

**Workshop on Strengthening the Development Results and Impacts of the Paris Declaration
through Work on Gender Equality, Social Exclusion and Human Rights
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Session 2: Achieving Results in work on local government, infrastructure and capacity development

**A case study of the Program for Socio-economic Development of Communes Facing
Extreme Difficulties in Ethnic Minority and Mountainous Areas in Vietnam (P135)**

The context of the Paris Declaration principles of aid effectiveness.

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Background

The Socio-Economic Development Program for Ethnic Minority and Mountainous Areas Phase 2, otherwise known as Program 135 (P135-2) is being implemented in 1,800 communes and 2,500 villages from 2006-10, with an estimated budget of \$1.1 billion, co-funded by the Government of Vietnam (GOV) and a group of 6 donors (\$780 million from GOV and \$330 million from donors) with technical assistance (TA) from UNDP. P135-2 is an important example of aid effectiveness and operationalization of the Paris Declaration (PD) and the Hanoi Core Statement (HCS).²

P135 is a key factor for the sharp rate of poverty reduction in two of P135's main target areas, the Central Highlands and North West regions, with 5.8 and 4.8 percentage points respectively per year from 2002-2006 in Viet Nam. From 1999-2004, P135 supported more than 20,000 small infrastructure projects and training for over 155,000 community staff. This together with a participatory and decentralized approach has contributed to enhancing people's participation and empowerment in commune level government. 16% of P135 communes have become "investment owners"—fully empowered and decentralized to manage P135 work in their own communities (CEMA, 2005; GOV, 2006).

Cross cutting issues

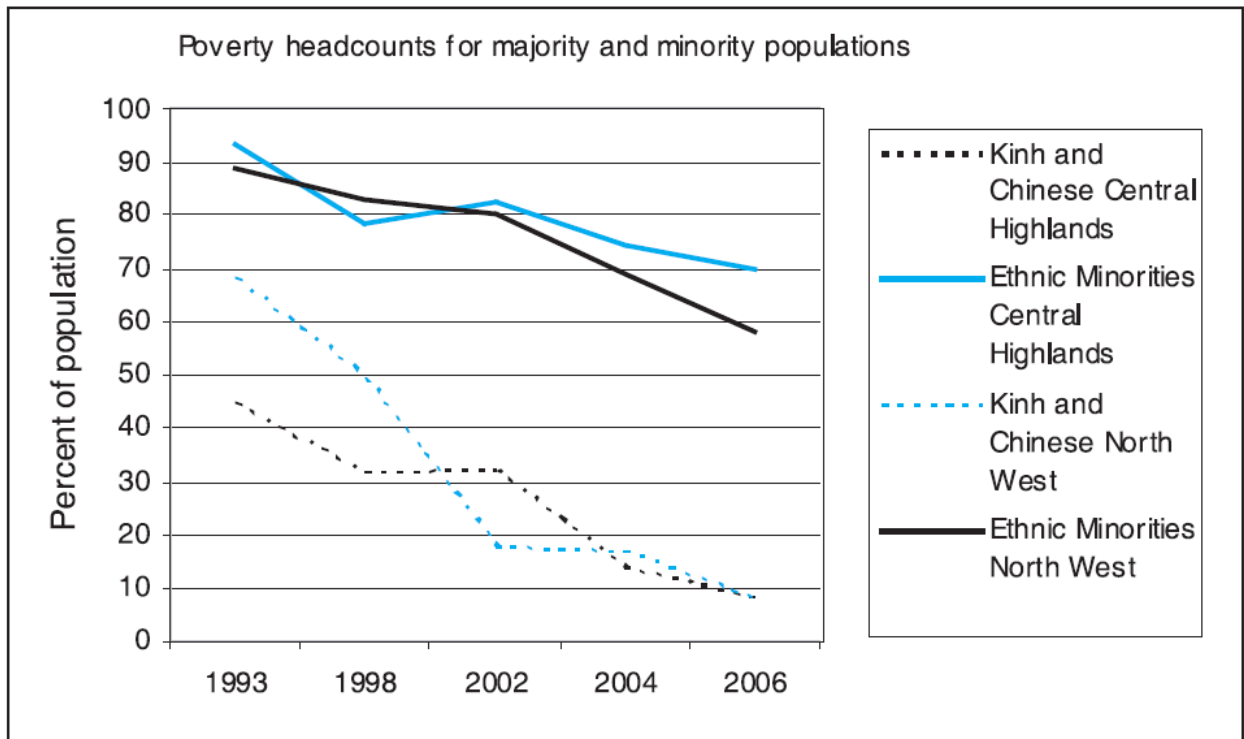
P135 focuses on the poorest groups in the Ethnic Minority (EM) and mountainous areas facing extreme difficulties in geographically remote, isolated and harsh natural conditions, and offered few opportunities to participate in national and mainstream economic growth. These areas have very high poverty rates—around 61%—while the poverty rate for the majority Kinh population is only 14%. Commune staff are insufficient and limited in capacity (GOV - UNDP, 2004).

