visited. City planners feel that the current arrangement is unsatisfactory for overall planning and M/E coordination. The Committee is put together by the People's Committee and is composed of the following members:

- \* Vice-Chairman of the People's Committee (Committee Chairman);
- \* Planning Committee;
- \* Science and Technology Committee;
- \* City Financial Board;
- \* Capital Construction Board;
- \* Transportation Board;
- \* International Relations Board.

In addition, there is a Standing Preparatory Group which meets weekly to review new project submissions and one member of the Planning Committee is a member.

A Project Approval Committee has the same membership as outlined above for the Appraisal Committee.

The People's Committee has just begun a new study on how to improve the collection of accurate information in order to better measure the effectiveness of projects. At present, the Planning Committee has only one 8286 computer.

## **The People's Committee of Quang Nam - Da Nang Province**

This province is situated in the centre of Viet Nam and has a total area of 11,989 kilometres. There are abundant natural resources with forests containing a variety of tree species as well as minerals and seafood products. Agriculture includes food production as well as silk, peppermint and livestock.

The province has a population of 1.8 million and Da Nang approximately 400,000 people. The city of Da Nang boasts a deep water harbour capable of receiving 30,000-ton ships and a largely unused international airport.

### **Planning Committee**

Recently the staff was reduced from 90 to 30 as the province switched from a centrally planned to a market-driven economic approach regarding economic development. A plan for 1992 was recently submitted to the Council of Ministers for approval with an estimated budget of 50 billion dong. Key priorities mentioned to the mission include employment for 1.2 million peasants, planting of new forests, food processing, harvesting of seafood, increasing consumer goods and the developing of processing zones, tourism and health and education.

The Provincial Appraisal Committee is composed of members from the Planning Committee, the Committee on Science and Technology and the Vice-Chairman of the People's Committee. As in the case of other provinces visited, Quang Nam - Da Nang Province uses Management Boards to monitor the progress of projects being implemented as well as the Professional Boards, according to the nature of the project.

Officials at the People's Committee stressed to the mission that there is an urgent need for a computer centre to service the overall planning, implementation and monitoring of economic and social development programmes.

The Committee mentioned that up until now most UNDP assistance for infrastructure projects has been targeted for urban areas, and there is an equally strong need for a transportation infrastructure in the mountain regions to help with the development of minority groups and to link such regions with urban areas.

## CHAPTER 4

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### MONITORING AND EVALUATION: CENTRAL LEVEL

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#### Introduction

The mission has found a certain amount of M/E (or appraisal, the commonly used term in Viet Nam) at all levels in the central institutions that were outlined in chapter 3. In the past the appraisal system laid heavy emphasis on input indicators and outputs conformed to rigid quotas. There are no standardized systems of M/E, for example, for monitoring of industrial projects by the Industrial Department of the State Planning Committee and the Industrial Department in the Ministry of Finance and this seems to be the norm for most Committees and Ministries at the central level. Moreover, because most 'appraisal information' moves vertically from Ministries/State Committees, any information concerning M/E which is gathered is rarely shared on a horizontal basis between Ministries. Consequences for interdepartmental cooperation and coordination of national policies are obviously suffered owing to the present information reporting/sharing system. (See appendix 4 - System of national planning indicators for 1992.)

#### 4.1 The State Planning Committee

The SPC is the body which is responsible for managing the aims and objectives of the Vietnamese Government with respect to planning and development. The following is an outline of the SPC in terms of its functions and duties. These include:

1. Policy formulation and the working out of an overall development strategy for a long-term period of 10-20 years: In 1990 the "Socio-Economic Strategy for Viet Nam up to the Year 2000" was developed in the style of an indicative approach to development planning.
2. The formulation of five-year and annual plans with a major focus on a number of macroeconomic objectives: These include a reduction of macroeconomic instability while still retaining reasonable economic growth, more capital formation and greater development of exports. The current five-year plan (1991-1995) is geared to stabilizing the socio/economic situation and to controlling inflation.
3. The calculating of Viet Nam's supply and demand requirements which is especially important as the country makes its transition from a centralized to a market-based economy: This means a close monitoring of the national economy and understanding its strengths and weaknesses so that corrective measures can be taken where appropriate. A recent example

of such action cited to the mission was the need to supply the northern regions with southern produced rice to increase supply and thereby stabilize prices.

4. Responsibility for all inputs and outputs with respect to country planning: This includes the coordination of foreign technical assistance from bilateral and multilateral sources.
5. The formulation of mechanisms and policies for the social and economic development of Viet Nam.

The SPC is headed by a Chairman and Vice-Chairman, has a number of separate departments and until quite recently numbered 38, now reduced to 17. Some of the major departments include:

- \* General Issues Planning;
- \* Financial Planning;
- \* Foreign Economic Relations;
- \* Industrial Planning;
- \* Labour, Culture and Social Planning;
- \* Agriculture, Forestry and Fishery Planning;
- \* Science and Education.

In addition, there is a Planning and Standardization Research Institute, an Institute for Long-Term Planning and Labour Force Allocation and an Information Centre.

The SPC maintains close relations with all Ministries. Each ministry is responsible for drawing up its development plan, which is sometimes adjusted by the Government and regulated by the SPC. Individual Ministries present their plan to the SPC for discussion purposes, in which they outline their production capacity and proposed target indicators and outline capital requirements.

The SPC submits plans to the Council of Ministers (usually in September/October) and when approval is given (November), plans are submitted to the National Assembly for final approval and to provide Ministries/provinces in December with new plan targets for the new year.

### **The Multilateral Group of SPC**

The Multilateral Group in the Foreign Economic Relations Department is the focal point for the United Nations specialized agency system. However, there is close coordination with the Ministry of Foreign Affairs, the State Committee for Sciences and the Ministry of Finance (which actually receives the funds). At present, there is no proper M/E system with respect to projects, except where there is ODA financial provision for this activity.

At present, there is a Project Evaluation Committee which is a partnership composed of the multilateral donor, the Viet Nam Government and the executing agency. The Multilateral Group has a staff of eight and is divided into four units which look after (a) industry, (b) agriculture/fisheries/forestry, (c) social welfare, (d) economics (IMF, ADB and World Bank).

The Multilateral Group has handled 200 UNDP projects since 1976.

There are delays in the current approval process for projects because at present all project over \$50,000 must go to the Council of Ministers for approval and not the SPC. There is one staff person in the Council of Ministers Office who handles UNDP and projects are submitted to the Deputy Prime Minister.

### **SPC Relationship with Ministry of Finance and State Bank**

The SPC shares financial planning with the Ministry of Finance with the major share going to the latter organization, which controls allocation of both domestic and foreign resources.

Regarding the State Bank, the SPC must reach agreement on three important targets including:

1. The regulating of the supply of money;
2. Determining the level of money circulation, i.e., credit, working capital, etc.;
3. The level of investment credits for the infrastructure and how this should be financed. All investment money for farmers and business is obtained from the State Bank.

### **National Appraisal Committee**

This Committee is chaired by the Chairman of the State Planning Committee.

Meetings take place on a monthly basis. The compulsory members of the Committee include the Ministry of Finance, the Bank for Investment and Development, the State Committee for Cooperation and Investment and the State Committee for Sciences. Other Ministries are invited to participate in Committee deliberations as required. Twice a year the Committee meets to look at needed project/programme adjustments and June is designated as the adjustment month. This review/adjustment exercise is conducted with the individual Ministries and 50 provinces and then the Committee submits a report to the Council of Ministers.

### **SPC Appraisal/Evaluation Bureau: historical context**

In 1975, the Appraisal Bureau was originally established to undertake appraisals of investment projects which were then called Economic and Technical Justification of Projects (ETJ) and based on the Soviet economic approach. The appraisals were carried out in the Department of Basic Investment Construction by the ETJ Unit located in the planning sector. The ETJ also existed

in the relevant departments of line Ministries on matters of investment construction, as well as in the Provincial Planning Committees.

The ETJ was responsible for locating projects, defining their aims and objectives, determining production capacity and the economic demand for the project rather than relying on market forces. In addition, it responded to the demand outlined by the planning units and establishing all necessary infrastructure aspects for the project. Finally, ETJs looked after project scheduling and technology matters, construction, all project investment, including basic construction, equipment purchases and any other issues. All project investment from the national budget and foreign technical assistance came under the domain of the ETJs. (This system, still largely in place during the current transition period in Viet Nam, bears no resemblance to a genuine feasibility study approach to planning and development.)

ETJ indicators for the central planning system were:

1. Purpose and objectives;
2. Production capacity;
3. Economic demand for project;
4. Demand indicated by planning units;
5. Relevant/necessary project infrastructure;
6. Project technology;
7. Construction;
8. Total project investment consisting of basic construction, equipment and other issues;
9. Timeframe/schedule.

All project investment was taken from the national budget, which included foreign aid. Very large projects such as steel mills and bridges required the approval of the Prime Minister.

Smaller projects were approved by line Ministries or Provincial Committees. Major indicators to classify the two levels of projects included the level of the investment, the industrial priority of the project for the country, the area of land required for development and the amount of foreign current required.

Projects were placed in one of two categories on the basis of level of investment, its priority as a major industrial project, the area of land required to set up the project and the amount of foreign currency that would be required.

The Bureau of Appraisal was disbanded in 1987 and its duties were reassigned to various departments within the SPC.

## **The new SPC Appraisal Bureau: findings**

The Bureau of Appraisal has now been re-established as of 1992, with a major focus being to look at priorities regarding investment targeted for the infrastructure of the SRV. This is an important task given the fact that Viet Nam has no national law with respect to general investment in the country and that internal investment has become such an important issue. At present, all investment law is done through decree or via the Council of Ministers and not the National Assembly.

The Bureau is responsible for the approval/appraisal process with foreign Governments and the study of individual projects. Actual international contacts with potential foreign investors is made by the State Committee for Cooperation and Investment (SCCI).

The specific functions of the Bureau are as follows:

- \* To provide assistance to the Chairman of the SPC, who also acts as the Chairman of the National Appraisal Committee. Detailed reports are prepared for the Chairman on projects under consideration.
- \* In cooperation with other departments of the SPC, the Bureau is responsible for approving small projects in cooperation with line Ministries.
- \* To increase the knowledge and skills for staff that are carrying out national appraisals. The mission was informed that this function has yet to be put into operation.

The Bureau estimates that approximately 5 per cent of the cost to formulate a project stems from the appraisal process. At present, the Bureau is approving some 15 projects per month as well as any special needs that may arise. In the review of a project, it was noted that all appropriate Ministries are invited to participate and needed foreign experts can be invited to assist the appraisal from time to time. In the recent review of an oil refinery, project the United Nations Industrial Development Organization (UNIDO) was asked for advice.

## **4.2 Ministry of finance - budgeting system**

### *Introduction to budgeting system of Viet Nam*

A government's budget provides the basic framework that is required in order to carry out M/E of government activities. Clearly, the scope of the M/E possible depends, in most cases, on the form of budget in place.

The traditional "line item" budget is of limited use but is still a framework. Other systems of monitoring operating in the planning and executing agencies of a government, if they are to be meaningful and effective, should integrate their activities into the budgeting framework. This is necessary because the decision to allocate resources for national programmes is fundamentally

a budgeting decision. In other words, the evaluation of a government's budgeting system is of central significance in dealing with the subject of M/E of governmental activities.

In the SRV there are four principal budgetary levels of government consisting of the central, provincial, district and commune levels and each of these has a budget system. All transactions are consolidated into the accounts of the national budget with the exception of the village/commune level. The Ministry of Finance is responsible for the consolidated state budget, but only exercises direct control over the central budget which represents some two thirds of the consolidated budget. All other expenditures fall under control of the provinces. The budgetary system is modeled after the centrally planned economic model of the former Soviet Union. (See "The Budgetary System and Government Expenditure". World Bank, 17 December 1991.)

At all levels, the annual budget is drawn up from one-year plans.

The process can be summarized as follows:

1. The annual plan is drafted in the second quarter (May) for the upcoming year for each ministry and each province. The plan includes estimated targets for revenue collection under separate taxation sectors.
2. The annual plan is then submitted to the SPC and it is responsible for the bulk of the capital expenditure planning process. As well, the Ministry of Finance is responsible for approving recurrent expenditures.
3. There follows a process whereby the line ministry plans and those of the provinces are reviewed and negotiated and spending levels are fixed.
4. A national budget is ready in the fall for the centre and the provinces and this is then reviewed and approved by the Council of Ministers.

The IMF report quoted earlier underscored the fact that:

"Each province retains a portion, sometimes 100 per cent of the revenues that it collects depending on its financial requirements and revenue means.

"The retention ratio, which determines the division of provincial revenues between the central and provincial governments, is essentially mechanical, through the accounting balance of projected revenues and expenditures. The expenditure plans for each province are based on a series of rules: the MOF establishes each year a funding level for each teacher, health care worker, administrator, hospital bed, pupil, etc. When combined with data for each province on the numbers of each of these items, the basic expenditure level is determined."

District and village level budgets are financed through a system of grants from the provincial budgets in much the same manner as the provincial and central government arrangements.

In terms of its budgetary system, the SRV shows an imbalance between the expenditures as well as revenue-raising responsibilities of central and local government authorities. As a consequence the central share of revenues collected is small when compared to the share of total government expenditures. The World Bank report concludes the "result is an inconsistency between the expenditure needs of the central government and the revenue means, with potentially negative consequences for the efficiency and incentive structure of the budgetary system."

A recent report by the IMF Bureau of Statistics reviewed government finance and public enterprise statistics and came up with the following observations and recommendations.

1. At present, budget execution is decentralized and budgetary allocations appear to be highly aggregated. In order to enhance the utility of statistics on government finance, it would be necessary to strengthen control of budgetary formulation and execution at the level of the Ministry of Finance. It would also be desirable to modernize the system of treasury accounting and to undertake more regular and thorough audits of records relating to government finance transactions.
2. Monthly statements of budgetary execution should be prepared that clearly identify revenue, expenditure, and financing items in a manner that facilitates analysis. To this end, the existing computer programs used to process these data should be modified to generate the additional data needed for analytical purposes.
3. In government finance statistics, grants should be clearly distinguished from loans, and amortization of debt should be separated from interest payments. Current and capital transfers should be distinguished from other expenditure and shown separately by main category of recipient, notably, State enterprises and municipalities.
4. A reporting system should be developed to obtain quarterly data on the financial activities of key public enterprises. The system should be constructed in a manner compatible with the new accounting system for public enterprises, which will be introduced in the near future.

The IMF mission in Viet Nam in 1989 was not able to obtain detailed information with respect to the country's budget process. No documents were available on budget law, and the IMF has concluded that there is "the absence of a traditional budgetary procedure. This is due in part to the authority granted to individual Ministries in carrying out expenditures, to the absence of a Treasury Department in the MOF, and to the limited control exercised by the Accounting Department of the MOF."

The mission was informed that a new draft Budget Law is now being discussed by MOF senior management, and a second draft is expected to be ready by the end of 1992. It will then be submitted to the Council of Ministers, the State Council and the National Assembly.

## **MINISTRY OF FINANCE**

### **4.3 Ministry of Finance: State budget of Viet Nam: foreign-aid component findings**

The mission met with a number of separate departments and a presentation was received on the subject of aid management and reception.

It was pointed out that foreign aid is integrated into the budget of individual Ministries and not the MOF. In the past M/E of foreign assistance was described as quite "scattered", by individual Ministries. However, at present there is an attempt at focusing such activities through the State Bank of Viet Nam.

Ministries are responsible for their own borrowing needs; however, the MOF processes all State borrowing of debt which has been handed over to them and an M/E system of new borrowing is currently being set up. At present, the system was described as basic and it was underscored that the UNDP/IMF are assisting in the development of new systems.

The MOF does not control foreign technical assistance, but does have a responsibility to integrate it into the national budget.

#### **MOF financial management responsibilities: ODA**

The Government has given the MOF the mandate of dealing with bilateral, multilateral and NGO technical assistance (via SPC interface). Each of the three ODA levels has a second tier interface for the MOF. In other words, the projects are divided into three components including:

1. Expenditure for equipment and facilities;
2. Foreign consultants (money is transferred directly to Ministries and M/E is difficult to carry out for this component by the MOF);
3. Overseas training and study tours. (Here again no information is received on this component and no M/E is possible.)

The MOF can only determine if money has been spent on equipment and materials for facilities through customs exemption forms and delivery orders.

Bilateral ODA consists of grant aid and loans. Grants are credited to the banking system and the bank in effect re-loans the money to individual Ministries. The MOF has no role in the lending of money. All loans are also processed by the Banks.

