

**ASIAN DEVELOPMENT BANK**

**TPA: VIE 2001-14**

**TPA: SRI 2001-14**

**TECHNICAL ASSISTANCE PERFORMANCE AUDIT REPORT**

**ON**

**SELECTED ADVISORY TECHNICAL ASSISTANCE**

**TO**

**SOCIAL SECTORS**

**October 2001**

## ABBREVIATIONS

ADB	–	Asian Development Bank
DRG	–	diagnostically related group
EA	–	executing agency
GSO	–	General Statistics Office
MOET	–	Ministry of Education and Training
MOFP	–	Ministry of Finance and Planning
MOH	–	Ministry of Health
MPI	–	Ministry of Planning and Investment
NBD	–	National Budget Department
NCPFP	–	National Committee for Population and Family Planning
NGO	–	nongovernment organization
NPD	–	National Planning Department
OEM	–	Operations Evaluation Mission
SGEP	–	Second General Education Project
TA	–	technical assistance
TCR	–	technical assistance completion report
TOR	–	terms of reference
TPAR	–	technical assistance performance audit report
UCRAS	–	unit cost resource allocation system
VRM	–	Viet Nam Resident Mission

## NOTE

In this report, "\$" refers to US dollars.

## CONTENTS

BASIC DATA	4
EXECUTIVE SUMMARY	6
I. BACKGROUND	1
A. Introduction	8
B. Rationale, Objectives, and Scope	9
C. Technical Assistance Completion Reports	10
II. ASSESSMENT OF DESIGN AND IMPLEMENTATION PERFORMANCE	11
A. Design of Technical Assistance	11
B. Engagement of Consultants	12
C. Organization and Management	13
D. Implementation Schedule and Financing Arrangements	13
E. Supervision	14
III. EVALUATION OF OUTPUTS AND IMPACTS	15
A. Outputs of Technical Assistance	15
B. Impacts of Technical Assistance	17
C. Sustainability	19
D. Institutional Impact of Technical Assistance	20
IV. CONCLUSIONS	21
A. Key Issues	21
B. Overall Assessment	22
C. Lessons Identified	22
D. Follow-Up Actions	24
APPENDIXES	25

## BASIC TECHNICAL ASSISTANCE DATA

### TA 2135-VIE: Financing of Social Services

<b>Cost (\$'000)<sup>1</sup></b>	<b>Estimated</b>	<b>Actual</b>
Foreign Exchange	459	467
Local Currency	<u>116</u>	<u>108</u>
Total	575	575

Number of Person-Months (Consultants)	49	36
---------------------------------------	----	----

**Executing Agency:** General Statistics Office

#### Milestones

	<b>Date</b>
President's/Board Approval	12 Aug 1994
Signing of TA Agreement	20 Mar 1995
Fielding of Consultants	29 May 1995
TA Completion: Expected	30 Apr 1996
Actual	31 Jul 1996
TCR Circulation	30 May 1997

#### Missions

<b>Type</b>	<b>Number</b>	<b>Date</b>
Fact-Finding	2	5-13 Dec 1992 26 Mar-4 Apr 1994
Inception	1	22-27 Aug 1995
Review	1	4-5 Jun 1996
Operations Evaluation <sup>2</sup>	1	9-17 Jul 2001

### TA 2441-SRI: A Study on Financing of Social Services

<b>Cost (\$'000)</b>	<b>Estimated</b>	<b>Actual</b>
Foreign Exchange	254	219
Local Currency	<u>96</u>	<u>107</u>
Total	350	326

Number of Person-Months (Consultants)	33	38
---------------------------------------	----	----

**Executing Agency:** Ministry of Finance and Planning

#### Milestones

**Date**

---

TA = technical assistance, TCR = technical assistance completion report.

<sup>1</sup> Financed by the Asian Development Bank.

<sup>2</sup> The Operations Evaluation Mission comprised Ellen Qiaolun Ye (Mission Leader and Evaluation Specialist) and Anthony Drexler (International Consultant).