Although at the national level Vietnam has achieved remarkable economic growth and poverty reduction, these benefits are not evenly distributed across ethnic groups. While the national poverty rate reduced from 58% in 1993 to 16% percent in 2006, over the last 13 years, the poverty rate for ethnic minorities has been declining at an average of 2.6% annually, against 3.4% for the Kinh majority. In 2006 only 10% of Kinh were poor while 52% of ethnic minorities were living in poverty. Although ethnic minorities represent 14% of the total population they disproportionately accounted for 44% of all poor and 59% of the hungry in 2006 (GSO, 2004; GSO, 2006; VASS, 2007; World Bank, 2008).

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² *Following the PD, GOV and the donor community in Viet Nam adopted a co-declaration on aid effectiveness namely the Hanoi Core Statement (HCS) addressing the particular context of Viet Nam and donors. Both the PD and HCS are main instruments to promote aid effectiveness in the Vietnam.*



Source: World Bank (2008).

Ethnic minority women are considered the most vulnerable group in Viet Nam (UNDP, 2004) and accordingly gender equality has been taken into account in the P135 M&E system including its baseline survey, MIS and semi-annual GOV-donor Joint Reviews (JR).

Ownership

P135 is one of Viet Nam's National Targeted Programs and is based on credible national strategies, fundamental to the ownership principals of the Paris Declaration. In addition, P135 is a GOV program with strong government ownership supported by an official roadmap that guides its implementation. Government ownership is not a barrier for donors, NGOs and civil society organizations (CSOs) who have participated in P135 since its design period.

P135 is a highly decentralized program with annual targets for achieving commune ownership (the lowest official administrative unit), targeting 100% of communes by the end of the program (typically districts or provinces implement and own government programs). Although there are 54 ethnic minority groups in Viet Nam, at the commune level populations are primarily homogeneous. Targeting EMs and remote communes, the drive for decentralization and participatory planning mechanisms will help ensure local and minority ownership. CEMA and donors have placed great emphasis on program decentralization and providing an enabling environment to support localities, however weak commune capacity and entrenched attitudes of local officials remain important challenges. How effectively the targeting and decentralization approach includes EMs will be shown by the M&E system which includes EM disaggregated indicators.

With gender, Vietnam has relatively well developed formal mechanisms for gender mainstreaming, under the National Committee for the Advancement of Women (NCFAW). All provinces, districts and national ministries (including CEMA) have CFAW committees. NCFAW has developed comprehensive gender mainstreaming guidelines that have been disseminated to all provinces to assist the local committees with their work. However although the guidelines represent best practice, they are difficult to understand and implement at the local level. Gender issues are also often ghettoized with the Women's Union.

Government representatives and even several donors hold the view that gender equality targets particularly those related to equal economic opportunity are appropriate policy actions for P135, but there is a lack of analytical underpinnings to enable such policy actions to be clearly identified.

In addition, even though UNDP and several donors raised gender considerations during the first program JR, this came late in the design process. Hence, there is no explicit mechanism to promote gender issues in P135 in general, nor are there specific policies that identify where gender mainstreaming is needed or how it is to be delivered.