Contracts for loans must be made via the MOF. The grant aid also involves a contract between the MOF and line Ministries and here it is possible to carry out M/E activities. The contracts system is not standardized. In short, it was made clear to the mission that most M/E, where it

does exist, takes place in the departments of the receiving line Ministries for grants and loans. In conclusion, it is clear that the MOF plays a limited role in M/E of ODA funds, and there is no legal system that ensures that the MOF receives monthly and quarterly reports on the three components outlined above. In some instances, information is forthcoming when tripartite meetings take place between the MOF, the State Bank and line Ministries. The Central Bank has its own system as discussed in another section.

#### **4.4 Ministry of Finance - Department for Industrial Financing**

This department is responsible for monitoring the financial activities of some 12,000 enterprises in the area of industry and construction. At present, revenues which are transferred to the State budget represent 60 per cent of revenues and is increasing because of new tax laws.

In order to perform M/E of State-owned enterprises, the mission was informed "no effort has been spared to develop information/reporting systems." It was stressed that the most important reporting instrument is the balance sheet, which reflects the assets and liabilities of the enterprise. These are formulated from various sources. The balance sheet represents the funds from the State budget, as well as loans and profits, joint ventures, other bank loans and short- and long-term liabilities and a profit/loss account but the accuracy and timeliness of the system still needs a good deal of refinement. In the past, enterprises were responsible for monthly, quarterly and annual reports and these were usually received very late. All accounts had to be processed manually. Plans are under way to establish a computer system.

The market-oriented economy system is leading to a simplification of reporting and the number of required indicators has been reduced. Under the new system, enterprises only have to file on a quarterly and annual basis. However, there still are monthly reports because the MOF works at the grass-roots level, i.e., tax/financial role at the provincial and district levels. In the past the MOF had to look at nine different quota items for reporting purposes, some of which included value of general output, main products, general payroll, supply and consumption of materials, capital investment for construction, science and technology studies on achievement and progress and so forth.

Now there is only one indicator, the tax contribution to the national budget. The reaction to this reduction of reporting quotas has apparently been well received by MOF and enterprise officials alike. The new system has increased the ability to M/E the liability issues which are so important in a market-based economic system.

Through UNDP assistance, the MOF is implementing Project VIE 90-005, Monitoring and Evaluation of Operations re Financial Activities of State-Owned Enterprises. The MOF has also organized a seminar to get the ideas and opinions of 50 leading enterprise with respect to the new quota system. As a result of the feedback received from this meeting, the following amendments have been made to the new quota arrangement.

The three new quota indicators are:

- (a) Composition of enterprise capital;
- (b) Fluctuation of enterprise liabilities, monthly/quarterly/annually;
- (c) The different kinds of taxes paid to the State budget and the exact subsidies of State budgets to enterprises.

These new quotas, the mission was informed, will be put into effect soon and affect only State-owned enterprises.

Reports from the Department of Industrial Financing are sent to the Department of General Statistics and the State Planning Committee.

#### **4.5 Findings and Recommendations**

##### *Present weaknesses*

1. The processing of information received is a key problem and there is an urgent need for a proper management information system in the MOF and a streamlined reporting system for enterprises;
2. A lack of staff experience in market-economy approach to doing business;
3. In the transition period between two different economic systems, it has been difficult to set up a new set of micro-indicators related to quotas;
4. M/E activities are scattered or overlapping throughout the MOF and as a result there is no central coordination.

MOF staff and the mission concluded that a new organizational system needs to be developed for the MOF as regards all M/E activities. At present, there are two operating groups in the Ministry, the policy and executive group. A reorganization is needed that will deal with the requirement of more sharing of information and general management coordination between these two administrative groups.

There is also a fundamental need to develop a computer-friendly environment at the MOF and this means a training programme for staff. There is at present a computer system for taxation, but this system must be extended to other areas. An M/E Unit is required that can make use of a new computer system. A project has been developed for MOF computerization with a projected budget of US\$80-90 million.

#### **4.6 The State Committee for Cooperation and Investment**

The SCCI has ministerial status as a member of the Council of Ministers (COM) and "is responsible to the COM for giving guidance and uniform management to all forms of foreign

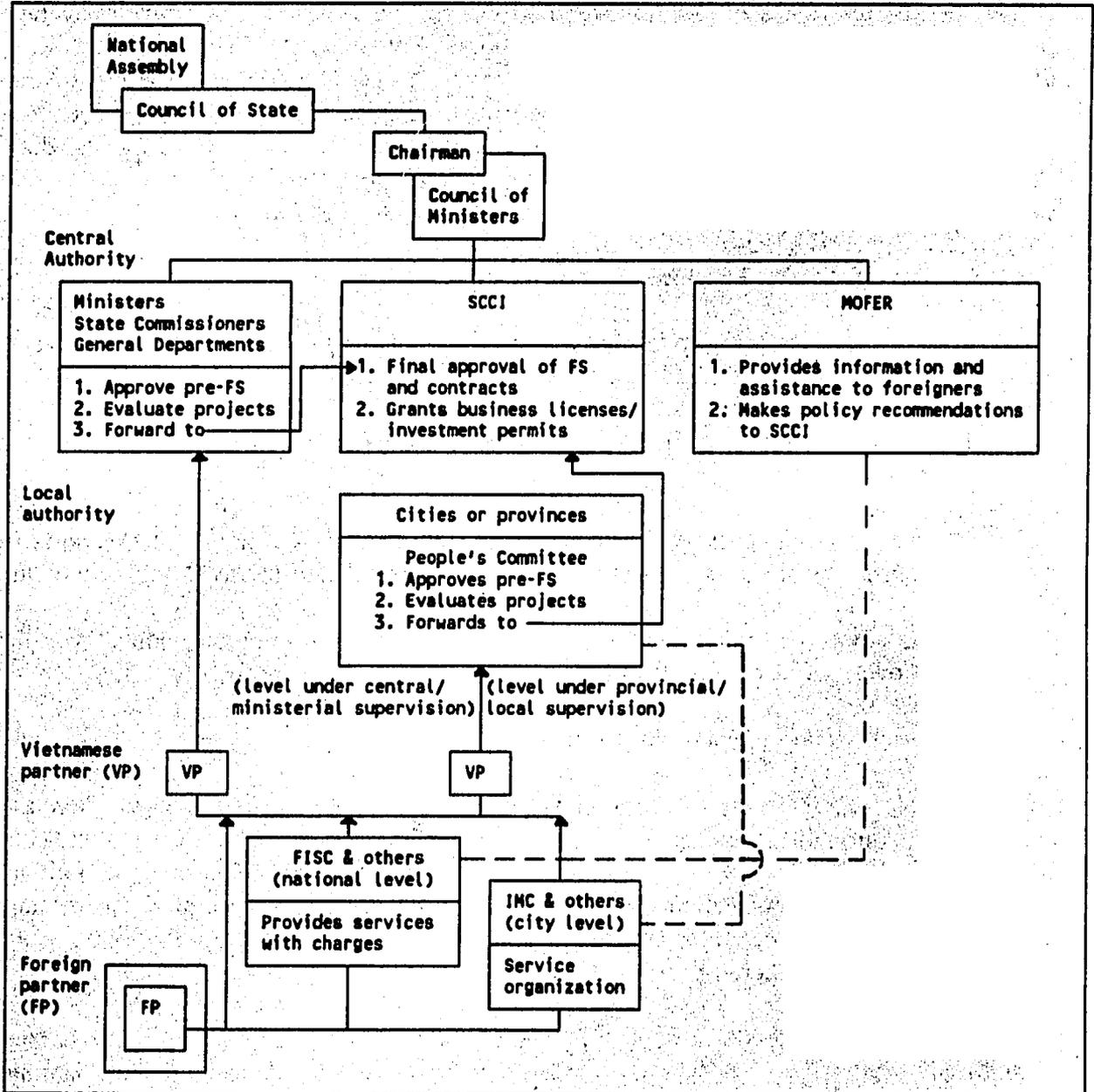
investment in Viet Nam and Viet Nam's investment activities in foreign countries". The SCCI was established under a COM Decree on 25 March 1989. The Committee is a "superministry" and the current Chairman is a former Chairman of the SPC. The SCCI began operation with a staff of 4 senior people and has now grown to 92 staff. The Hanoi office has 60 staff and includes the Chairman of SCCI and an Executive Vice-Chairman. The concurrent Vice-Chairmen are Heads or Deputy Heads of the Ministry of Finance, the Ministry of Commerce (which encompasses the former Ministry of Foreign Economic Relations, the State Bank, the State Planning Committee and the State Commission for Science and Technology. In Ho Chi Minh City, there is a staff of 30 people, including two Vice-Chairmen.

The SCCI is organized to play the central role in the whole process of M/E related to foreign investment in the SRV. (See table 6, *Investment procedures in Viet Nam.*)

The key functions of the SCCI include:

- \* The preparation of the legal framework, all laws, decrees, regulations and legal documents which relate to cooperation and direct investment in the SRV;
- \* To prepare directions, guidelines and policies on investment in conformity with the economic and social strategy of the SRV;
- \* To act as the coordinating centre to solve all problems which arise concerning State management in the areas of cooperation and foreign investment in the SRV;
- \* To provide advice to foreign investors and to direct them to appropriate branches in the SRV, and overseas in relation to cooperation and investment activities;
- \* To issue licences and registration certificates;
- \* To provide incentives for direct foreign investment to SRV such as tax holidays and exemptions through the licensing process;
- \* To Monitor the implementation of projects in terms of what is happening to the investment and how laws are being followed and respected, if taxes are being paid and terms of the investment licence adhered to properly;
- \* To check out the credentials of potential investors with the assistance of foreign embassies and trade offices;

**Table 6. Investment procedures in Viet Nam**



Note: FS refers to feasibility study.

Source: Pacific Business and Industries, vol. IV, 1990.

The SCCI is the body that receives all applications for foreign investment and it consults widely with key Ministries, such as the MOF and the SPC. It was emphasized to the mission that the SCCI is the only agency with the right to issue licences.

It was pointed out that the approval process for licences takes three months, but on the average it usually takes one and a half months to grant a licence and very large projects may take considerably longer. To date, some 400 licences have been issued.

The SCCI does not act as an investment service organization, but it has granted licences to a number of investment services companies. They gather information, prepare proposals, draft contracts and enterprises' charters.

#### **Strengthening Project Evaluation Centre: findings**

The SCCI has a special unit which is dedicated to monitoring and evaluating the activities of foreign investors by means of a report which must be filed every six months. UNDP has a project with the World Bank, VIE/89/010, to strengthen this unit with project evaluation training. A model form is provided to the investor. The M/E activities are mainly centred in Ho Chi Minh city owing to the large number of investments in that region at present.

The mission was informed that the M/E unit has limited manpower to review and check every report, given the over 400 licences currently in operation, which means some 800 reports to review annually and now growing at a rapid rate. The mission was not able to see any of the internal reports and evaluations regarding the investor reporting system.

#### **4.7 General Statistics Office of Viet Nam**

The GSOV has a staff of 400 which is responsible for collecting all the nation's statistics, and as such represents a major instrument in the M/E of all levels and sectors of Viet Nam. There are approximately 20-30 staff at the provincial level and 5-10 staff at the district level. There are three vocational schools for statistics located in the north, south and central regions of Viet Nam. New staff are recruited from the programmes of the National Economic Institute and the National University of Economics. All salaries are paid by the GSOV; however, at the local levels, staff is managed through local government.

#### **Organizational structure of statistics departments**

As a rule, each central ministry has approximately 10 staff members located in the Planning Departments who handle statistics and in the case of the Ministry of Labour, Transportation and Communications and Health, each has its own separate Department of Statistics. According to existing Decrees with regard to statistics, each ministry has the responsibility of sending statistics to the GSOV monthly.

The GSOV has been conducting sample survey only since 1989. Five surveys were done in the first year of this new system, including a population census, living conditions in rural areas, production in new State sectors, housing and private sector trade. In the following two years, surveys were done on the transport sector, private sector enterprise starts and in 1992 an improved survey is to be launched on the country's living standards. United Nations assistance from the World Bank has helped the GSOV to improve its performance and in 1992 the Asia Development Bank is allocating US\$150,000 to Viet Nam for improvements, which is part of a \$500,000 grant for the Lao People's Democratic Republic, Cambodia and Viet Nam.

In 1993, the GSOV will begin paying costs for provincial statistical operations and this is expected to improve the quality of the data collected and overall control of operations at local levels.

The GSOV maintains a close relationship with the SPC by providing statistics for SPC monthly reports to the COM and various ministries and localities. The GSOV does evaluation reports on all provinces.

The Council of Ministers report prepared each January provides a detailed evaluation for the agricultural plan, using two main indicators - crop and animal husbandry production. In the industry sector, data is supplied on 100 products, with a breakdown by ministry and province.

The COM report also contains indicators on completed construction, totals on freight transport, the price index, the value of imports/exports for the main consumables, financial/trade activities, bank activity, per capita income, and health services and education. It has proven difficult to provide the COM with monthly figures on the banking system and health services.

#### **Ministry of Agriculture and Food Industries: statistics**

The Ministry of Agriculture and Food Industries (AFI) can only partially meet the statistical requirements of GSOV because of poor horizontal linkages and receiving data only from State farms, which represents 5 per cent of agricultural production. The GSOV does all statistics gathering for the large private agricultural sector.

To estimate rice crop production, 10 per cent of the 50 provinces are surveyed and a random sample is taken for 1 square metre of rice and an a national average is calculated.

#### **Recommendations for improving the quality of GSOV statistics**

The mission was informed that:

- \* Staff at all levels needs to be trained in market economics as it relates to the gathering, analysis and reporting of statistics;
- \* Surveys are seriously underfunded and urgently need more financial support.

The entire budget for the GSOV in 1992 is approximately US\$2 million; half of the budget must be devoted to surveys and only two small ones are possible.

The GSOV Computer Centre is self-financed by the consumer, mainly through ministerial contracts. There are regional computer centres in Da Nang and Ho Chi Minh City.

## CHAPTER 5

### MONITORING AND EVALUATION: SECTOR LEVEL

#### 5.1 Industry sector

Viet Nam's industrial sector is grouped under the Ministry of Heavy Industry, the Ministry of Light Industry and the Ministry of Agriculture and Food Industries. As a result of the doi moi approach to the economy that was launched after the 1986 Six Party Congress, a substantial process of liberalization in the industry sector was begun.

Direct government control over most industrial enterprises was dropped and only 35 key industrial sectors (many of which were in heavy industry, such as energy, transport and communications and chemicals) retained some management control. In 1987, the Council of Ministers took a step further in ending direct management over the heavy industry sector with respect to production and distribution, and the sector has been edging closer to the concept of using the market to fix prices.

#### 5.2 Ministry of Heavy Industry

The mission case study regarding M/E practices for the industrial sector is based on discussions with officials in the Ministry of Heavy Industry.

The Ministry has two key priorities with respect to the plan. These are:

- \* Domestic and foreign demand;
- \* Tax plans for enterprises to augment the National Budget.

In effect, the two most important indicators that govern M/E and appraisal activities in the Planning Department have to do with total production numbers and the taxes which are in turn generated for the national budget. Another related indicator mentioned is the total estimated set price of products.

The mission did not find any evidence of ongoing and end-of-project evaluations on the outputs of enterprises in terms of efficiency and quality control.

Total production for enterprises is divided into two categories, government support and market demand. At the beginning of the year, a tentative plan is formulated and monitoring is carried out on a quarterly basis. When products are not selling, then adjustments are made.

When enterprises wish to design and produce a new product for the market, an economic/technological justification must be made by the ETJ in the State Planning Committee.

As is the case for all SRV Ministries, Heavy Industry formulates its annual operation plan from the officially approved five-year plan (1991-95). Products for the heavy industry sector are produced from five separate Divisions. These include:

1. Mechanical;
2. Metallurgy;
3. Electro-technics;
4. Chemicals;
5. Mining (apart from coal mining).

Until recently, the petroleum industry was grouped under heavy industry but this has now been handed over to the Council of Ministers. Each of the above Divisions draws up its own plan, which is forwarded to the Ministry for approval.

The organizational structure of each Division is as follows:

- \* Planning, where M/E and appraisal and product intelligence is coordinated;
- \* Science and Technology;
- \* Finance and Accounting;
- \* Basic Construction Investment;
- \* International Relations, which looks at foreign product demands and investigates new products.

It was emphasized that each of the above Divisions has its own M/E and Appraisal Unit.

In terms of a reporting system, the Planning Division receives monthly reports from each of the other Divisions and makes a synthesis of the information. A mid-year and yearly report are prepared, which is forwarded to the Ministry of Heavy Industry and the Council of Ministers. The quarterly report from enterprises includes sections on fixed assets, on production cost and sales (volume and value), on payments to the national budget and finally on profit/losses. The quarterly reports are expected to be filed within 10 days following the last day of each quarter.