President's/Board Approval	10 Nov 1995
Signing of TA Agreement	16 Jan 1996
Fielding of Consultants	13 May 1996
TA Completion: Expected	10 Nov 1996
Actual	12 Nov 1996
TCR Circulation	5 Jun 1997

**Missions**

<b>Type</b>	<b>Number</b>	<b>Date</b>
Fact-Finding	3	2-13 May 1994 30 Nov-2 Dec 1994 3-8 Jul 1995
Inception	1	15-17 May 1996
Review	1	28-31 Aug 1996
Operations Evaluation (footnote 2)	1	18-30 Jul 2001

## EXECUTIVE SUMMARY

The Asian Development Bank (ADB) has provided 99 advisory technical assistance (TA) grants to the education sector and 52 advisory TAs to the health and population sector since 1980. To draw on lessons learned for future improvements, two advisory TAs are assessed in this technical assistance performance audit report: (i) TA 2135-VIE: Financing of Social Services,<sup>1</sup> and (ii) TA 2441-SRI: A Study on Financing of Social Services.<sup>2</sup> They are typical and relatively recent examples—one from a transitional economy and the other from ADB's traditional borrower—of a number of similar TAs supporting policy reforms in social services financing. Lessons identified from addressing this important topic in different economic environments should provide valuable insights for ADB's operations in social sectors.

The Viet Nam TA helped generate social survey data urgently needed for the formulation of social sector reforms by the Government. The TA's recommendations continue to positively influence policy reforms in the social sectors. However, the TA's objectives as stated in the TA report did not focus on the Government's main objective. The TA produced the output needed by the Government, but its stated objectives of developing a policy framework and evaluation guidelines were not fully achieved. The TA experienced delays in processing but no major delays in implementation. Its outputs were used by the Government and aid agencies. They could have been used more widely if the survey database and the final report had been made available to the general public and academic institutes. Sustainability of the TA is likely because the Government has accepted most of the TA's recommendations; some have been implemented. Know-how transfer was weak, and government officials continue to rely on consultants for sector issue analysis and policy recommendations. The TA had a positive impact on government policy and the capacity of counterpart staff, but a limited impact on participating line ministries due largely to their less active participation in the TA. Overall, the TA is rated successful.

The Sri Lanka TA helped introduce a unit cost resource allocation system (UCRAS), to allow the Government to reform the budget allocation system. However, the scope as stated in the TA report was overly broad, including less relevant elements. The TA produced outputs considered by the Government as very useful, but it did not fully complete all tasks originally envisaged. The TA experienced delays in processing but no delays in implementation. The TA's impact is likely to be sustained because the UCRAS has already been used in the education sector, and will be implemented in other sectors as well. The TA positively influenced government policy and improved the capacity of government counterpart staff. Its impact on the participating line ministries was limited due largely to their less active involvement in the TA. Overall, this TA is also rated successful.

Three issues arise. First, the scope of both TAs as stated in the TA reports was overly broad vis-à-vis the available resources. Both TAs covered several sectors and comprised several components with many subcomponents. It was very difficult, if not impossible, to fully implement all these tasks to a high quality within the relatively short TA duration and available budget. ADB and the governments were aware that the needs of the governments were rather simple and narrow, yet in the TA reports, elements were included that were not directly related to the governments' objectives. While both TAs produced the outputs needed, the ambitious scope diluted the time and effort of the TA consultants to produce comprehensive sector reviews, which had few readers in the governments.

---

<sup>1</sup> For \$575,000, approved on 12 August 1994.

<sup>2</sup> For \$350,000, approved on 9 November 1995.

Second, the design of both TAs did not include arrangements for dissemination of their outputs, such as survey data and consultant reports, to the general public and academic institutes. Although workshops were held to discuss the TA findings and recommendations, the impact of the workshops was limited to the participants, most of whom had already been involved in TA execution. The bulky reports and the lack of a brief summary of the most important findings also restricted readership. This may have been attributable to the tendency to focus TA design on output production with insufficient attention to output dissemination and utilization. In Viet Nam, a traditional gap between social surveys and policy outputs also contributed to this, due largely to government officials' weak capacity in policy analysis.