In the P135 design period, government had limited capacity to develop a gender analysis framework and gender was not seen as a pressing policy priority for either GOV or donors. During the early stage of procedure and system development, gender was addressed through inclusion in the P135 capacity building framework and M&E system, in the baseline survey, JR and regular process monitoring. However, it is very difficult to now include gender-related policy actions in the P135 roadmap or donors' result framework after these have been formally negotiated and adopted.

CEMA with technical support from UNDP and NCFAW experts is attempting to rectify this situation by investigating how gender is currently integrated into P135's local level planning and implementation. CEMA intends to use the research results to develop simple gender mainstreaming tools that can be attached to planning and implementation guidelines under development to assist local authorities.

The comparison between decentralization and gender in P135 reveals an interesting contrast, and shows that when appropriate policies are not strongly led by the partner country, these need to be pushed by donors. Donor pressure, in some cases, can be a good chance to build country capacity as well. Donors have consistently pushed and supported decentralization and there is agreement and real ownership for this on the government's side. CEMA has developed strong policies to support decentralization and a capacity building program to support this is being elaborated. On the other hand, there has been relative neglect of gender issues in the government and donor frameworks.

Donor support for gender equality within P135 has not been consistent and was not evident during design. Government capacity to address gender at the start was weak, donors did not address this and neither side saw it as a priority. Including this dimension later in the process has been challenging, requiring lobbying by individual donors and use of TA, but it is not backed up by specific and accountable policy actions.

This example indicates a role for donors to promote issues such as gender equality with government and to support capacity development where this is weak. But this needs to be done up-front and from the start, as was the case with decentralization, and donors do not always live up to their own policy commitments.

Alignment

P135 provides an effective mechanism for donors to align with GOV policy and systems. Donors identify a policy actions designed to achieve P135 goals in particular target areas. These then become results to be achieved and are incorporated as triggers in the donor result framework. The sequencing and timing of the policy actions are then negotiated with the government. The annual cycle of commitment and disbursements is further aligned with the national budget calendar.

During P135's first phase DFID provided budget support that was closely harmonized with the GOV system. This experience was evaluated by donors themselves as an effective way of using aid to support the national program. The current co-financing of \$330 million from six donors is convincing evidence that alignment is working well in P135's second phase. However, with gender issues, some more things should be taken into account.

Specific program activities or budgets aimed at promoting gender equality are not clear in P135. GOV and donors have worked on specific activities dealing with gender equality objectives but they address these issues differently. While GOV tries to coordinate and even create new policies within areas to promote gender equality, such as micro credit, education and health policies, donors try to orient and

promote gender mainstreaming in existing programs. Both ways are valid but the problem is that some donors seem to promote gender for fashion. For instance, in the program's first period there was no discussion on gender. Later donors pushed gender issues in any activity at any opportunity. After some months again gender issues were dropped. Donors have put questions, recommendations and even some indicators in the result framework but have not done anything concrete around gender.

Harmonization

P135 supports harmonization through both its design and implementation. Policy actions are determined through discussions between government and donors in each of the policy areas. However, donors have more difficulty to harmonize among themselves than with the government. Among P135's seven donors, some strongly support GOV and completely align with GOV mechanisms and systems while some do not. For example, co-funding for TA to P135 by Finland, DFID and UNDP through CEMA began in 2005, but at the same time World Bank supported another TA project for P135 based in the Ministry of Planning and Investment (MPI). In 2007 Finland stopped its co-funding with UNDP and DFID and tried to establish a separate TA project for P135 with its own management board, cost norms etc. In spite of GOV requests to cooperate with other donors to reduce management costs and increase aid effectiveness, Finland is still proceeding with a separate project.

Similarly, donors have not succeeded to harmonize their own objectives and approaches on gender equality. They lack a clear focus for the reform agenda or consensus on an underlying strategy and implementing framework. Furthermore, each donor has their own need and their interest has, to a certain extent, been conditioned by the availability of human and financial resources in their agencies.