#### **Strengths and weaknesses of the current system: findings**

In general the Planning Division feels that it receives accurate reports from the separate Divisions and when there are doubts staff is usually sent to the enterprise concerned to make a more detailed investigation. Problems in M/E relate to the need to build a more effective information system as the data is often out of date and is not received on time. There is a growing computerization of the Heavy Industry Sector, and there are plans to establish a computer network with enterprises.

The mission was informed that a computer culture has not yet grown up in the various Ministries and as a result there is not enough staff use of existing computers. In addition, staff need to follow report models with reference to computer-generated information. The above weaknesses point to the need for training programmes in management information systems in both the public enterprises and the Divisions in the Ministry which supervise the various heavy industry sectors.

Without modifications to the existing information gathering system, it will be difficult for Ministry officials to produce reports with up-to-date information on the 200 major heavy industry enterprises. The mission was not able to obtain any report procedure instruction guides or reporting forms that apparently do exist.

Finally, it must be underscored that there is very little communication between industrial enterprises and individual ministries as all communications regarding progress reports is via the Minister's office and the Council of Ministers. This provides very little opportunity for cross-fertilization of ideas with respect to improving planning and M/E and appraisal practices.

### **5.3 Ministry of Transportation and Communications**

In 1992, the total planned investment of the Ministry is some 500 million dong and this covers air, rail, road, marine transportation and the telecommunications sector.

The Planning Department was careful to point out to the mission that its planning process is not based on projects but rather on the five-year plan, from which individual one-year plans are derived. Recommendations are made for the annual plan to the State Planning Committee and then to the Council of Ministers. This year some 1,000 million dong was requested and only 500 million dong was approved. It was pointed out that some projects arise out of immediate demand not contained in the original plan. An example of this was the highway connecting the Hanoi bridge to the airport, and here there was little advance M/E and appraisal possible.

The Ministry has a Management Board of Projects for large projects and it produces monthly and quarterly reports to the Minister which deal with physical and financial progress. When a project is completed, a committee is created to deal with the official approval of the project. Usually six months or one year after the completion of the project appraisal on its effectiveness should be made.

The weakness in the present system is that apparently M/E is not always carried out and this stems from the fact that there is no training of staff in evaluation methodology and there is a consequent lack of discipline among staff in its appraisal activities. It was pointed out to the mission that in essence, all that is provided at end of project is a balance sheet relating to inputs, but outputs are not scrutinized and there is no calculation on the effectiveness of the investments which are made in the transportation and telecommunications infrastructure.

### **5.4 Education sector**

#### **Ministry of Education and Training**

The Ministry has a staff of 500 at the central level with 15 separate departments. Each of the 53 provinces and three major municipalities has its own Education Services Department.

The primary education level is composed of grades 1-5. The current plan up to the year 2000 has set an objective of universalization of primary education for all children and eradication of illiteracy among adolescents and adult learners and the organization of post-literacy courses for them.

The present adult literacy rate is quite high at 88 per cent (1989). In 1987 reforms were initiated in the secondary education system, and the secondary level now includes general secondary (lower and upper), professional training and middle-level vocational education. (See table 7 - Number of schools (classes), students and teachers in 1987.)

At present the current system of universities and colleges numbers some 105 institutions which does not include institutions, of the Ministry of National Defence and the Ministry of the Interior.

(See appendix 5, Target for universalization of primary education up to the year 2000.)

The mission found good evidence of ongoing monitoring activities by the Ministry of Education and Training. In 1991, the Ministry published a comprehensive description of the education system in Viet Nam from 1945-1991 with the assistance of a grant from United Nations Educational, Scientific and Cultural Organization. A wide variety of indicators are employed to measure the efficiency of the present system at all levels. The Planning Department does not have a properly constituted M/E Unit with personnel trained in methodology and the practice of implementation and performance monitoring.

### **Weaknesses**

The following weaknesses in the present education system were presented to the mission as key indicators to assess educational quality and success of the system. These include:

1. A low standard in the professional teaching ability of teachers in the primary and secondary system due to lack of training and the low salaries that are offered to recruit educated Vietnamese;
2. A major lack of essential equipment in the school system and poorly supplied libraries due to a lack of adequate funds;
3. A lack of interest on the part of students because the economic rewards are greater in becoming an entrepreneur than finding low-paying jobs requiring various education levels.

The mission was informed that funds from the centre are allocated to the Provincial People's Committees for education purposes, but in some cases in the past the money was not always used for education. There is now a new system whereby funds are given directly to Education Services Departments, although this has not been implemented for all provinces as yet.

Table 7. NUMBER OF SCHOOLS (CLASSES), STUDENTS AND TEACHERS IN 1987

HIGHER EDUCATION	100	1,167,000	198,200
VOCATIONAL SECONDARY EDUCATION	293	147,000	14,800
SECONDARY GENERAL EDUCATION	1,025	911,800	40,900
BASIC GENERAL EDUCATION	12,994	11,711,300	398,800
INFANT SCHOOL	6,470	1,896,700	74,700
<input type="checkbox"/> female <input checked="" type="checkbox"/> male	500 Schools 10,000 Classes	50,000 each 200,000 each	10,000
	Number of schools and classes	Number of students	Number of teachers

(1) Total: male and female.

## **National Economics University, Hanoi**

The National Economics University (NEU) is at present going through a transition period like so many of Viet Nam's institutions and provides a case study of changes that are taking place in the university system. The NEU has a full-time staff of 486 people. It is one of 45 universities and colleges across the country. The Rectors of all universities have been meeting for two years in committees to reshape curriculum to meet the needs of a market-based economy but no consideration has been given to offering M/E training courses. The Ministry of Education and Training (MET) is responsible for the operation of all universities.

The Committee for Renewal of Course Curriculum is composed of the following members:

- \* Chairman - Rector of NEU;
- \* Rectors of other universities;
- \* Science Research Committee of Higher Universities;
- \* The Head of the Education and Training Department in the MET.

It was emphasized to the mission that the process of change is only just beginning and that major changes are needed in the teaching of economics-related subjects and improving language skills, with a major focus on English.

Before 1988, some 50 Vietnamese students returned each year with economic training obtained in the central market-economy approach of the Soviet Union and other countries in Eastern Europe.

There are now two major targets for training in market economics. These include the graduating of 200 students and an additional 400 members of the business community yearly.

The NEU has the following Departments and Centres and all have a strong economic focus:

1. Planning;
2. Industrial Management;
3. Agricultural Economics;
4. Commerce;
5. Banking;
6. Labour Management;
7. Accounting;
8. Marketing (formerly called Pricing);
9. Statistics;
10. Mathematics and Information Sciences;
11. Tourism.

**The three Centres are concerned with:**

- (a) Business management training and upgrading and coordinated by the Institute of Central Economics;**
- (b) Population Centre (geography/demographics);**
- (c) Foreign languages.**

**The NEU has a regular enrolment of 2,400 students and an additional 2,000 part-time students.**

**The financial resources of the NEU are very meagre indeed, and it is estimated that the entire budget is US\$1.4 million. Approximately 70 per cent of the student population receive scholarships from the State at the level of 1.7 million dong each.**

**Teaching salaries are very low. It is interesting to note that the monthly fees for students is based on the cost of 25 kilos of rice at any one time to deal with the vexing problem of inflation.**

**In September 1992, the Ford Foundation is sponsoring a university training programme for 50 participants on the topic of market economics. Attendance will be shared by the NEU, and students from other economic colleges and universities in Viet Nam, as well as other national institutions. This is seen to be a useful step forward in Viet Nam's efforts in operating a market economy.**

## **5.5 State Committee for Sciences**

### **Introduction**

**The State Committee for Sciences (SCS) was set up in 1956 as the State Committee for Science and Technology, with the status of a full ministry. The SCS is responsible for overall management of Viet Nam national science and technology (S&T), including social sciences and implementation of policy. The Chairman of the SCS is a member of the Council of Ministers. (See table 8, for the National S&T management system in Viet Nam.)**

**The major areas of activity of the SCS are as follows:**

- 1. Formulation and execution of S&T policy, forecasting and strategy formulation;**
- 2. Development of S&T manpower policy and planning of human resource development and use in various S&T sectors;**
- 3. Overall planning and management and fund allocation for national research and development and R&D initiatives;**

4. Setting up procedures, methodology and regulations for the management of S&T nationwide;
5. Assessment of technological inputs in production, including the appraisal of technology for investment projects and any technology transfers;
6. Management of environmental and resource issues in terms of policy for use and conservation purposes, overall monitoring and problem identification and solving, and the appraisal of mineral reserves and how best to exploit them;
7. Responsibility for standardization and quality control of products;
8. Overall management in the areas of patents and licences and industrial property rights.

Increasingly, the SCS is becoming the hub for Viet Nam with respect to information technology networks.

All international cooperation in the field of science and technology is coordinated with international organizations by the SCS and in some cases acts as the executor of some development assistance projects.

Appendix 6, the SCS organizational chart, provides a breakdown of departments, and related research institutions and advisory councils and various centres.

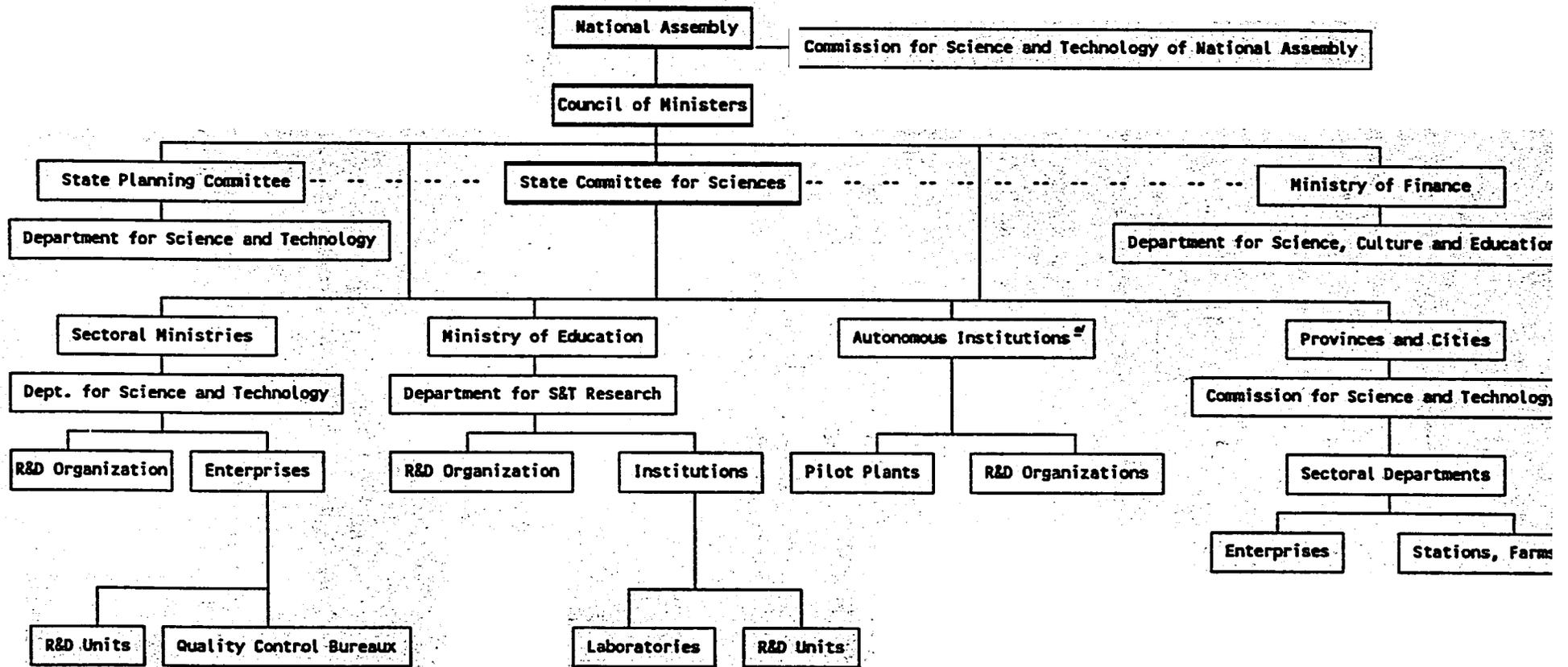
### Appraisal system

1. In the case of very large projects, such as the recent 500 kva Hydropower Plant, a special committee was established under the Chairmanship of the Chairman of the State Committee for Science.
2. International projects which are largely funded through ODA from UNDP, FAO, etc. These projects usually have funds available to make evaluations of technology matters.
3. Vietnamese projects of small and medium size.

The State Committee for Sciences has done a number of project evaluations with respect to guidelines provided by the International Development Research Centre (IDRC) for some bilateral projects.

In conclusion, it should be noted that the majority of the evaluation/appraisal work is carried out on technology to be used with respect to the establishment of new enterprises.

**Table 8. National S&T Management System**



<sup>a</sup> Autonomous institutions comprising: National Centre for Scientific Research, Central Research Institute for Economic Management, National Centre for Social Sciences, National Institute for Atomic Energy and National Institute of Technology.

## **Weaknesses**

1. There is a lack of staff (only 100 senior personnel) and whenever possible scientists are co-opted from other Ministries and Committees of the Government; essentially ad hoc in nature, with no formal structure;
2. A paucity of laws and regulations with respect to appraisal;
3. An inadequate infrastructure for a properly functioning management information system, including a lack of up-to-date information for assessment purposes;
4. There is a need for greater horizontal cooperation with sister agencies.

## **The Department for Technical Appraisal**

This department has responsibility for three areas:

1. Appropriate technology with respect to suitability to laws and local conditions;
2. Natural resources, concerning the correct use of local resources;
3. Environmental issues, regarding the impact of an investment on the environment, although no environmental laws exist as yet in Viet Nam.

The technical appraisals use a systems approach for the above three areas, and objectives, marketing, financing are all considered when assessing a project.

The Department of Technical Appraisal suffers from lack of trained, qualified staff and outside consultants often lack the necessary qualifications and experience to be hired.

In 1992, the Decree Law 35 was passed to regulate all new R&D activities in Viet Nam, and the Science Committee is strengthening its management capability in R&D.

## **The Industrial Projects Development Department**

The Industrial Projects Development Department (IPDD) has found it difficult to evaluate the real value of R&D of a project with respect to concrete outputs. The only way to make a proper evaluation is to conduct post evaluations a few years after the project is completed. However, this is difficult to carry out because of the funding required.

Still, the IPDD has developed its own M/E system and the mission was shown the indicators and forms used for evaluations.

## **SCS reporting guidelines**

The mission was also provided with examples of Reporting models.

Regular reports on a quarterly and yearly basis use the following set of guidelines for various scientific and technological products.

1. Quantity of products with a review of what the contract numbers specified, and the actual quantities as per previous reports and for the present report and the totals including those planned according to contract.
2. Quality of products using a series of quality indicators, and the quality levels as planned and actually implemented.
3. Number of products used or consumed, by name, the quantity and who used them.
4. Comments on achieved results.
5. Financial progress, including total project funds and disbursements.
6. Analysis of project expenditure, with a breakdown by salary, material and energy consumption, equipment purchases, construction and materials.
7. The balance between the funds allocated and real expenditures, and a listing of expenditure not planned for in the project.
8. Project problems that have not been solved.
9. Proposed future activities.
10. Conclusions and suggestions.

#### **Weaknesses in the system reported to the mission**

Weaknesses remain in the system concerning performance monitoring, end-of-project completion reports and ex-post evaluations. The Department needs the technical assistance of other countries to enhance its M/E of R&D projects in Viet Nam. It was emphasized that this is especially important now that new indicators must be developed and applied to market-economy-focused R&D. In conclusion the staff of the State Committee for Sciences needs urgent training in the methodology and techniques of M/E. Also, it would appear that the actual price that is obtained for a product is not looked at.

#### **Science and technology funding**

The portion of the national budget dedicated to science and technology for 1992 is approximately 2 per cent of the total budget or 200 billion dong.

About 100 billion dong is used to pay for salaries and to maintain the infrastructure of science and technology institutions, 50 billion dong is earmarked for the development of science and technology in the provinces, and the remaining 50 billion dong is used for R&D.

#### **State Committee for Science and Technology - Ho Chi Minh City**

The mission met with officials who outlined present support from UNDP for 1986-1991 period. Four are in the industrial sector and four in the field of agricultural development. Two projects

have been completed and the remainder will be completed in coming months. For the period 1991-1995, two projects have been submitted to UNDP with respect to the Master Plan for the Economic and Social Development of Ho Chi Minh City. This plan calls for a practical assessment of the city's present situation which will enable the development of planning priorities and from this, feasibility studies will be made.

### **Plastics Technology Centre**

The mission had the opportunity to visit the Plastics Technology Centre (PTC) which falls under the umbrella of the State Committee for Science and Technology in Ho Chi Minh City. The PTC is part of Union Plastics Enterprise (UPE) managed by the People's Committee of Ho Chi Minh City. The UPE consists of nine factories and the PTC R&D facility.