Third, neither TA included sufficient arrangements for know-how transfer. In Sri Lanka, it was a follow-up project financed by the World Bank that provided substantial training and engaged government officials in the actual implementation of the new budget system, resulting in sustainable impact. In Viet Nam, the TA improved the capacity of government counterpart staff in survey design and implementation but not in data and policy analysis, as the TA did not allocate resources to train them and engage them in these activities. As a result, government officials continue to rely on consultants for policy analysis and recommendations. Their use of the TA outputs was limited to quoting the findings of the consultants instead of using the survey data to conduct further policy analysis.

Lessons identified include the following. First, a TA that focuses on the primary concerns of its client may have several advantages over one of broad coverage, providing deeper insights into the key causes of the issues identified, developing detailed measures for ready implementation of its recommendations, and testing selected recommendations when appropriate. The testing, if successful, may generate strong interest within the government in favor of the TA recommendations and therefore enhance its sustainability. Second, TA design should allocate sufficient time and budget in the later stages of implementation to allow consultants not only to produce reports, but also to conduct in-depth discussions with government officials on the policy implications of their findings, develop follow-up actions, and guide the actual implementation of their recommendations when appropriate. Third, utilization of TA outputs should receive full attention in TA design; explicit arrangements for the dissemination and utilization of TA outputs should become a standard design requirement for advisory TAs. Fourth, whenever feasible and appropriate, arrangements should be made in TA design to make the reports and other information produced available to the general public and academic institutes. Fifth, the most important TA findings should be presented in a short summary to facilitate dissemination, particularly in upper echelons of government. Sixth, explicit arrangements for know-how transfer should become a standard design requirement for advisory TAs to ensure government officials' capacity in using the TA outputs and reduce their reliance on consultants in the long run.

## I. BACKGROUND

### A. Introduction

1. The Asian Development Bank (ADB) has provided 99 advisory technical assistance (TA) grants to the education sector and 52 advisory TAs to the health and population sector since 1980, for cumulative amounts of \$56 million and \$25 million, respectively. As ADB's lending to the health and population sector has shifted from the provision of physical infrastructure and equipment to the delivery of primary health care services, with increasing emphasis on the effectiveness and efficiency of these services, advisory TAs to this sector have increasingly focused on policy reforms, including reforms in the financing of social services. Although widely diverging, the major scope of the recent advisory TAs can be summarized as (i) rational allocation of public resources to the social sectors, (ii) efficient use of such resources, (iii) private sector participation in social services delivery and financing, and (iv) decentralization to improve the effectiveness of social services delivery.

2. Two advisory TAs are assessed in this technical assistance performance audit report (TPAR): (i) TA 2135-VIE: Financing of Social Services,<sup>1</sup> and (ii) TA 2441-SRI: A Study on Financing of Social Services.<sup>2</sup> They have been selected as typical and relatively recent examples representing a number of similar TAs focusing on policy reforms in financing of social services, an important topic for ADB operations in its developing member countries. The Viet Nam TA represents such TAs in the transitional economies; the Sri Lanka TA represents such TAs in the traditional borrowers of ADB. Lessons identified from these two TAs undertaken in different economic environments should provide valuable insights for ongoing and future operations of ADB in social sectors.

3. The TPAR presents the findings of an Operations Evaluation Mission (OEM) that conducted fieldwork and consulted with relevant stakeholders in Viet Nam and Sri Lanka in July 2001. Prior to the fielding of the OEM, different types of questionnaires were designed and sent to the executing agencies (EAs) of the two TAs, other relevant government agencies, TA consultants, and ADB staff that were in charge of TA design and implementation. Completed questionnaires were received with valuable inputs.<sup>3</sup>

4. The initial findings of the OEM were presented in a wrap-up meeting held in each of the two countries; comments received were incorporated into the TPAR. The TPAR draws its conclusions and recommendations from three sources: (i) a desk review of TA files, (ii) inputs from questionnaires, and (iii) discussions with government and aid agencies as well as other individuals involved in the TAs such as local consultants. Copies of the draft TPAR were submitted for review to the two EAs, other relevant government agencies, and concerned ADB departments. Comments received from the reviewers were taken into consideration in finalizing the TPAR.

---

<sup>1</sup> For \$575,000, approved on 12 August 1994.