P135's success itself offers strong incentives for donor harmonization. It provides a ready-made vehicle to further the Paris principles and almost compels donors to participate. However, for some donors, internal incentives for harmonization are weak and not all get needed support from their headquarters. The role of champions for harmonization, especially in the context of gender equality objectives is acknowledged. On the other hand, P135's implementation arrangements provide an implicit and effective harmonization mechanism. However, the P135 does not have a specific mandate or arrangement to focus on gender or to harmonize donor policy around that. The gender perspective often gets buried in the complexity of the budget/sector support modalities.

Managing development results

P135 has a comprehensive system of indicators to monitor regular implementation and evaluate outcomes and impacts, disaggregated by gender, ethnic minorities and the poor. The cornerstone of P135's result based management is its implementation Roadmap. In addition, it is the first GOV development program to have a separate baseline survey and specific plan to monitor and evaluate the whole process.

Donors have a clear result framework with quantitative annual indicators. As P135's scope expanded to cover an increasing number of policy areas, these indicators were gradually developed and finalized in 2007. Program progress so far has been strong, however achievements across policy areas are uneven.

In terms of results, gender equality in P135 is better reflected in the design of the program M&E system. Gender disaggregated data is collected in the MIS and the baseline survey includes 16 gender-related indicators. Analysis of this information should lead to improvements in gender mainstreaming in P135 as long as more attention is given to gender equality in program implementation; i.e., how gender indicators will be used and how gender information can contribute to P135's effectiveness.

Mutual Accountability

Donors and GOV both find P135 reinforces mutual accountability. Donors are not in a position to "buy" economic reforms in P135 since budget support accounts for only 30% of the total budget. The mechanism for joint design and review of the result framework provides a good basis for accountability to be better mainstreamed by both GOV and donors. P135 also has a comprehensive audit plan (a policy action in the result framework) with annual audits that contributes to effectiveness and accountability, and is the first GOV program to officially involve NGOs in design and implementation.

Accountability at the community level is supported by decentralization, participatory planning and commune supervision boards. An important mechanism to improve citizen accountability is participatory M&E (PM&E) currently being developed, and CEMA is investigating examples of “people’s audits” and citizen report cards. This is potentially the most challenging - and innovative - aspect of P135’s M&E system, and will provide a mechanism for beneficiaries to give their perspective on the quality of program services with feedback to local authorities to improve program delivery. PM&E will build on commune supervision boards made up of civil society organizations and key stakeholders and strengthen the role of commune institutions, complement P135-II’s decentralization focus, and further empower commune ownership. PM&E also has important implications for local governance and pro-poor service delivery.

Conclusion

This paper has been written from a frank GOV perspective on improving aid effectiveness within the case of P135, focusing on gender equality, decentralization and managing for results. P135 in light of the PD is a model for other programs in Vietnam and the region to incorporate aid effectiveness into national and local development programs, and to successfully manage targeted budget support to assist and strengthen government programming. Nonetheless, what has emerged from this analysis is the necessity not only for government to take leadership in changing patterns of gender relations that have an adverse effect on women’s lives, but also for donors to further support that leadership. Key lessons from this analysis are:

1. Planning for results: Wide consultation with key stakeholders to develop a national Roadmap led to commitment and buy-in from all sides and strong ownership was key, represented by the P135 Roadmap. The RM is GOV’s framework while the Results Framework is (unofficially) a sub-set of the RM focusing on process and policies that support RM results. The nationally owned RM gives a basis for strong partnership with donors leading to stronger harmonization and alignment. The Results Framework is critical, but without the RM and inclusive process to develop it there would not be the same level of commitment and ownership.

2. Monitoring for Results: P135 has a comprehensive system for process monitoring and impact evaluation, disaggregated by gender, EMs and the poor. Accountability to communities will be supported through PM&E - but how this develops is still a question. This robust system is the result of strong leadership by CEMA; donor advocacy (including policy actions); and TA to fill capacity gaps.

3. Social inclusion: While emphasis on decentralization and its enabling environment helps ensure inclusion of ethnic minorities, gender has been largely overlooked. P135’s gender-disaggregated M&E system will measure the effectiveness of the former, and show the consequences of lack of attention to gender, whether Viet Nam’s national gender mechanisms are adequate, and possible solutions.

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