The PTC was set up in December 1989 with a grant of US\$1.5 million from UNDP. There were some initial delays in commencing operations due to late deliveries of equipment. The Centre has a staff of 40, half of which are well-qualified engineering graduates. Its major objectives are to carry out R&D on all aspects of new projects to produce plastics, including the suggesting of proper quality-control measures, and how to make use of local material resources where possible. All foreign joint venture requests regarding the plastics industry must be screened by the PTC. The Centre also acts as a training centre to demonstrate new techniques in the manufacturing of plastics. PTC engineers in effect train the technical staff of the plastics industry.

The PTC is organized under four departments, Materials Study, Quality Control, Processing (Pilot Plans) and Information and Training Services. The latter is setting up a database regarding the plastics industry.

### **Findings re PTC**

In effect the Centre acts as the interface between industry and the final manufactured product. The PTC is financially self-sufficient through the contracts it makes with industry on such services as quality control, information services and transfer of technology and training.

Evaluation reports are made every six months to the People's Committee of Ho Chi Minh City via the UPE as well as to UNDP/UNIDO and the State Committee on Science and Technology. Regular tripartite meetings are held with the Committee for Science and Technology and UNIDO/UNDP. It would appear that other groups associated with the PTC have not fully understood the vital role it plays as the catalyst for R&D which will drive the plastics industry forward into the next century. Some still judge the Centre on the basis of production totals like the factories in the UPE family. The mission was impressed by the dynamic leadership of the PTC management -----

It was noted that 90 per cent of the production of plastics in Viet Nam takes place in the region of Ho Chi Minh City, with approximately 1200 small plastics processors.

## **5.6 Health sector**

The Ministry of Health is headed by a Minister and three Vice-Ministers with 12 separate departments. It has a budget of 7 Billion Dong or 4 per cent of the national budget and which works out to US\$1.5 per capita per year. A recent Council of Ministers Decree has stipulated that the total staff of the Ministry is to be reduced from 320 to 270 by June 1992. (See **appendix 7** - National health budgets 1986-1990.)

The Ministry has a Statistical Centre which has been computerized since 1991, with a current staff of 14. A 1990 Statistics Book was published under the authority of the Ministry. The mission found that this report provides a good overview of indicators used for M/E of the current successes and failures of Vietnamese health and sanitation. The book follows most of the indicators as per the standard of the World Health Organization (14 key WHO indicators).

Information collection is focused on the health care services in the provinces/districts and the National Health Programme.

An Inspection Department was set up in 1992 with a staff of 12. Among its responsibilities are the monitoring of the use of pharmaceuticals, hospital regulations, sanitation and food quality, and handling complaints regarding the above.

At the provincial level there are Sanitary Offices with a Director and three Deputy Directors who are responsible for hospitals, medical training of local personnel and pharmaceuticals (production in local factories). The offices manage secondary medical schools which produce assistant-doctors and nurses-midwives.

There are provincial stations (centres) which monitor local hygienic conditions and problems regarding communicable diseases, local water supplies (wells), lavatory facilities, the use of septic tanks and a special emphasis on the eradication of malaria. (See **table 9**, medico-health personnel.)

### **National Health Priorities**

In 1992, the Ministry of Health developed and introduced seven new priorities into its planning system as basic indicators with which to measure the effectiveness of its work throughout the country. These consist of:

1. Promoting and improving health care;
2. Control of malaria;

3. Maternal/Child health/Family planning;
4. Expanded immunization programmes;
5. Improved Hospital care;
6. Provision of drugs and equipment to the health care system;
7. Goitre Control (9 million Vietnamese have iodine deficiencies).

However, the mission feels that it will be very difficult for the Ministry to monitor and evaluate these indicators because there is no formally constituted M/E Unit at present and personnel in the Planning Department need substantial training in M/E methodology and practices.

### **5.7 Agriculture and food sector**

The Ministry of Agriculture and Food is headed by a Minister and five Deputy Ministers and was merged from the former Ministries of Agriculture, Food and Food Industries in March 1987. (See appendix 8 - Organizational structure of agriculture sector.)

Viet Nam has about 6.9 million hectares of land in production at present with a strong concentration of paddy rice. In 1992, the country is expected to export 1.5 million tons of rice. It also produces rubber, tea, coffee and silk and abundant fruit and vegetables.

The Ministry has four key areas of focus, including research with 16 institutes and 6 centres, education and training in association with the Ministry of Education and Training, State management systems and services and production.

The Planning Department of the Ministry has a staff of 62 people. There are 13 members who specialize in the collection of information and make use of the computer at the information centre of the Ministry. There are two staff based in the south, two in the centre and 9 members located in the north. Agricultural statistics are paid through the national budget with payments from the national budget to the provinces and districts but there are no salaries for information gathering at the commune level so regularity and reliability of information are serious problems in the current system. (See section on General Statistics Office, agricultural statistics.)

Data are collected at the commune level every day and this is passed on to the district level and the Ministry by telephone. This telephone system has been operating since 1988, and provides information on land under cultivation, the delivery of fertilizers and weather conditions and water supplies. All information is also compiled into a written report every 10 days.

In effect the mission learned that there are really two systems of information gathering in operation, one collects data from the State farms and is deemed satisfactory. The second deals with collecting information from communes and districts from the private sector; however, as mentioned earlier, there is no paid staff to collect this information on a regular and systematic basis. The system is therefore unsatisfactory.

The overall system is plagued by frequent changes in the personnel who collect data and the lack of money for telephone and postal services to collect and relay information at different levels.

**Table 9. Medico - health personnel**

	1986	1987	1988	1989	1990
<b>Total</b>	261 903	273 639	267 809	258 652	237 023
<b>Of which: Physicians</b>	199 145	209 326	203 741	203 376	179 587
1. Doctors	19 720	21 827	22 650	25 177	26 821
2. Pharmacists	5 700	6 065	6 166	6 817	5 752
3. Bachelor of Medicine	84	84	147	151	201
4. Assistant doctors	42 885	47 506	48 194	48 770	46 101
5. Medical technicians	5 132	5 655	6 049	5 872	5 800
6. Pharmaceutical technicians	1 101	1 207	1 345	1 928	1 602
7. Assistant pharmacists	5 318	6 200	6 106	8 129	7 252
8. Nurses (2nd level)	16 222	16 317	16 507	17 248	16 827
9. Midwives (2nd level)	4 480	4 606	4 683	5 025	5 025
10. Elementary nurses	67 000	67 147	61 040	56 166	41 867
11. Elementary pharmacists	14 370	15 743	14 760	13 208	10 467
12. Elementary midwives	10 825	10 994	10 223	9 593	8 193
13. Labo. assistant technicians	2 380	2 418	2 531	2 738	1 940
14. Traditional medicine practitioners	3 928	3 557	3 340	2 554	1 739
<b>Other</b>	62 758	64 313	64 068	55 276	57 436
1. Engineers	3 443	2 919	2 984	2 749	2 613
2. Secondary engineers	5 952	3 504	4 893	4 597	4 127
3. Others	53 363	57 890	56 191	47 930	50 696

**Proportion of physicians to population**

INDICATORS	1986	1987	1988	1989	1990
1. Physician for population of	3 085	2 850	2 799	2 558	2 469
2. Physician & asst. physician for population of	975	900	899	685	908
No. of physicians per 10,000 inhabitants	3.24	3.51	3.60	3.90	4.00
No. of physicians & asst. physicians per 10,000 inhabitants	10.06	11.10	11.12	11.50	11.00
No. of pharmacists per 10,000 inhabitants	0.93	0.97	0.97	1.06	0.90
No. of pharmacists & asst. per 10,000 inhabitants	1.98	2.15	2.14	2.62	2.20

## CHAPTER 6

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### CONCLUSIONS AND RECOMMENDATIONS

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#### 6.1 Summary of strengths and weaknesses of M/E practices

##### CENTRAL LEVEL

##### Strengths:

- \* Strong commitment by the Prime Minister and the Council of Ministers for market mechanisms for finance and physical monitoring which will lead to economic renewal and a strengthened political system;
- \* Regular meetings of the Council of Ministers and the State Planning Committee and Professional Committees of the National Assembly and the Central Committee of the Communist Party to review development programmes;
- \* An established system of appraisal inherited from the centrally planned economy system, including the use of Appraisal Committees and Management Boards which now must be transformed to conform to a market-based economic focus;
- \* Ongoing refinement of the management of the national budgeting system.

##### Weaknesses

- \* The inheritance of an appraisal methodology from the central planned economy system which places heavy emphasis on inputs but not on outputs which are often unrealistic "targets";
- \* The lack of an integrated reporting system which will standardize finance and physical implementation and performance monitoring;
- \* A weak system of auditing;
- \* The absence of any M/E units in ministries, committees and departments of the central Government and a related lack of personnel trained in M/E methodology and procedures for its practical application;
- \* There is little emphasis on establishing an evaluation system for outputs of the Government except in the case of ODA projects and programmes;
- \* At present, the management system does not issue formal project completion reports which could provide the required information for published reports by Ministries and Committees. The mission notes that exceptions it has seen include a survey report (1945-1991) by the Ministry of Education and Training which represents a useful model for other ministries to consider adopting for annual reports;
- \* The strong decentralization of provinces and large municipalities impedes the implementation of national development policies;
- \* The lack of an information-gathering system to deal with the growing private sector;
- \* The mission found no examples of any impact evaluations having been conducted in Viet Nam;
- \* A lack of project formulation procedures and methodology and no system for feasibility studies;
- \* A need to monitor private sector constraints.

## **Provincial People's Committee level**

### **Strengths:**

- \* A well-organized decentralized system consisting of Provincial, District and People's Communes Committees with a regular system of meeting leading to execution of activities;
- \* An established tradition of appraisal inherited from the centrally planned economy system, including the use of formally constituted Appraisal Committees and Management Boards, which now must be transformed to conform to a market-based economic focus;
- \* Considerable interaction with Ministries/State Committees at the central level;
- \* A strong desire evident in the People's Committee management to use market mechanisms for the planning system and related M/E activities.

### **Weaknesses:**

- \* The lack of proper information systems to collect data for the decision-making process especially in the area of local, regional and national market surveys for the enterprise sector;
- \* The absence of a well-developed information network which ensures a free flow of information between the provinces and the centre;
- \* The lack of an information-gathering system with respect to the fast growing private enterprise sector;
- \* An acute lack of qualified and experienced personnel when compared to the central level. Also, there is a great shortage of funds to train personnel to make the transition from a centrally planned economy with major emphasis on inputs only, to a market-based economy model and its emphasis on efficient, measurable outputs. In short, personnel require considerable training to acquire skills and experience in M/E;
- \* A lack of funds to finance the physical and technical requirements of carrying out M/E, including a need for basic office equipment such as typewriters and supplies, micro-computers, local transportation and money to pay for outside consultants;
- \* In some cases, it was noted that projects may be implemented by the central level which avoid a review by the Provincial Appraisal Committee system.

## **IMPACT EVALUATIONS**

The mission did not find any examples of impact evaluations having been conducted in Viet Nam in the past few years and this is understandable given the nature of the centrally planned economy system which is now being reformed along market economy lines.

It is clear that ongoing and end-of-project evaluations should be carried out by all Ministries of the Government but this is not being done at the present time in Viet Nam.

However, in line with the mission's recommendation to set up an M/E Unit in the SPC, it may be possible for the SPC to begin the establishment of the impact evaluation tradition with a few model cases in selected Ministries.

As noted earlier, there are at present a number of constraints to setting up evaluation systems at all government levels in Viet Nam and this is probably inevitable, until the country switches from a centrally planned to market-based economy.

The country lacks a properly organized system to collect data in the provinces for a number of Ministries although the GSOV is trying hard with some UNDP assistance to rectify this situation.

Government Ministries in Viet Nam do not have the tradition of issuing published annual reports, and without this it is impossible for other outside bodies such as the National Assembly and its Professional Committees to fully measure their performance. Furthermore, reports cannot be produced because in most cases Ministries do not follow a project completion reporting system.

In conclusion, it must be repeated that there is a great lack of trained staff as well as facilities and operating funds to make the system function smoothly. Changes in the approach to current appraisal systems and the systemic adoption of M/E methodology and practices will not occur unless there is a strong political commitment by the Council of Ministers, the National Assembly, the Central Committee, the State Planning Committee and Provincial People's Committees.

## **6.2 Strengthening management and M/E in Viet Nam: new initiatives**

### **Establishing M/E units/cells**

The process of monitoring and ongoing evaluation are essentially analytical processes with the objective of bringing together and analysing all relevant information and data in order to carry out effective and efficient management.

The current exercise by the Government and the SPC to consolidate all receipt of foreign technical assistance under the umbrella of the SPC provides an excellent opportunity to set up a new M/E unit or cell to assist with the overall management of ODA as well as other functions of various government levels.

The SPC may wish to consider the establishment of an M/E cell at the central planning agency level that coordinates all ODA with individual Ministries and Committees. The M/E process is meant to include implementation and performance monitoring, end-of-project completion reports and impact evaluations which are normally conducted three to five years following completion of a project/programme. A single tiered approach is perhaps the most logical choice for Viet Nam at its current stage of ODA management, and taking into consideration manpower, funding and other resource constraints. At a later stage the SPC may wish to launch initiatives to establish a M/E system in sectoral departments/Ministries and Committees.

The mission also feels that there is great merit in setting up an M/E Unit in the National Assembly of Viet Nam given its supreme role in the overall legislative process in the country.

Finally, it would be useful to set up an M/E Unit in one of the provinces, and the mission feels that the qualifications, desire and enthusiasm found in the People's Committee of Hai Phong would make it a very suitable test case.

The mission makes the cautionary note that all bodies who wish to set up M/E Units should integrate M/E procedures and methodology into the overall management structure. Otherwise there is the risk that M/E will be seen as something carried out by only the "Special M/E Unit" or staff person and as such M/E does not become an integral part of a management. To avoid this pitfall, all middle level and senior managements should receive training on the important benefits to their division's/department's management efficiency and effectiveness by always making reference and applying M/E procedures and methodology to project design, implementation, and, of course, to the ongoing actual M/E activities. By doing this, management avoids the problem of thinking that M/E is something done by another group such as a designated M/E Unit. To repeat, everybody must think and practice M/E.

### **Guidelines for setting up an M/E cell**

In designing an M/E system for the SPC it is important to ensure that this task begins at the stage of appraisal and preparation of requests for ODA and not when the technical assistance has already been approved and the project and programme are ready to be implemented. There are good reasons for taking this approach including:

1. The M/E methodology approach fosters clear thinking on specific aims and objectives and final goals for a particular activity;
2. It permits the estimating of the M/E costs for a project or programme;
3. The overall M/E exercise promotes cost effectiveness and a higher quality of project management for incoming ODA.

### **M/E management cycle**

The following is a list of sequential steps in the actual application of M/E by managers to particular activities.

1. The establishment of project/programme objectives and prioritizing key activities and overall inputs and outputs;
2. Assessing all information requirements and selection of appropriate indicators;
3. Determine the state of the information system available in terms of information gathering and reporting system adequacies;
4. Ongoing collection of primary data;
5. Analysis of primary data;
6. Communication system for reporting findings and recommendations.

It should also be stressed that written guidelines for the SPC M/E are very necessary for the successful operation of a unit and for its management relationship with Committee managers and planners. This may take the form of a small manual or handbook on M/E terminology, methodology and particular system tailor-made for SPC needs.

## **SPC/NA/Provincial Staff Training Programme**

The planning and implementation of an M/E training programme should be done at two levels. In the first case, education and training workshops with participants being drawn from SPC/NA/Province planners and managers, and secondly for the member or members of the proposed M/E unit or cell. It is vitally important that management have a good understanding of the major objectives, tasks and outputs of an M/E system and have a practical understanding of how to make use of it as a management tool.

If this is not done at the outset in setting up an M/E cell, the risk is that the whole exercise may be viewed as something imposed from outside an organization such as the SPC or from other levels of government or from foreign agencies. In short, an education and training programme on the benefits and the actual methodology of M/E will strengthen the process of acceptance and use by planners and managers.

Major objectives of a management training programme (short-term seminars and workshops) are:

1. To provide a thorough foundation for understanding the nature and role of M/E and to demonstrate how it can contribute and enhance effective coordination and implementation of ODA and for future long-term planning.
2. To outline the specific methodology of M/E techniques to provide an appreciation of information systems that will be required in the collection and analysis of field data.

(See appendix 9 for suggestions for performance evaluation from Regional Seminar on Performance Evaluation in Asia and the Pacific, Kuala Lumpur, 1992.)

### **A training programme for the proposed cell or unit**

A more intensive training programme can be designed for the proposed cell/unit and the members thereof, which will be far more comprehensive than the programme for planners and managers.