<sup>2</sup> For \$350,000, approved on 10 November 1995.

<sup>3</sup> All the eight questionnaires sent to the international consultants and ADB staff were returned with complete answers and detailed comments on some issues. Two of the 10 questionnaires sent to government agencies were completed and returned. The remaining government agencies did not complete the questionnaires but answered most of the questions during the OEM's meetings with them. Overall, the questionnaires provided valuable inputs, especially from the international consultants.



## **B. Rationale, Objectives, and Scope**

5. The two TAs were implemented in two countries with very different economic systems. Viet Nam was under transition from a centrally planned economy to a market system, and the Government was experiencing severe fiscal difficulties that sharply reduced its ability to finance social services. There was a need to rationalize the utilization of the scarce public resources as well as mobilize additional resources. Meanwhile, the private sector was emerging after market liberalization, especially in the provision of health care services. The availability of such services, however, was limited to more affluent people in urban areas. At the time of the TA design, the operational strategy of ADB in Viet Nam focused on efficient economic growth, poverty reduction, and environmentally sound development, with an overall goal of sustainable growth with equity. Involvement in the social sectors was an important ingredient of such a strategy. As ADB had just resumed its operations in Viet Nam, there was an urgent need for a policy framework to guide operations in the social sectors, and evaluation guidelines to facilitate the selection of social sector projects.

6. Sri Lanka has traditionally enjoyed favorable social indicators (such as nearly universal primary education, high life expectancy, and low infant mortality) as compared with other developing countries due to the Government's long-term commitment to social services. However, the Government was facing increasing difficulties in sustaining their high costs due to reduced budgetary resources and inefficient allocation. Decentralization of social services to provincial governments further exacerbated this problem as the local governments assumed the responsibilities of delivering social services but did not receive the associated budgetary resources. At the time of TA design, the operational strategy of ADB in Sri Lanka aimed at accelerated efficient growth, broadened distribution of the growth benefits, and environmental sustainability, with the overall objectives of reducing poverty and unemployment. ADB's operations in the social sectors focused largely on health and secondary education; its TA operations supported sector studies relating to policy reform as well as the formulation of development strategies, plans, and programs.

7. The primary objectives of the Viet Nam TA were to assist the Government develop (i) a policy framework for designing and implementing social sector reforms, and (ii) guidelines for evaluating social sector projects. The TA covered three sectors (education, health, and population) with three components: (i) analysis of the existing patterns of private and public expenditures on social services, including interpersonal, intergender, and interregional distribution of expenditure and services delivery; (ii) analysis of the presently limited private sector delivery of social services and determinants of the future mix between private and public provision of services; and (iii) assessment of the ability and willingness of different income groups to pay for social services, and examination of the scope for more efficient and equitable financing of social services, both public and private. It was expected that the TA would also examine the feasibility of establishing a social security fund and a fund for retraining and retooling workers displaced by the economic adjustment program.

8. In addition to the above objectives and scope, the Viet Nam TA included a set of expectations covering (i) capacity building within the Government on evaluating alternative methods to finance social services; (ii) providing information to the Government to assist it in identifying and designing projects for potential support by aid agencies; (iii) developing the institutional capacity of the Government in collecting and processing social sector information; (iv) examining policy measures to make social sector spending more responsive to needs, raise efficiency of social service spending, improve equitable distribution of access to social services,

and strengthen the sustainability of social sector projects; and (v) developing guidelines for future selection of social sector projects.

9. The objective of the Sri Lanka TA was to assist the Government in developing a policy framework for designing and implementing reforms in the financing of social services in order to increase the sustainable provision of such services. The TA was expected to produce a set of criteria for allocating public funds, an assessment of affordability of social services, and a set of potential financing measures, including private sector participation in social services.

10. The Sri Lanka TA covered education, health, population, and social welfare services with four components: (i) analysis of existing patterns of expenditure on social services including (a) public capital and recurrent expenditure; (b) analysis by gender, institution, and region; (c) level of cost recovery for such services; (d) household expenditure on social services by income group, region, and province; and (e) expenditures for private provision of social services; (ii) development of criteria for allocation of public resources within the social sectors (the criteria would be developed as norm-based unit costs of social services by major programs, activities, and their levels, and would be set in such a way that government resources would be targeted at real needs and that the quality of social services would be improved); (iii) forecast of future demand and resource requirements of social services under several quality improvement scenarios; and (iv) provision of policy options to increase the sustainability of social services financing, including the appropriate future mix between private and public provision of social services, conceivable cost recovery measures, and future collaboration between the Government and nongovernment organizations (NGOs).

### **C. Technical Assistance Completion Reports**

11. Both TAs were rated generally successful in their respective technical assistance completion reports (TCRs). The TCRs' ratings were based on the fact that the TAs provided timely information and recommendations to the governments in their formulation of policy reforms in the social sectors, and facilitated policy dialogue between ADB and the governments in the design of social sector projects. The TCR on the Viet Nam TA reported that the TA produced a set of survey results that comprised the most recent and comprehensive information on social sector financing in Viet Nam at that time. The survey results were used by the Government in its internal policy dialogue and contributed to its capacity building in policy analysis and formulation. Furthermore, the TA results influenced the strategic thinking of ADB and project design in the social sectors. The TCR on the Sri Lanka TA reported that the TA produced a set of reports that analyzed the pattern and mechanism of social services financing in the country, estimated the costs of social services, and recommended measures for improving the efficiency of resource allocation to the social sectors. Three national workshops were held in Sri Lanka involving both central and provincial governments to discuss the TA findings. Recommendations were accepted and implementation plans were developed. The TCRs did not assess the TA design nor discuss its weaknesses, such as overly broad TA scope (para. 54) and insufficient attention to the utilization of TA outputs (para. 55).

## II. ASSESSMENT OF DESIGN AND IMPLEMENTATION PERFORMANCE

### A. Design of Technical Assistance

12. The OEM found that the design of both TAs was based on the primary concerns of their clients (the governments). In Viet Nam, the Government recognized the urgent need to reform public funding for social services at the time of TA design as it could no longer afford to finance all social services due to budgetary constraints. It also recognized the need to mobilize other resources, especially from the private sector, which was emerging during market reforms, although restricted in terms of size and scope. Since the official statistics did not cover the private sector, there was a need to collect data on private spending on social services through household surveys.

13. Wanting to use the TA to collect the urgently needed information, the Government actively participated in TA design. Three departments in the Ministry of Planning and Investment (MPI) that were in charge of financing social services (the Department of Finance, Department of Education and Environment, and Department of Labor, Culture, and Social Affaires) participated in the TA fact-finding mission. The General Statistics Office (GSO), through its Department of Social-Environment Statistics, accompanied the mission and facilitated its activities. Within the relevant line ministries, such as the Ministry of Education and Training (MOET), Ministry of Health (MOH), and National Committee for Population and Family Planning (NCPFP), the respective departments of planning and finance participated in meetings with the fact-finding mission. However, the final TA design focused on the policy framework and guidelines for evaluating social sector projects instead of the Government's priority of collecting information on private spending on social services needed for the formulation of social sector reforms.

14. In Sri Lanka, the Government initiated the TA through a concept paper prepared by the National Planning Department (NPD) of the Ministry of Finance and Planning (MOFP). At the time of TA design, the Government recognized the need to depart from the "history-based" budgetary allocation system that favored the more affluent regions and perpetuated existing disparities among regions. This problem was exacerbated by devolution that started in 1989, which decentralized social services to provincial governments but not the associated funds, leading to deteriorating quality of social services, especially in poor regions. Meanwhile, the Government was encouraged by successful policy reforms in budgetary allocation in some other countries such as Malaysia, which used a unit cost resource allocation system (UCRAS). The Government was expecting the UCRAS to be introduced into Sri Lanka under the TA.

15. Alternative priorities for the Sri Lanka TA were suggested within ADB during the TA design stage. Instead of focusing on improving budgetary allocation within the public sector, it was suggested that the TA should study (i) measures to motivate private sector participation in the delivery and financing of social services; and (ii) intergovernmental fiscal transfers, such as the form of grant transfer from central to provincial governments with least distortion. While these were interesting topics for sector study, they were not the Government's main priority. Since the public sector was the primary provider and financier of social services in Sri Lanka at that time, streamlining public resources allocation had the potential of achieving the largest gains. Finally, ADB decided that the TA should focus on the Government's primary concerns and produce something of practical use for the Government. During TA contract negotiations, the ADB staff in charge of the TA supervision informed the consultants that they should focus on the development of the UCRAS, and should fully reflect the views of the Government in TA implementation.