It may be appropriate to design a series of workshops using a modular course structure. The exact content of the course should be based on a survey of needs and contain a good mix of classroom lectures and interactive workshop sessions and some actual field experiences.

Consideration should be given to involving appropriate colleges and university staff in the training programmes outlined below. This will facilitate the setting up of M/E training programmes at the post-secondary level. At present, the mission found no evidence of any M/E courses being taught in colleges and universities.

### **Financing M/E training programmes and establishing an M/E unit/cell**

The cost of developing training programmes and a unit/cell is obviously dependent on the scope of the initiative decided upon by the SPC.

**Costs for Viet Nam include:**

1. The staff of an M/E unit/cell (including support of specialists and consultants as required);
2. Equipment for the office, including typewriters, microcomputers, calculators and office supplies;
3. Transportation expenses for all required transport modes;
4. Contracts for required surveys with groups such as GSVO to collect required data;
5. The direct costs for conducting socio-economic surveys by the M/E unit or another ministry. Costs may include the hiring of additional temporary staff for collecting and analysing information, as well as transport, computer costs and the printing of formal reports.
6. The cost of ongoing M/E training programmes related to major new ODA initiatives with various Ministries.

**Costs with respect to foreign exchange:**

1. Salaries and expenses for foreign experts for training programmes offered to M/E staff and for setting up a M/E unit/cell;
2. Overseas training programmes for personnel;
3. The importing of any required microcomputers and office equipment and supplies;
4. Transportation vehicles.

The SPC may wish to select a number of planners/managers in addition to the proposed cell/unit members for training purposes with the resulting cost implications for staff replacement, etc. This will ensure continuity in the event the M/E unit needs to be expanded to meet increasing demands and to cover possible vacancies that occur from time to time.

## Appendix I

### LIST OF MINISTRIES/COMMITTEES/PEOPLE'S COMMITTEES/AGENCIES, OFFICIALS VISITED AND/OR INTERVIEWED BY THE MISSION

1. United Nations Development  
Programme (UNDP)-Hanoi,  
Viet Nam

Mr. Roy D. Morey  
Resident Representative

Mr. Michel P. Gautier  
Deputy Resident Representative

Mr. Jens Chr. Wandel  
Programme Officer

Mr. Raymond Mallon  
Resident Economist

2. State Planning Committee  
(SPC)

Mr. Le Xuan Thinh  
Vice Chairman

Mr. Tran Ngoc Trang  
Member of Leadership

Mr. Dinh Thi He  
Vice-President, Committee for Aid  
Management and Reception

Mr. Nguyen Buu Quyen  
Deputy Director, Department of  
General Issues

Dr. Nguyen The Phuong  
Manager, Foreign Economic  
Relations Department

Mr. Le Van Chuc  
Expert

Mr. Nguyen Viet Lam  
Deputy Director, Investment  
Department

**3. State Committee for Cooperation  
and Investment (SCCI)**

**4. Ministry of Finance**

**5. Ministry of Heavy Industry**

**6. Ministry of Transport and Communications**

**7. Ministry of Energy**

**Mrs. Phan Thu Huong**  
Head, Multilateral Aid Cooperation  
Management Division

**Mr. Nguyen Ngoc Phuc**  
Deputy Director, Project Evaluation  
Centre

**Dr. Tran Trong Khoai**  
Enterprises's High Expert of Finance

**Mr. Nguyen Ba Toan**  
Director, International Cooperation  
Division

**Mr. Hoang Manh Tuan**  
Division of International Cooperation

**Dr. Dinh Van Nghi**  
Deputy Director, Planning  
Department

**Dr. Vu Duy Phu**  
Head, Department of Science and  
Technology (Electronics)

**Mr. Nguyen Xuan Chuan**  
Director, International Cooperation  
Department

**Mr. Nguyen Viet Tien**  
Vice Director, Planning Department  
and Project Management Unit

**Mr. Tran Luc**  
Manager, International Relations  
Department

**Mr. Dinh Ngoc Cu**  
Chief Expert, Foreign Cooperation  
Department

**8. Hai Phong City**

**Mr. Tran Tuan Dung**  
External Economic Relations  
Department

**Mr. Vu Chi Thanh**  
Manager, Planning Committee

**Dr. Dan Duc Hiep**  
Haiphong Office for External  
Economic Relations

**Mr. Duong Anh Dien**  
Vice Director, Foreign Affairs Office

**9. Hanoi City**

**Dr. Dinh Hanh**  
Vice-Chairman, People's Committee  
of Hanoi City

**Mr. Nguyen Quang Lan**  
Deputy Director, External Relations

**10. National Assembly (NA)**

**Mr. Mai Thuc Lan**  
Vice-Chairman, Economic Planning  
and Budgetary Committee of the NA

**Mr. Tran Xuan Anh**  
Director, Foreign Affairs  
Department, Office of National  
Assembly and State Council

**Mr. Luu Quang Hoa**  
Economic Advisor, Office of the NA  
and State Council

**11. Ministry of Education and Training**

**Mr. Le Duc Long**  
Expert, International Cooperation  
Department

**Dr. Phan Ngoc Quy**  
Vice Director, International  
Cooperation Department

**12. Central Committee**

**Mr. Vu Quang Tuyen**  
Deputy Chief, Economic Department  
of the Central Committee of the  
Communist Party of Vietnam

**13. State Committee for Sciences (SCI)**

**Mr. Dau Dinh Loi**  
Director, Department for Scientific  
and Technical Cooperation with  
Foreign Countries

**Mr. Do Van Loc**  
Senior Expert, Industrial Department

**Dr. Vu Van Trieu**  
Department of International  
Cooperation

**14. Ministry of Health**

**Dr. Ngo Van Hop**  
Director, Department of International  
Cooperation

**Dr. Le Duc Chinh**  
Deputy Director, Internist,  
Department of Health Management

**15. Ho Chi Minh City**

**Mr. Nguyen Van Huan**  
First Vice-Chairman

**Mr. Tran Thanh Long**  
State Planning Committee, Foreign  
Trade Division

**Ms. Cao Van Quoi**  
Chairman, the Planning Committee

**16. Plastics Technology Centre  
Ho Chi Minh City**

**Dr. Luong Bach Van**  
Director

**Huynh Sau**  
National Project Coordinator

- |  |   |
|--|---|
| 17. Committee for Science and Technology<br>Ho Chi Minh City | Prof. Dr. Hoang Anh Tuan  |
| 18. People's Committee of<br>Quangnam - Danang               | Mr. Nguyen Dang Lam<br>Vice-President   |
| 19. Office of the Council of Ministers                       | Professor Ho Phuong<br>Director, Economics Department                           |
| 20. General Statistical Office of<br>Vietnam (GSOV)          | Dr. Tran Kim Dong<br>Deputy Director, General Statistics<br>Department          |
| 21. National Economics<br>University, Hanoi                  | Dr. Luong Xuan Quy<br>Vice Rector   |
| 22. Ministry of Agriculture and Food Industry                | Mr. Nguyen Ich Chuong<br>Vice Director, International<br>Cooperation Department |

## **Appendix II**

### **LIST OF PUBLICATIONS AND RESEARCH DOCUMENTS**

**Communist Party of Viet Nam-Seventh National Congress Documents Viet Nam Foreign Languages Publishing House, Hanoi, 1991.**

**Report of the Public Administration Diagnostic Mission, United Nations Development Programme, Hanoi, 12 March - 4 April 1991.**

**Identification of Medium-Term Needs and Priorities for an Action Plan. Summary by Somendu K. Banerjee, Director CEO, UNDP, and Action Plan Immediate Measures for Strengthening Performance Monitoring.**

**Report on the Multi-Topic Mission to Viet Nam. International Monetary Fund, Bureau of Statistics, 19 October 1989.**

**Viet Nam: Government Budget, Accounting and Treasury Systems. Issues and Proposals. International Monetary Fund, Fiscal Affairs Department, Hanoi, 31 August 1991.**

**Decree Law on the State Bank of Viet Nam, 24 May, 1990.**

**The Ordinance on Banks, Credit Cooperatives and Finance Companies. Socialist Republic of Viet Nam, 23 May 1990.**

**Decree of the Council of Ministers: Regulating in Detail the Implementation of the Law on Foreign Investment in Viet Nam, 6 February 1991.**

**Guiding the Implementation of Accounting Work Towards Enterprises with Foreign Invested Capital. Hanoi, 21 October 1989.**

**Viet Nam. Transforming a State-Owned Financial System. A Financial Sector Study of Viet Nam. Report No. 9223-VN. World Bank, 15 April 1991.**

**The 1992 Constitution of the Socialist Republic of Viet Nam. (unofficial translation). 15 April 1992.**

**Briefing Note. Socialist Republic of Viet Nam. UNDP, Hanoi, February 1992.**

**Economic Sectors in Viet Nam - Situation Tendency and Solutions by Tran Hoang Kim. Statistical Publishing House, Hanoi, 1992.**

**Economy of Viet Nam. Review and Statistics, by Dr. Tran Hoang Kim. Statistical Publishing House, Hanoi, 1992.**

**Health Statistics of Viet Nam, 1986-1990. Ministry of Health - Department of Health Statistics and Informatics.**

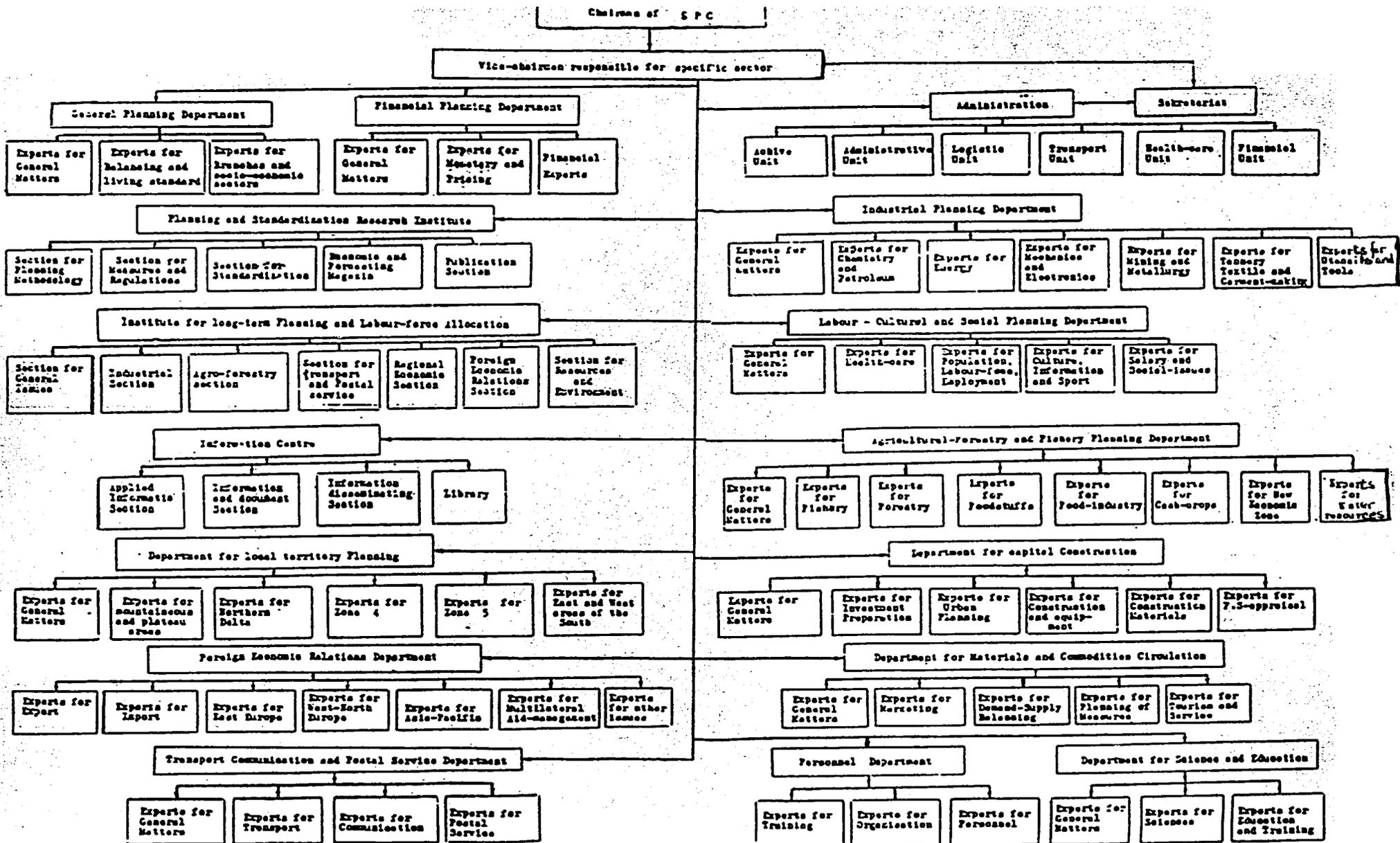
**Viet Nam. Industrial policy reform and international cooperation. UNIDO, Industrial Development Review Series, 17 January 1991.**

**Regional Seminar on Performance Evaluation in Asia and the Pacific. Kuala Lumpur, Malaysia, 1992.**

**Education in Viet Nam 1945-1991. Ministry of Education and Training of the Socialist Republic of Viet Nam, 1991.**

Appendix III

ORGANIZATIONAL CHART OF THE STATE PLANNING COMMITTEE OF VIETNAM



## Appendix IV

# DECISION OF THE COUNCIL OF MINISTERS NO 31, ISSUES ON 25 JANUARY 1992

## SYSTEM OF NATIONAL PLANNING INDICATORS FOR 1992

### I. LINE MINISTRIES

1. Production tasks: Energy, and manufactured good

2. Export and Import:

Export: Rice and crude oil;

Imports: Petroleum, urea fertilizer and steel.

3. Trade in materials and goods:

Imported Material: Petroleum, urea fertilizer and steel;

Goods: Materials for national reserves, petroleum, steel, medicine and specialized goods for defense and security.

4. Capital construction:

Total capital construction and the structure of investments for construction, including investment from the national budget and depreciation.

Important projects and the investment levels taken from the national budget.

Capacity of newly completed projects.

5. Finance and credit:

(a) Line ministries have the right to manage their own enterprises directly, i.e., manufacturing, trade etc;

All items which contribute to the national budget;

All expenditures from the national budget;

(b) The Ministry of Finance is responsible for:

Total income to the national budget which includes:

\* Income from state-owned enterprises;

\* Income from non-state owned enterprises;

\* Loans from foreign countries/organizations;

\* Loans from domestic residents.

Total expenditures

\* Expenditures for science, education, public health, family planning, culture, information, sports, defence, security;

\* Expenditures for development including capital construction;

\* Payment for debts, including the debts of foreign countries or organizations;

\* Expenditures for national reserves.