16. One major weakness in the design of both TAs was the overly broad TA scope in relation to their limited resources and their rather short duration. Both TAs covered several sectors and comprised several components as well as many subcomponents and expectations (paras. 7-10). The OEM observed that some of the components and subcomponents did not directly contribute to the governments' primary objectives. In Viet Nam, for example, the Government's main priority was the social survey to collect information for formulating reforms. In Sri Lanka, the Government's primary objective was to introduce the UCRAS as a tool to reform the budget allocation system. The overly broad sector reviews, which consumed a large portion of the TA consultants' time and effort, did not seem to contribute much to these objectives.

17. Another major weakness of the TA design was insufficient attention paid to the utilization of the TA outputs. The design of both TAs focused only on the production of the required TA outputs without arrangements for dissemination and utilization of the TA outputs, such as the survey data and consultants' final reports. In conjunction with the governments' weak institutional capacity, this issue resulted in underutilization of TA outputs and losses in efficiency (para. 55).

18. There was some overlap between TA 2135-VIE and the World Bank-funded Viet Nam Education Financing Sector Study, which were carried out at the same time. The TA consultants worked closely with the World Bank team to share information and avoid repetition in coverage. ADB's TA focused more on social services spending at the household level, and received provincial data from the World Bank team.

19. There were several processing missions for both TAs.<sup>4</sup> The signing of the TA Agreement for the Viet Nam TA was delayed due to a request from the Government to change the EA from MPI to GSO (para. 22). The repeated missions did not cause a significant amount of extra costs as some of them were of short duration and combined with other ADB missions to the countries. The later missions refined the TA design but did not make fundamental changes.

20. There were minor changes of TA scope during implementation in both cases. In Viet Nam, a commune level survey and a facility survey were added during implementation in view of the need to understand commune level financing of social services as well as access to and quality of social services across regions. In Sri Lanka, a facility survey on schools and health care facilities was added during implementation to collect micro-level data needed for the sector review and the estimation of unit costs. The OEM found that the modifications were appropriate and contributed to the final TA outputs and impact.

## **B. Engagement of Consultants**

21. Both TAs recruited professionally competent consultants through international consulting firms, which, in turn, recruited domestic consultants. In Viet Nam, the originally proposed consultant team leader became unavailable before the TA began, and the health and population specialist assumed the responsibility as team leader. His solid academic background and good performance in leading the consultant team contributed to the high quality of the TA's final report, which was rated "excellent" by all reviewers in ADB. In Sri Lanka, the expert mix was adjusted during the TA design stage based on a suggestion from the Government and its desire to focus

---

<sup>4</sup> In Viet Nam, the first TA fact-finding mission was conducted in December 1992. The TA processing was then on hold for one year due to staff constraints in ADB. Another TA preparation mission was conducted in March-April 1994 to update the information, leading to TA approval in August 1994. In Sri Lanka, the first TA fact-finding mission was conducted in May 1994; the second one in December 1994 after the election to reconfirm the support of the new Government for the TA; the third TA processing mission followed in July 1995.

the TA on developing the UCRAS instead of a general review of public expenditure. During implementation, the person-months of the international social welfare specialist increased from 2.0 to 2.5 in view of the lack of existing studies on social welfare, the need to collect primary data, and the large varieties of welfare programs. The OEM found these adjustments appropriate. In both TAs, the consultants completed their major assignments on time and at a high level of quality. The governments were happy with the consultants' performance and their contributions in both TAs. Overall, the performance of the consultants is rated satisfactory by the OEM.

### **C. Organization and Management**

22. Implementation arrangements for both TAs were largely appropriate. Since the TAs involved multiple agencies across sectors, a central coordination agency instead of a line ministry was selected as the EA in both cases. In Viet Nam, the TA fact-finding mission originally selected MPI. At the request of the Government, however, GSO replaced MPI in view of the desire to focus the TA on the social survey and GSO's experience and capacity in organizing and conducting surveys.