## **6. Education and training:**

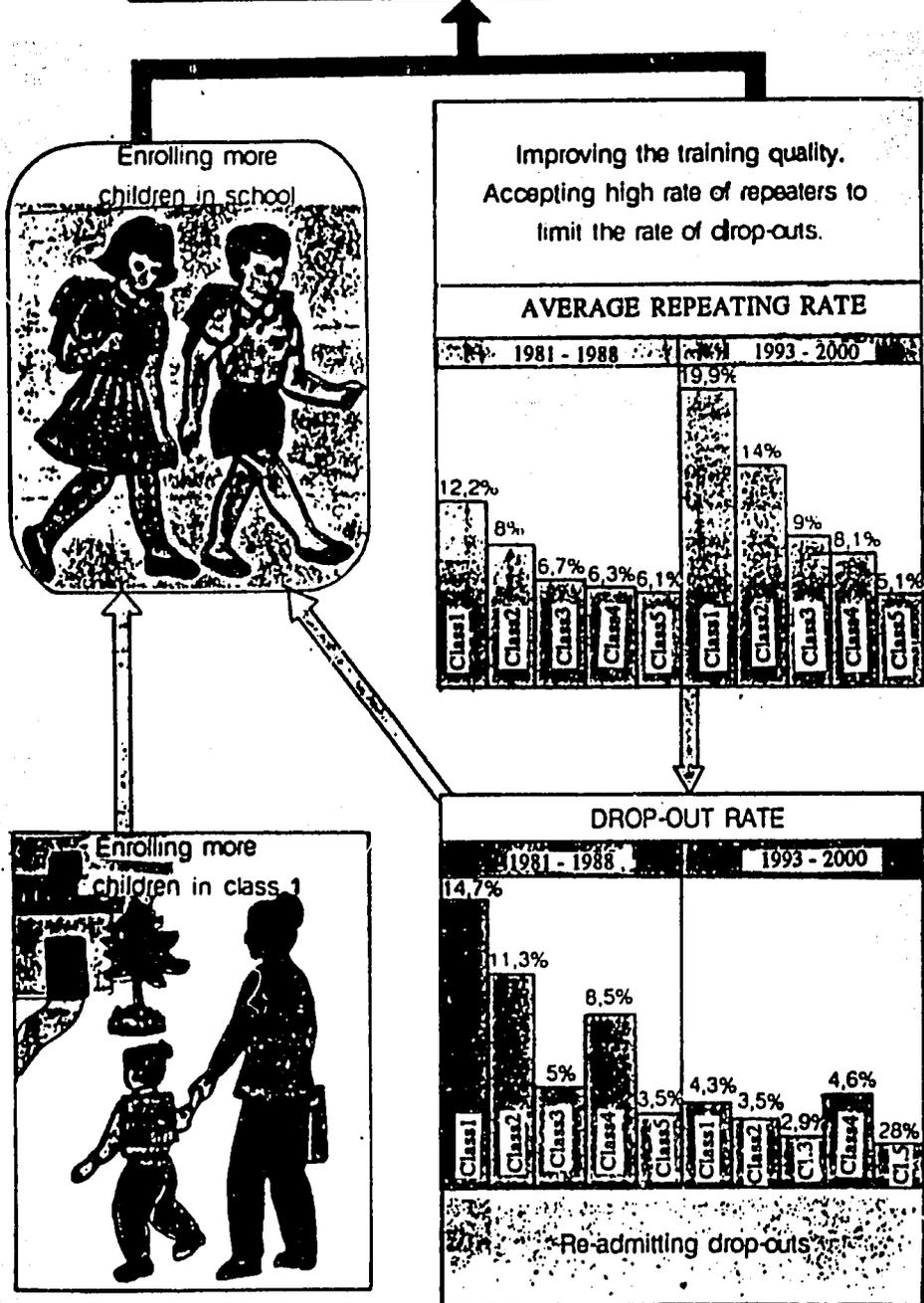
- \* The total number of recruited Ph.D students;
- \* The total number of Masters Degree students;
- \* The total number of students in universities/college

## **II. PROVINCES AND MUNICIPALITIES**

1. Rice exports;
2. Imports of petroleum and fertilizer;
3. Capital construction, including:
  - \* Total investment and the structure of the investment, to include investment from the national budget and depreciation;
  - \* A list of important projects and investment for those projects funded by the national budget;
  - \* The capacity of newly completed projects.
4. Finance:
  - \* Total income contributed to the national budget, including the most important items of income;
  - \* The total expenditure of provinces/municipalities to include the most important items of expenditure;
  - \* Any subsidisation from the national budget.

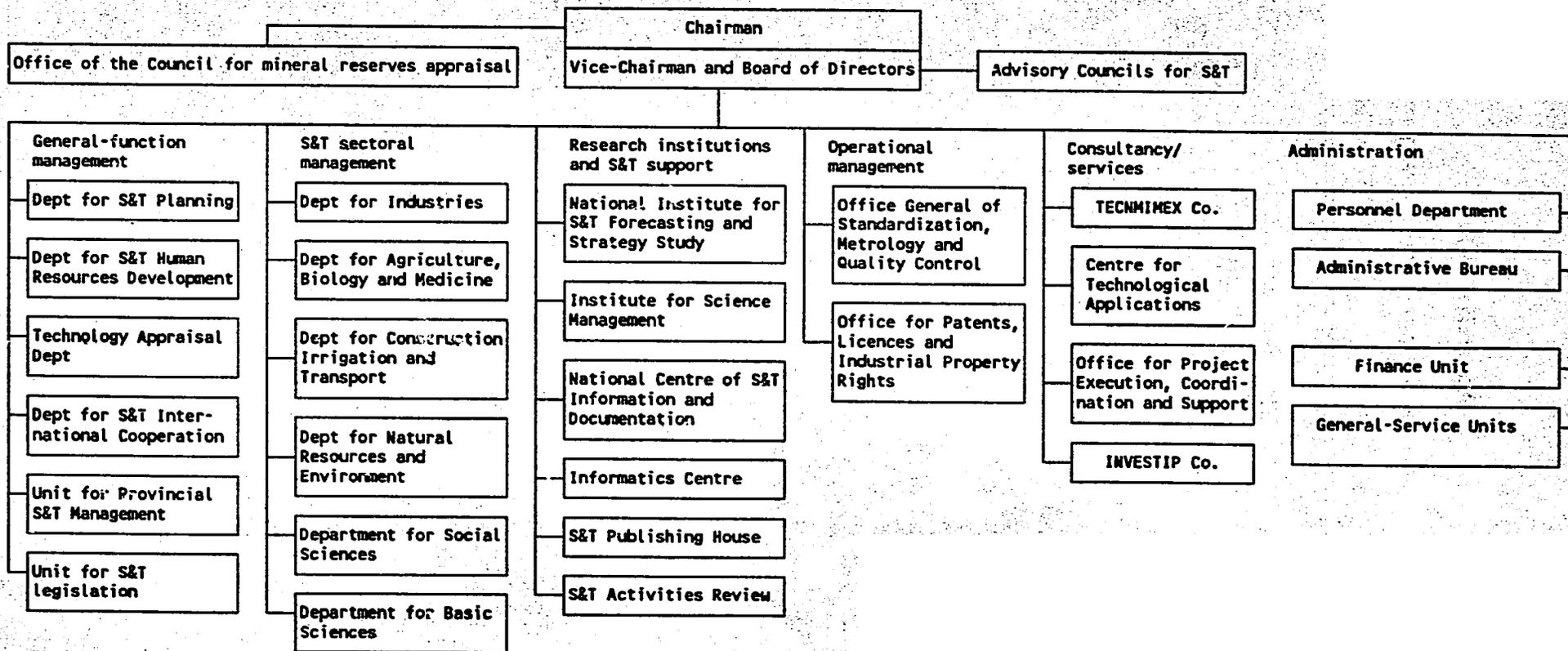
# Appendix V

## TARGET FOR UNIVERSALIZATION OF PRIMARY EDUCATION UP TO THE YEAR 2000



Appendix VI

STATE COMMITTEE FOR SCIENCES ORGANIZATIONAL CHART



**Appendix VII**  
**HEALTH BUDGETS, 1986-1990**

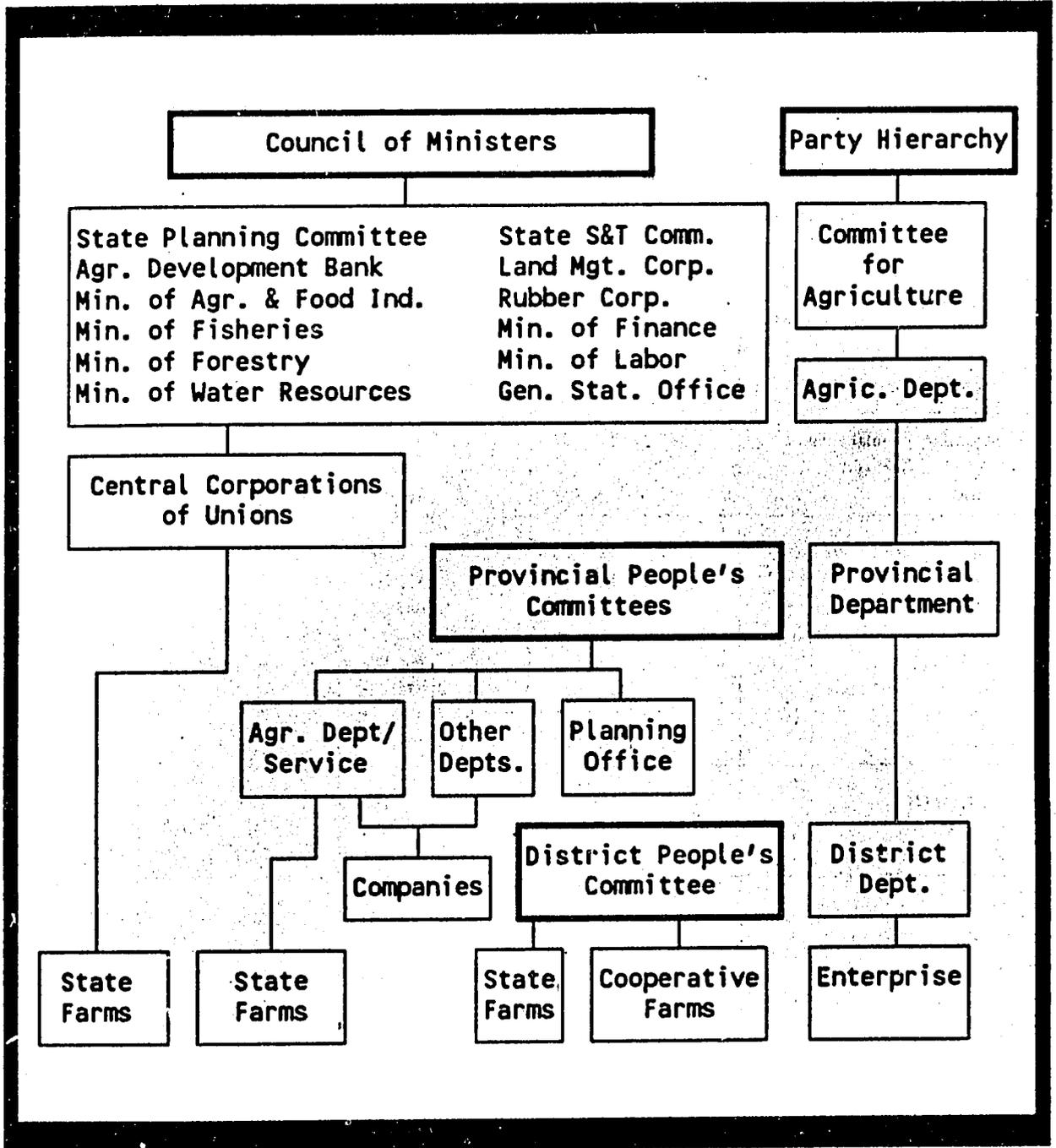
(In thousand dong)

	1986	1987	1989	1990
<b>National budget</b>	<b>120 790 700</b>	<b>514 937 486</b>	<b>2 839 718 937</b>	<b>9 186 370 000</b>
<b>Health budget</b>	<b>3 995 779</b>	<b>16 021 399</b>	<b>110 111 200</b>	<b>367 719 000</b>
<b>BUDGET ALLOCATIONS</b>				
<b>1. Scientific research</b>	<b>21 572</b>	<b>81 246</b>	<b>528 442</b>	<b>1 482 005</b>
- Central level	13 501	39 468	251 771	1 242 455
- Provincial level	8 071	41 778	276 671	239 550
<b>2. Training</b>	<b>242 053</b>	<b>810 467</b>	<b>3 833 747</b>	<b>22 155 217</b>
- High level/University education	86 875	309 058	1 333 444	
- Secondary medical schools	132 313	434 860	327 309	
- Technical worker training	1 332	6 482	20 718	
- Other	21 533	60 067	45 822	
<b>3. Treatment and Prevention</b>	<b>3 681 130</b>	<b>14 990 843</b>	<b>103 570 417</b>	<b>338 641 358</b>
- Prevention	427 915	1 424 290	10 920 671	32 578 890
- Treatment	2 836 677	11 484 330	73 761 016	213 952 967
- Control of social diseases	13 497	494 172		
- Family planning	63 211	266 815	1 888 895	
- Health Units of other Ministries	156 125	531 406	3 637 667	51 843 996
- Other	183 705	789 830	13 362 168	40 265 505
<b>4. Management</b>	<b>51 024</b>	<b>138 843</b>	<b>2 178 594</b>	<b>5 440 420</b>
- Central level	6 531	16 234	203 607	937 380
- Provincial level	44 493	122 609	1 974 987	4 503 040
<b>PERCENTAGE OF H. BUDGET OF TOTAL BUDGET</b>	<b>3.31%</b>	<b>3.11%</b>	<b>3.88%</b>	<b>4.00%</b>
<b>Health budget per capita (Dong, Viet Nam currency)</b>	<b>65.39</b>	<b>256.17</b>	<b>1 727.97</b>	<b>5 551.90</b>

Source: Financial Department of MOH.

Appendix VIII

ORGANIZATIONAL STRUCTURE OF AGRICULTURAL SECTOR



Appendix IX

A. IMMEDIATE MEASURES FOR STRENGTHENING PERFORMANCE EVALUATION

AREAS FOR COOPERATION	ASIA AND PACIFIC Regional Level		DAC MEMBERS AND OBSERVERS International Level	
	COUNTRY	REGION	MULTILATERAL	BILATERAL
AWARENESS	<ul style="list-style-type: none"> <li>- Broad dissemination of evaluation results</li> </ul>	<ul style="list-style-type: none"> <li>- Information networking</li> </ul>	<ul style="list-style-type: none"> <li>- Dissemination of abstracts, news letter and country diagnostic studies</li> </ul>	<ul style="list-style-type: none"> <li>- Dissemination of abstracts, news letter and country diagnostic studies</li> </ul>
POLICY	<ul style="list-style-type: none"> <li>- Re-dissemination of established policy</li> </ul>		<ul style="list-style-type: none"> <li>- Dialogue</li> <li>- Advocacy</li> </ul>	<ul style="list-style-type: none"> <li>- Dialogue</li> <li>- Advocacy</li> </ul>
INSTITUTIONAL ARRANGEMENTS	<ul style="list-style-type: none"> <li>- Assessment</li> <li>- Improvement</li> </ul>		<ul style="list-style-type: none"> <li>- Country diagnostic studies</li> <li>- Study tours/Training</li> <li>- Short term advisers</li> <li>- Needs assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Country diagnostic studies</li> <li>- Study tours/Training</li> <li>- Short term advisers</li> <li>- Needs assessment</li> </ul>
METHODOLOGY (SYSTEM, TECHNIQUES, ...)	<ul style="list-style-type: none"> <li>- Seminars</li> <li>- Assessment</li> <li>- Dissemination of current methodologies</li> </ul>	<ul style="list-style-type: none"> <li>- Networking</li> <li>- Exchange</li> </ul>	<ul style="list-style-type: none"> <li>- Seminar</li> <li>- Manuals</li> <li>- Guidelines</li> <li>- Training</li> <li>- Joint evaluations</li> <li>- Data base sharing</li> <li>- Study tours</li> <li>- Use of national consultants</li> </ul>	<ul style="list-style-type: none"> <li>- Seminar</li> <li>- Manuals</li> <li>- Guidelines</li> <li>- Training</li> <li>- Joint evaluations</li> <li>- Data base sharing</li> <li>- Study tours</li> <li>- Use of national consultants</li> </ul>
FEED BACK (INCLUDING MIS)	<ul style="list-style-type: none"> <li>- Setup follow-up system</li> <li>- Tailor evaluation reports to audience</li> </ul>	<ul style="list-style-type: none"> <li>- Networking</li> </ul>	<ul style="list-style-type: none"> <li>- Dialogue</li> <li>- Sharing experience</li> <li>- Software</li> <li>- Advice</li> <li>- Training</li> </ul>	<ul style="list-style-type: none"> <li>- Dialogue</li> <li>- Sharing experience</li> <li>- Software</li> <li>- Advice</li> <li>- Training</li> </ul>

**B. MEDIUM-TERM MEASURES FOR STRENGTHENING PERFORMANCE EVALUATION**

AREAS FOR COOPERATION	ASIA AND PACIFIC Regional Level		DAC MEMBERS AND OBSERVERS International Level	
	COUNTRY	REGION	MULTILATERAL	BILATERAL
<b>AWARENESS</b>	<ul style="list-style-type: none"> <li>- Workshops</li> <li>- Thematic seminars</li> <li>- National conferences</li> </ul>	<ul style="list-style-type: none"> <li>- Regional evaluation association</li> </ul>		<ul style="list-style-type: none"> <li>- Linkage with national evaluation associations</li> </ul>
<b>POLICY</b>	<ul style="list-style-type: none"> <li>- Define policies</li> <li>- Re-assess current policies</li> <li>- Set priorities/focus</li> </ul>		<ul style="list-style-type: none"> <li>- Short-term advisers</li> </ul>	<ul style="list-style-type: none"> <li>- Short-term advisers</li> </ul>
<b>INSTITUTIONAL ARRANGEMENTS</b>	<ul style="list-style-type: none"> <li>- Design</li> <li>- Set up</li> <li>- Strengthening</li> </ul>		<ul style="list-style-type: none"> <li>- Technical advisory services</li> <li>- Attachments</li> <li>- Staff training</li> </ul>	<ul style="list-style-type: none"> <li>- Technical advisory services</li> <li>- Attachments</li> <li>- Staff training</li> </ul>
<b>METHODOLOGY (SYSTEM, TECHNIQUES, ...)</b>	<ul style="list-style-type: none"> <li>- Training</li> <li>- Development guidelines</li> <li>- Harmonisation</li> </ul>	<ul style="list-style-type: none"> <li>- Use of national institutions for regional training courses</li> <li>- Twinning</li> </ul>	<ul style="list-style-type: none"> <li>- Concurrent evaluations</li> <li>- Technical advisory services</li> <li>- Scholarships</li> </ul>	<ul style="list-style-type: none"> <li>- Concurrent evaluations</li> <li>- Technical advisory services</li> <li>- Scholarships</li> </ul>
<b>FEED BACK (INCLUDING MIS)</b>			<ul style="list-style-type: none"> <li>- Technical advisory services</li> <li>- Hardware and/or software</li> <li>- Advice</li> <li>- Training</li> </ul>	<ul style="list-style-type: none"> <li>- Technical advisory services</li> <li>- Hardware and/or software</li> <li>- Advice</li> <li>- Training</li> </ul>

## Appendix X

### "Presentation Notes for the Workshop on Monitoring and Evaluation held in Hanoi"

BEST AVAILABLE COPY

Do UNDP và Ủy ban Kế hoạch Nhà nước  
phối hợp tổ chức.

Hà Nội ngày 2 tháng 7 năm 1992

**I. MỞ ĐẦU:** Hội đồng toàn thể của Liên Hiệp Quốc đã yêu cầu cơ quan phát triển của Liên Hiệp Quốc (UNDP) tiến hành nhiệm vụ tăng cường năng lực của các chính phủ trong các hoạt động giám sát và đánh giá. Trong tổ chức của UNDP, văn phòng đánh giá trung ương được giao nhiệm vụ này. Một trong những hoạt động là tổng kết các công việc đã được tiến hành. Trong bản tổng kết cần nêu ra cách thức của các chính phủ trong việc thu thập thông tin về phát triển kinh tế và xã hội ở mọi cấp: từ vi mô cho đến vĩ mô, từ đó đề xuất cách thức tốt nhất trong việc thu thập thông tin và phân tích thông tin.

Bản nghiên cứu này tập trung vào việc khảo sát hệ thống thu thập và phân tích các thông tin cơ bản về kinh tế và xã hội có ý nghĩa cho việc quản lý phát triển và khảo sát việc ứng dụng các kết quả phân tích này của nước Cộng hòa Xã hội Chủ nghĩa Việt Nam. Đặc biệt đoàn công tác xem xét các vấn đề sau: cái gì được giám sát? cái gì được đánh giá? kết quả giám sát và đánh giá được sử dụng như thế nào và ai là người sử dụng các kết quả này trong quá trình ra quyết định?

Bản nghiên cứu này cố gắng cung cấp cho độc giả có được bức tranh tổng thể về số liệu thông tin vĩ mô hiện đang được sử dụng cho việc hình thành chính sách, thực hiện chính sách, ứng dụng chính sách và một số dự án cũng như chương trình. Trong phần kết luận sẽ nêu ra những điểm mạnh, điểm yếu của hệ thống giám sát và đánh giá hiện thời của Việt Nam, các khuyến nghị nhằm tăng cường và hoàn thiện hệ thống này ở cấp trung ương cũng như ở cấp địa phương.

### II. THUẬT NGỮ ĐƯỢC SỬ DỤNG TRONG BẢN NGHIÊN CỨU VÀ HỘI THẢO NÀY

Nhằm đảm bảo tính liên tục của các công trình nghiên cứu của trung tâm đánh giá thuộc UNDP, đoàn đánh giá đã sử dụng các thuật ngữ chung sau thuật ngữ này cũng được sử dụng trong buổi hội thảo này:

Dự án: được hiểu là việc thực hiện một cách có kế hoạch nhằm đạt được các mục tiêu nhất định thông qua các phương tiện riêng biệt, trong một thời gian và nguồn tài chính đã được xác định trước. Theo quan điểm của UNDP, một dự án bao gồm một hay nhiều các hoạt động kỹ thuật được UNDP hỗ trợ. Các hoạt động này được đặt dưới sự quản lý của UNDP. Vì vậy, có thể có trường hợp dự án chỉ là một thành phần hay nhiều thành phần của một dự án lớn hơn hay của một chương trình.

Giám sát: là việc xem xét một cách liên tục việc thực hiện một hoạt động. Đó là việc xem xét các đầu vào, tiến độ công việc theo kế hoạch, đầu ra theo mục tiêu và các hoạt động khác theo kế hoạch.

Kiểm tra: xem xét mức độ phù hợp của điều kiện, quá trình hoặc đầu ra đối với các tiêu chuẩn đã được xác định và báo cáo về mức độ phù hợp này. Việc kiểm tra có thể được tiến hành bởi một cơ quan kiểm tra độc lập bên ngoài (kiểm tra bên ngoài) hoặc bởi một thành viên trong ban thư ký của tổ chức đó (kiểm tra bên trong).

Đánh giá: là một quá trình nhằm xác định tính phù hợp, hiệu quả và ảnh hưởng của các hoạt động, theo các mục tiêu đã được định sẵn một cách có hệ thống và khách quan. Việc đánh giá nhằm tìm ra công cụ quản lý và quá trình tổ chức nhằm hoàn thiện các hoạt động để đạt được những tiến bộ, lập kế hoạch cho tương lai, lập chương trình và quyết định.

Đánh giá trong quá trình thực hiện dự án: là việc phân tích trong quá trình đang thực hiện dự án. Việc phân tích này tập trung vào tính phù hợp, các kết quả, hiệu quả và tác động của dự án. Việc đánh giá này được coi là một hoạt động trung gian và là một sự hỗ trợ cho những người ra quyết định thông qua việc cung cấp thông tin nhằm điều chỉnh các mục tiêu, các chính sách, các chiến lược thực hiện, hoặc nhằm điều chỉnh một số hoạt động cũng như lập kế hoạch trong tương lai.

Đánh giá sau dự án. (Đánh giá ảnh hưởng): đó là việc phân tích hoạt động, tính phù hợp của dự án, hiệu quả và tác động của dự án sau khi dự án đã được kết thúc. Đó là một công cụ quan trọng trong việc hỗ trợ các nhà ra quyết định trong quá trình quản lý dài

hạn. Sự hỗ trợ đó thông qua việc đánh giá kết quả của hoạt động cũng như các bài học rút ra cho việc lập kế hoạch trong tương lai. Việc đánh giá ảnh hưởng của dự án thường được tiến hành sau khi dự án đã được kết thúc trong vòng 5 năm nhằm có được một bức tranh rõ rệt về lợi ích của dự án cũng như các điểm yếu kém của dự án.

Hiệu quả: là chỉ số đo mức độ đạt được của một hoạt động so với mục tiêu.

Hiệu suất: là năng suất của một quá trình thực hiện một hoạt động. Hiệu suất cho ta thấy mức chuyển đổi của đầu vào thành đầu ra.

Các chỉ số: là mức đo sự thay đổi hoặc những kết quả dự kiến từ một hoạt động.

### III. CÁC KẾT LUẬN VÀ CÁC KIẾN NGHỊ

Tóm tắt các điểm mạnh và các điểm yếu của hệ thống giám sát và đánh giá ở Việt Nam.

#### III.1. Cấp trung ương:

##### Điểm mạnh:

- Có được sự cam kết chặt chẽ của Chủ tịch Hội đồng Bộ trưởng và Hội đồng Bộ trưởng trong việc chuyển đổi sang cơ chế thị trường, giám sát về mặt tài chính và giám sát về mặt huân hình, góp phần đổi mới kinh tế và tăng cường hệ thống chính trị.

- Có các cuộc tiếp xúc thường xuyên giữa HĐBT, UBKHNN, các ủy ban chuyên môn của Quốc hội và Ban chấp hành Trung ương Đảng Cộng sản Việt Nam nhằm xem xét các chương trình phát triển.

- Đang tiếp tục hoàn thiện việc quản lý hệ thống ngân sách quốc gia.

##### Điểm yếu:

- Không có phương pháp luận về thẩm định ở hệ thống kinh tế kế hoạch trung ương. Hệ thống cũ chỉ xem xét đến đầu vào mà không xem xét đến đầu ra.

- Thiếu một hệ thống báo cáo đồng bộ có khả năng tiêu chuẩn hóa việc thực hiện tài chính và hữu hình cũng như việc giám sát thực hiện.

- Thiếu các đơn vị giám sát và đánh giá ở các bộ, các ủy ban, các vụ của cơ quan trung ương và thiếu cán bộ đã được đào tạo về phương pháp luận giám sát, đánh giá cũng như việc ứng dụng giám sát và đánh giá.

- Chưa chú trọng đến việc thiết lập một hệ thống đánh giá các kết quả của các hoạt động của chính phủ trừ các dự án và chương trình ODA.

Hiện tại hệ thống quản lý chưa tạo ra được các báo cáo về việc kết thúc các dự án của các bộ và các ủy ban. Đoàn công tác nhận thấy chỉ có Bộ Giáo dục và Đào tạo có được báo cáo tổng quan cho giai đoạn 1945 đến 1991. Đây có thể là một mô hình tốt cho các bộ, các ngành khác.

- Sự phi tập trung quá lớn của các tỉnh và các quận huyện cản trở việc thực hiện các chính sách phát triển chung của quốc gia

- Đoàn công tác chưa thấy có được một công trình đánh giá sau khi dự án đã kết thúc ở Việt Nam.

### III.2. Cấp ủy ban nhân dân tỉnh - thành phố lớn:

#### Điện Biên:

- Có được hệ thống phi tập trung một cách có tổ chức bao gồm các ủy ban của tỉnh, huyện, xã. Hệ thống này tạo được các cuộc họp thường xuyên về việc thực hiện các hoạt động.

- Có được truyền thông về thẩm định gắn với hệ thống kinh tế kế hoạch tập trung trong đó tạo được các ủy ban thẩm định và các vụ quản lý chuyên ngành có quan hệ mật thiết với các cơ quan trung

- Có được quyết tâm trong việc chuyển sang cơ chế thị trường và các hoạt động giám sát và đánh giá.

#### Điểm yếu:

- Thiếu các hệ thống thông tin thu nhập số liệu phục vụ cho quá trình ra quyết định, đặc biệt là các thông tin về thị trường nội địa, khu vực và địa phương.

- Thiếu một mạng thông tin đảm bảo cho dòng thông tin tự do giữa các tỉnh và trung ương.

- Thiếu hệ thống thông tin về khu vực kinh tế cá thể là khu vực đang phát triển rất nhanh.

- Thiếu cán bộ có trình độ và kinh nghiệm so với cán bộ ở các cấp trung ương. Thiếu ngân sách đào tạo lại cán bộ khi chuyển từ hệ thống kinh tế kế hoạch tập trung (nhận mệnh lệnh đầu vào) sang hệ thống kinh tế theo thị trường (nhận mệnh lệnh đầu ra). Cán bộ chưa trình độ đào tạo rộng lớn cho số cán bộ có được kỹ năng và kinh nghiệm trong đánh giá và giám sát.

- Thiếu nguồn tài chính cho các nhu cầu về cơ sở vật chất và kỹ thuật phục vụ cho công tác giám sát và đánh giá bao gồm cả các thiết bị văn phòng cơ bản như máy chữ và các thiết bị phụ trợ, máy tính, văn chuyên nội địa cũng như chi phí trả cho chuyên gia từ bên ngoài.

- Trong một số trường hợp đoàn công tác nhận thấy có một số dự án do cấp trung ương thực hiện bỏ qua việc xem xét của hệ thống thẩm định cấp tỉnh.

Có thể nhận thấy rằng ở cả cấp chuyên viên cũng như ở cấp tỉnh đều có sự thiếu cán bộ có trình độ cho khu vực tư nhân vì phần lớn số cán bộ này chỉ tập trung cho các bộ ngành của trung ương.

Đánh giá ảnh hưởng (Đánh giá sau khi dự án đã kết thúc).

Đoàn công tác nhân thấy chưa có một đánh giá ảnh hưởng nào được tiến hành ở Việt Nam trong những năm qua và đó là một điều khó lòng tưởng nổi khi kinh tế Việt Nam đang chuyển từ hệ thống kinh tế kế hoạch tập trung sang kinh tế thị trường.

Rõ ràng là việc đánh giá trong quá trình thực hiện dự án và đánh giá khi dự án kết thúc phải do các bộ của chính phủ thực hiện, song hiện nay việc này chưa được tiến hành.

Tuy vậy, đoàn công tác khuyến nghị cần thành lập tại UBKHNN một đơn vị giám sát và đánh giá. Theo tinh thần này, cần bắt đầu tiến hành đánh giá ảnh hưởng tại một số bộ để xây dựng mô hình.

Như đã nêu trên, có hàng loạt các trở ngại trong việc thiết lập các hệ thống đánh giá ở các cấp của chính phủ Việt Nam và chắc chắn đó là điều không thể tránh khỏi cho đến khi chuyển từ kinh tế kế hoạch tập trung sang kinh tế thị trường.

Ở Việt Nam thiếu một hệ thống thu thập thông tin một cách có tổ chức chặt chẽ ở các tỉnh mặc dù Tổng cục Thống kê đã có những cải thiện nhất định trong công tác này.

Các bộ của chính phủ Việt Nam không có truyền thống xuất bản các báo cáo hàng năm. Do thiếu các bản báo cáo này, các cơ quan bên ngoài như Quốc hội và các ủy ban của Quốc hội không thể đánh giá được hoạt động của các bộ. Hơn nữa, các báo cáo hàng năm này không thể được tạo ra vì phần lớn các hồ không theo hệ thống báo cáo hoàn thành dự án.

Tóm lại, cần phải nhắc lại là có sự thiếu hụt rất lớn các cán bộ được đào tạo cũng như thiết bị và chi phí cho hoạt động của hệ thống giám sát và đánh giá. Không thể có được sự thay đổi về hệ thống thẩm định hiện tại, về việc ứng dụng một cách có hệ thống chương pháp luận giám sát và đánh giá nếu như không có cam kết mạnh mẽ của Hội đồng Bộ trưởng, Quốc hội, Ban chấp hành Trung ương Đảng, UBKHNN và các ủy ban nhân dân tỉnh về vấn đề này.

## IV. TĂNG CƯỜNG QUẢN LÝ, GIÁM SÁT VÀ ĐÁNH GIÁ Ở VIỆT NAM: NHỮNG BƯỚC ĐẦU TIÊN

### VI.1. Thiết lập các đơn vị hoặc các cơ sở giám sát và đánh giá

Quá trình giám sát và đánh giá (GS&ĐG) dự án đang tiến hành thực chất là các quá trình phân tích với các mục tiêu có được và phân tích được các thông tin và các số liệu có liên quan nhằm quản lý dự án có hiệu quả.

Các hoạt động hiện nay của chính phủ và của UBKHNN nhằm củng cố việc quản lý các nguồn hỗ trợ kỹ thuật của nước ngoài (do UBKHNN là cơ quan đầu mối) là một điều kiện thuận lợi cho việc thiết lập một đơn vị giám sát và đánh giá mới nhằm hỗ trợ cho việc quản lý chung ODA cũng như hỗ trợ cho các chức năng ở các cấp của chính phủ.

UBKHNN có thể xem xét việc thiết lập một cơ sở giám sát và đánh giá ở một tổ chức lập kế hoạch cấp trung ương nhằm điều phối toàn bộ ODA với các ủy ban và các bộ của nhà nước. Quá trình GS&ĐG bao gồm cả việc thực hiện và tiến hành giám sát, báo cáo kết thúc dự án và các đánh giá ảnh hưởng của dự án sau khi dự án đã kết thúc được 3-5 năm. Việc thành lập chỉ một cơ sở đầu tiên như vậy là cách phù hợp nhất với Việt Nam hiện nay ở giai đoạn quản lý ODA hiện thời và do những hạn chế về nhân lực, tài chính và các nguồn khác. Ở giai đoạn sau, UBKHNN có thể thiết lập hệ thống GS&ĐG ở các ủy ban hoặc các bộ ngành.

Đoàn công tác cũng nhận thấy nên thiết lập một đơn vị GS&ĐG tại Quốc hội Việt Nam do vai trò cao nhất của cơ quan này trong toàn bộ các quá trình liên quan đến luật pháp của Việt Nam.

Cuối cùng, sẽ rất hữu ích khi thiết lập một cơ sở GS & ĐG ở một trong các tỉnh của Việt Nam. Đoàn công tác nhận thấy rằng với trình độ, sự khát khao và hào hứng của Ủy ban Nhân dân thành phố Hải Phòng về công việc này, đây là một nơi phù hợp cho một đơn vị thí điểm cấp tỉnh về GS & ĐG.