23. In Sri Lanka, NPD served as the EA due to its mandate and therefore authority in national planning as well as in designing policy and institutional reforms. NPD also benefited from its close linkages with the planning departments in each of the line ministries and provincial councils. Moreover, the director of NPD was the person who initiated the TA concept and provided strong leadership in TA design and implementation.

24. One major weakness in the organizational arrangements of the Sri Lanka TA was the omission of the National Budget Department (NBD) of MOFP and the Finance Commission in the TA design. As the TA focused on the reform of budget allocation system, and NBD and the Finance Commission were key players in budget allocation to line ministries (NBD) and provincial councils (Finance Commission), they should have been involved in the TA design. Furthermore, the line ministries should have more actively participated in the TA activities in both countries. In actual implementation, however, the Finance Commission participated in many TA activities.

25. A steering committee was established under both TAs to coordinate the various participating agencies. These committees met when there were issues to be resolved. They coordinated relevant agencies and provided guidance to the TA consultants. In Sri Lanka, the steering committee also coordinated provincial governments involved in the TA.

### **D. Implementation Schedule and Financing Arrangements**

26. In both TAs, the implementation schedule was too short for the required tasks. The expected duration was 11 months for the Viet Nam TA and 6 months for the Sri Lanka TA. The tight schedules generated intensive pressure. In Viet Nam, there was insufficient time for the international consultants to conduct in-depth policy analysis and to train government staff and engage them in the analysis. In Sri Lanka, the TA might have had a larger impact if there had been time to develop more detailed unit costs and measures for the implementation of the UCRAS. Although the TAs were delayed in starting, both of them were implemented largely within the planned period: there was no delay in the Sri Lanka TA and a delay of three months in the Viet Nam TA. Variations in TA costs were minimal, with a small (\$23,944) cost underrun in the Sri Lanka TA and no cost variation in the Viet Nam TA.

## E. Supervision

27. ADB and the governments supervised TA implementation closely. ADB staff in charge of the TAs encouraged government participation in TA design and implementation. In Viet Nam, ADB fielded an inception mission and a review mission that attended two workshops, facilitated the consultants' work programs, and coordinated with government agencies, consultants, and other aid agencies. ADB staff also supervised TA implementation through close communication with the consultants via email, and promptly responded to their request for additional funding to finance the commune survey and facility survey that were added during TA implementation (para. 20). Similarly, two missions were fielded in Sri Lanka, despite the short TA duration. These missions closely monitored implementation, provided guidance to the consultants, and participated in the national workshops. The OEM found that government officials and consultants in both countries appreciated the contributions of ADB in supervising the TAs.

28. In both countries, the governments actively participated in TA implementation. In Viet Nam, three senior staff from the three departments of MPI (para. 13) and two staff from GSO and NCPFP were engaged as domestic consultants under the TA.<sup>5</sup> They prepared sector background papers, which were presented at the inception workshop and used by the international consultants in their sector reviews. Experts from line ministries also participated in the design of the social surveys. The counterpart staff from GSO worked closely with the consultants in the design and conduct of the social surveys.

29. However, the participation of the Government of Viet Nam in the late stage of the TA (after the surveys) was less active. Due to the time pressure generated by the overly broad terms of reference (TOR) and the tight schedule, the consultants had no time to train the government officials who, due to their limited capacity in data processing, policy analysis, and report writing, were unable to catch up with the accelerated pace after the surveys. As a result, a good opportunity to train the government officials and engage them in exploring the policy implications of the survey findings was lost.

30. In Sri Lanka, three staff from NPD were assigned as counterparts to form three teams for education, health and population, and social welfare. Each team had one international consultant, one domestic consultant, and one government staff. The teams were located in NPD under the supervision of its director, and worked effectively. The international consultants received strong support from the domestic consultants and counterpart staff, who improved their own capacity by working closely with the international consultants, especially in the sector reviews.