### IV.2. Chỉ dẫn cho việc thiết lập một cơ sở GS & ĐG

Trong việc thiết kế một hệ thống GS & ĐG tại UBKKHJ cần phải đảm bảo là nhiệm vụ này phải được bắt đầu ngay ở giai đoạn thẩm định và ở giai đoạn chuẩn bị các yêu cầu đối với ODA chứ không phải được bắt đầu khi việc hỗ trợ kỹ thuật đã được thông qua và dự án và chương trình chuẩn bị được thực hiện. Có các lý do sau đây nhằm biến hồ sơ phương pháp tiếp cận trên:

1) Cách tiếp cận phương pháp luận GS & ĐG tạo ra suy nghĩ rõ ràng về các ý đồ, mục tiêu riêng và các mục tiêu cuối cùng cho một hoạt động riêng biệt

2) Cho phép ước tính phí tổn của GS & ĐG đối với một dự án hay một chương trình.

3) Toàn bộ hoạt động GS & ĐG làm tăng hiệu quả của chi phí và nâng cao chất lượng quản lý dự án cho ODA sắp tới.

#### IV.3. Chu trình quản lý GS & ĐG

Các bước sau đây cho việc GS & ĐG cần được các nhà quản lý thực hiện:

1) Thiết lập các mục tiêu của dự án hay của chương trình, xếp thứ tự ưu tiên các hoạt động chủ yếu và toàn bộ các đầu vào, đầu ra của dự án.

2) Xác định toàn bộ các yêu cầu thông tin và lựa chọn các chỉ số phù hợp.

3) Xác định hiện trạng hệ thống thông tin hiện có dưới góc độ thu thập thông tin và sự đầy đủ của hệ thống báo cáo.

4) Thu thập số liệu.

5) Phân tích số liệu.

6) Hệ thống liên lạc cho việc báo cáo các phát hiện và các khuyến nghị.

Cũng cần phải nhấn mạnh là chỉ dẫn bằng văn bản cho GS & ĐG của UBKKHJ là rất cần thiết cho việc hoạt động thành công của đơn vị.

này và cho mỗi quan hệ trong quản lý với các nhà quản lý và các nhà  
lập kế hoạch của Ủy ban. Cần tạo ra một số tay hướng dẫn về các  
thuật ngữ GS & DG, phương pháp luận và một hệ thống GS & DG riêng phù  
hợp với các nhu cầu của UBKHNN.

#### IV.4. Chương trình đào tạo đội ngũ cán bộ ở UBKHNN, Quốc hội, tỉnh thành

Việc lập kế hoạch và thực hiện chương trình GS & DG cần  
được tiến hành ở hai mức. Trong giai đoạn một, cần tiến hành hội thảo  
về đào tạo và giáo dục cho các nhà lập kế hoạch, các nhà quản lý của  
UBKHNN, Quốc hội, tỉnh thành. Trong giai đoạn 2 là chương trình đào  
tạo cho các cán bộ thuộc đơn vị GS & DG. Một điều quan trọng là các  
nhà quản lý cần hiểu rõ các mục tiêu, nhiệm vụ và kết quả của hệ  
thống GS & DG và cách thức sử dụng hệ thống GS&DG như là một công cụ  
của quản lý.

Nếu không tiến hành được các công việc như trên ngay từ lúc  
bắt đầu thiết lập cơ sở GS&DG tại UBKHNN thì sẽ có nguy cơ là toàn  
bộ hoạt động của cơ sở GS&DG này sẽ được hiểu như một cơ sở sao chép  
của một tổ chức bên ngoài UBKHNN (từ nước ngoài hay từ một cơ quan  
bên ngoài UBKHNN). Nói tóm lại, chương trình giáo dục và đào tạo về  
hiểu quả và phương pháp luận của hệ thống GS&DG sẽ tăng cường quá  
trình tiếp nhận và hệ thống này sẽ được các nhà lập kế hoạch và quản  
lý ứng dụng.

Các mục tiêu chủ yếu của chương trình đào tạo cho các nhà  
quản lý (Hội thảo và seminar ngắn hạn) bao gồm:

1) Cung cấp một cơ sở vững mạnh nhằm hiểu rõ bản chất và vai  
trò của công việc GS&DG, minh họa khả năng đóng góp của công tác này,  
tăng cường năng lực điều phối và thực hiện các ODA và tăng cường năng  
lực cho công tác lập kế hoạch dài hạn.

2) Nêu ra phương pháp luận riêng về kỹ thuật GS&DG để tạo ra  
các hệ thống thông tin phù hợp (thu thập và phân tích thông tin).

#### Chương trình đào tạo cho cơ sở GS&DG

So với chương trình trên, chương trình này rộng lớn và

chuyên sâu hơn dành cho các cán bộ của đơn vị GS&ĐG.

Cần thiết lập hàng loạt các hội thảo với chương trình đào tạo theo khóa học có mô đun chuẩn. Nội dung của khóa học này cần được xác định trên cơ sở tiến hành nghiên cứu tổng quan và chương trình này bao gồm cả các bài giảng lên lớp, hội thảo lẫn thu thập kinh nghiệm tại hiện trường.

Cần xem xét khả năng tham gia của đội ngũ giảng viên các trường đại học và cao đẳng vào chương trình đào tạo này. Điều này sẽ tạo điều kiện cho việc xây dựng các chương trình đào tạo về GS&ĐG tại các trường đại học và cao đẳng. Hiện tại, đoàn công tác không thấy một chương trình đào tạo nào về GS&ĐG trong các trường đại học và cao đẳng.

Cung cấp tài chính cho các chương trình đào tạo về GS&ĐG và cho việc thiết lập một cơ sở GS&ĐG

Chi phí cho việc triển khai các chương trình đào tạo và thiết lập một đơn vị GS&ĐG phụ thuộc vào mức độ các hoạt động ban đầu của các công việc trên do UBKHNN quyết định.

Chi phí do phía Việt Nam đài thọ bao gồm:

1) Đội ngũ cán bộ của đơn vị GS&ĐG (kể cả việc hỗ trợ cho các chuyên gia và các nhà tư vấn khi có nhu cầu).

2) Thiết bị văn phòng bao gồm máy chủ, máy vi tính, máy tính tay và các thiết bị văn phòng khác.

3) Chi phí vận chuyển đi lại.

4) Học bổng nghiên cứu tổng quan với các nhóm của Tổng cục Thống kê nhằm thu thập số liệu.

5) Chi phí trực tiếp nhằm tiến hành các nghiên cứu tổng quan về kinh tế - xã hội do đơn vị GS&ĐG tiến hành hay do các bộ khác tiến hành. Chi phí này bao gồm tiền thuê thêm chuyên gia thu thập và phân tích số liệu, đi lại, sử dụng máy tính và in ấn các tác cáo.

6) Chi phí cho các chương trình đào tạo về GS&DG có liên quan phân bổ đến các ODA với 0 các bộ.

Chi phí do bên ngoài tài trợ:

1) Lương và chi phí cho chuyên gia nước ngoài cho việc đào tạo và thiết lập đơn vị GS&DG.

2) Đào tạo cán bộ ở nước ngoài.

3) Mua một số máy vi tính và thiết bị văn phòng.

4) Xe cộ.

URKHNN cần tuyển chọn một số cán bộ lão kế hoạch hoặc cán bộ quản lý để đào tạo họ nhằm bổ sung thêm vào đơn vị GS&DG hoặc thay thế cán bộ của đơn vị này trong trường hợp cần thiết. Điều này sẽ bảo đảm cho tính liên tục của đơn vị GS&DG khi các nhu cầu về công việc này được mở rộng cũng như để lấp chỗ trống trong một số thời gian nhất định.

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## **Appendix XI**

### **Terms of reference**

#### **A study of government monitoring and evaluation systems: The case of Viet Nam**

1. **Background:** The strengthening of government capacities to monitor and evaluate their own development is a task that UNDP has been requested to carry out by the United Nations General Assembly. Within UNDP, the Central Evaluation Office has been assigned to undertake the task. As part of its work, it has carried out a review of past work in this area. One of the conclusions of this review is that a series of monographs, which describe how information on economic and social development at all levels from micro to macro is generated and used by the Government in particular countries, would illuminate current thinking as to how best to promote collection of the right data and better use of the resulting analysis.
2. **Focus:** The efficient management of economic and social development is a prerequisite of successful government. A flow of adequate relevant information and analysis is essential to the process.
3. This study is to examine the system used by the Government of Viet Nam for collecting and analysing basic economic and social information relevant to the management of development and for applying the results of such analysis.
4. Particular focus will be on what is monitored, what is evaluated, how the resulting observations are used and who uses them.
5. It will cover the complete range of information from macro level data used for overall formulation and implementation of policy and application of policy instruments to detailed data on individual projects. The resulting report and evaluation systems will provide a comprehensive balanced picture of how the system of monitoring and evaluation currently works in Viet Nam.
6. If there are areas which could usefully be strengthened, they should be noted along with a brief indication of steps that might be taken by the Government to do so.
7. **Approach and timing:** The consultants, an international as well as a national specialist, should first review the structure of monitoring and evaluation within the Government of Viet Nam (macro-, meso- and micro-level systems). They should then compare and contrast planned and actual use of information and analyses emerging from this system.
8. This will involve discussions with both macro-level managers as well as those responsible for the management and implementation of projects in the sectoral ministries and institutions.
9. The study should be completed within five weeks. Four weeks work in Viet Nam, exploring current practice and interviewing producers and users of data and drafting the report. One week should be provided for the international consultant to spend in New York to finalize the report and debriefing visit.

10. The work should begin May and be completed no later than July 1992.
11. Mission composition: The lead consultant will be Mr. Roger Roy. He will work in collaboration with a national consultant, Mr. Do Van Loc, from Viet Nam.
12. Funding: The review will be managed and administered by the Central Evaluation Office and funded through UNDP central resources. A special account number will, for this purpose, be communicated to the field office once the principle of the mission has been accepted.

#### Issues to be considered by the substantive mission

##### Review of the budgeting system

- Criteria used for allocation of resources;
- Linkage with the planning system and the monitoring and evaluation systems;
- Integration of externally financed projects in the budgeting system;
- Monitoring of allocation use;
- Relation with sectoral ministries.

##### Review of the planning system

- Operationality of the plan;
- Relation with the Economic Recovery Programme;
- Adaptability to a change in resource availability;
- Level of centralization;
- Participation of sectoral ministries and regional institutions;
- Usefulness of the data gathering and processing system;
- Availability of manuals.

##### Review of the appraisal system

- Roles of central and sectoral ministries;
- Role of external donors;
- Nature of the appraisal concerning domestically or externally funded projects;
- Criteria used for project appraisal;
- Availability of manuals.

##### Review of the monitoring and evaluation system

- Government policies, priorities and support;
- Approach selected:
  - Central management information system;
  - Monitoring of the public investment programme;
  - Coordination and monitoring of external aid;
  - Debt-service monitoring;
- Institutional setting;
- Degree of centralization/decentralization;
- Integration with planning and budgeting systems;
- Coordination with the different evaluation cells;
- Coverage of the system:
  - All projects and programmes;

Some selected projects and programmes (criteria);

- Data collection (type: financial, physical, impact; periodicity; accuracy)
- Available manuals;
- Available equipment;
- Human resources available;
- Financial resources;
- Communication and reporting activities;
- Level of participation in decision-making processes;
- Extent and nature of technical assistance already provided by donors;
- Impact of the two UNDP projects being implemented: one related to the strengthening of the aid coordination mechanism and the other to the improvement of the standard of government auditing and promotion of greater public accountability.

### Items to be covered in the draft report

#### Inventory

- Description of present machinery;
- Approach, scope and coverage;
- Human, material and financial resources available;
- Catalogue of the relevant legislation in force;

#### Assessment

- Functioning;
- Bottlenecks, constraints and issues;
- Possible improvements in the present context;
- Findings: Power and independence;  
Approach, scope and coverage;  
System established;  
Means and human resources allocated;  
Efficiency;

#### Review of the possible alternatives

- Changes foreseen in the near future for the government priorities;
- Different alternatives offered to strengthen government capacities;
- Comparison of the different approaches with regard to the following criteria:
- Adaptability to the prevailing context;
- Financial, material and human resources requirements;
- Prerequisites to be met.

#### Recommendation

- Justification for the selected proposal;
- Details of the proposal;  
Phasing development: level, scope, coverage;  
Coordination with the other systems (auditing, planning, budgeting);  
Configuration of the system: network of cells, localization of the central evaluation unit, level of centralization;  
Legislation to be adopted (power, independence, access to information, localization);  
Contents of the monitoring and evaluation functions;

Insertion process (training, lectures, seminars);  
Training capabilities to be established to sustain the system;  
Role of the academic community;  
List of manuals to be prepared;  
Technical assistance required (duration, type, objectives);  
Prerequisites for the establishment of a new system;  
Organization of the information flows between the different systems.

#### Basic elements for the organization of the seminar

- Duration, schedule;
- List and number of participants;
- Papers to be presented;
- Agenda;
- Organization;
- Logistical support;
- UNDP assistance to be provided.

#### Terms of reference of the national consultant

The tasks assigned to the national consultant are derived from the terms of reference of the review but are specified to facilitate his/her identification, recruitment and work.

The national consultant will be a member of the substantive mission during the presence of the external consultant in the Socialist Republic of Viet Nam. He/She will assist the international consultant in the achievement of all activities mentioned in the terms of reference of the review. However, as team leader, the international consultant bears the main responsibility for the production of outputs. The national consultant in addition to his/her knowledge of the local conditions, institutions and responsibilities is supposed to participate actively in this review and to be involved in all discussions with government representatives and donors.

The ideal profile for this consultant should be:

- (i) Macro-economist with professional experience (10 years) at central Ministry or University;
- (ii) Perfectly informed of the economic problems of the country;
- (iii) Accepted by the different Ministries as a valid member of this team; or
- (iv) Aware of the role of the different donors on the country.

Knowledge of the United Nations system will be an asset.

The consultant should be prepared to travel within the country and to provide his/her best support to his/her colleagues.

**Tasks:** The national consultant is responsible for producing the following inputs to be integrated in the draft report:

- (i) Inventory of financial, material and human resources available for the monitoring and evaluation systems;
- (ii) Catalogue of the relevant legislation in force;
- (iii) Analysis of existing laws and regulations concerning appraisal, monitoring and evaluation at the central, sectoral and regional levels, with particular attention to the function, coverage, scope, responsibilities and of information organization flows.
- (iv) Data gathering and processing system established for monitoring and evaluation and integration in the system of information selected at different levels (with indication of type, methodology and methods);
- (v) Legal and actual linkage with the planning, budgeting and auditing system.

**Duration:** The national consultant will be recruited for four and one half weeks. Thus, his/her part of the draft report should be consequently finished before the departure of the international consultant. If required, the international consultant could request him/her to collect additional data. If so, the contract of the national consultant could be extended for a maximum of half a week. The participation of the national consultant as UNDP resource person in the seminar will be decided later.

**Fees:** The remuneration of the national consultant will be fixed by the UNDP field office in Hanoi in accordance with the local rates. If visits within the country are required, then UNDP will pay or reimburse transportation costs and the national consultant is entitled to receive a special per diem in addition to his fees. The rate of his per diem will be fixed by the UNDP field office in Hanoi.



CEO/PRO/300/INT/93/650/GEN  
CEO/PUB/171/3.3

29 November 1993

Dear Mr. Eriksson,

**Development Management and National  
Monitoring and Evaluation Systems**

The Central Evaluation Office of UNDP, in keeping with its desire and efforts to disseminate findings and recommendations of ...evaluation studies it sponsors, is pleased to enclose herewith a copy of CEO Evaluation Studies No. 4/93 titled A Study of Government Monitoring and Evaluation Systems: The Case of Viet Nam. The monograph was prepared by a two-person team comprised of one international expert and one national expert.

The importance of developing a country's capacity to monitor and evaluate its own development programmes is recognised as a key element in its self reliant development. Strengthening this aspect of the management of development has been urged by the United Nations General Assembly and it is part of the specific mandate of UNDP's Central Evaluation Office. As part of an on-going programme designed to assist developing countries in their efforts to strengthen the implementation of development programmes, as well as to utilize scarce resources effectively, a series of monographs is being prepared describing national monitoring and evaluation systems.

The overall purpose of these studies is to describe as clearly as possible the state of the art of monitoring and evaluation in the countries concerned. This will:

- (a) assist in drawing lessons about past experience in building up capacity in monitoring and evaluation,
- (b) contribute to a dialogue and exchange of experience between developing countries, and
- (c) where appropriate, help to identify further needs.

/...

Mr. John Eriksson  
CDIE, Directorate for Policy  
Agency for International Development (AID)  
Washington, D.C. 20523

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We hope that the monograph will be found useful.

Yours sincerely,



Somendu K. Banerjee  
Director

Central Evaluation Office  
Bureau for Programme Policy and Evaluation