31. Provincial governments also participated in the implementation of the Sri Lanka TA. They had meetings with the TA consultants and participated in workshops, where the consultants presented their workplans, findings, and policy recommendations. However, the participation of the line ministries was less active in both TAs (with the exception of NCPFP in Viet Nam).<sup>6</sup> Overall, the performance of ADB and the governments is rated satisfactory by the OEM.

---

<sup>5</sup> This engagement was handled by the international consultants. According to ADB's guidelines, no government officials should have been used as domestic consultants.

<sup>6</sup> The NCPFP staff member who actively participated in the Viet Nam TA had just been transferred from GSO to NCPFP before the TA began. He was originally one of the key TA supporters within the Government during the TA design stage.

### III. EVALUATION OF OUTPUTS AND IMPACTS

#### A. Outputs of Technical Assistance

##### 1. Viet Nam: Financing of Social Services

32. The most impressive achievement under this TA was the wealth of information collected, including a household survey of 1,890 families in 63 communes in seven provinces,<sup>7</sup> a commune level survey of the same 63 communes on revenues and expenditures on social services, and a facility survey covering 205 schools, 21 district hospitals, 39 medicine shops, and 47 private health establishments. As the first large-scale exercise in this area in Viet Nam, the surveys provided a good picture of social services utilization by households, financing of these services at the household and commune levels, quality of the service facilities, access to social services, and regional variations of these services. The survey results were linked to the household income data from a parallel multipurpose household survey conducted by GSO, thus enhancing the usefulness of the survey data under the TA.

33. Based on the survey findings, the consultants produced a very good and comprehensive report. The report drew on the academic and technical background of the consultants as well as available literature and studies, and made good use of the survey findings as well as data from the World Bank study (para. 18). The report analyzed public and private provision of education, health care, and family planning services, examining their quality and costs. Based on the survey data, household expenditure of different income groups on education and health care services was investigated, together with an analysis of their access to and utilization of such services. A series of sophisticated policy recommendations were proposed following the sector issue analysis. Appendix 1 provides a more detailed assessment of the report.

34. Two workshops were conducted under this TA, including an inception workshop to discuss workplans, and a final workshop to discuss the consultants' draft final report. The workshops contributed to dissemination of the TA findings and collection of feedback. Their impact, however, was limited by the number of participants; many of them were government officials who had already participated in the TA. There was no other mechanism to disseminate the TA reports.

35. A study tour was conducted largely as planned under this TA, with six staff from MPI, GSO, and the Ministry of Finance visiting the People's Republic of China, Philippines, and Thailand in three weeks. The findings of the study tour were presented at the final workshop. As reflected by the presentation, which contained much information on the financing of social services as well as statistical systems in these countries, the officials had made serious studies during their trips. Overall, the study tour provided an opportunity to expose these officials to policy reforms in other countries, and contributed to their increased openness to market reforms.

36. In spite of the large volume of useful outputs, the stated objectives of the TA were not fully achieved. First, although the TA's final report provided a theoretical justification for government interventions in social sectors as well as basic principles in selecting policy interventions with least distortion, the policy framework was not fully developed. Second, the guidelines for evaluating social sector projects were not developed.

---

<sup>7</sup> The survey sample covered about 10 percent of the total communes in the country.

37. The OEM noted that it might have been an unrealistic expectation for the TA to develop a policy framework, guidelines, and social survey within the envisaged TA duration of 11 months. In fact, the development of a framework would have required (i) results of a thorough analysis of social sector issues, (ii) clearly defined policy objectives, and (iii) a set of policy interventions to achieve the policy objectives. The formulation of an appropriate policy framework would have to be a joint effort of the Government and ADB and not solely the work of consultants. The limited time and resources under the TA were insufficient to complete the task, which required long-term effort to formulate the appropriate policy intervention measures. Nevertheless, by collecting useful information, conducting a sector analysis, and proposing policy recommendations, the TA made a contribution to the future development of the framework and guidelines. Most important, the Government was highly satisfied with the TA's major achievement in collecting the urgently needed survey data. All the officials interviewed by the OEM expressed their appreciation for the TA's achievements.

## **2. Sri Lanka: A Study on Financing of Social Services**

38. The most important achievement under this TA was the development of the UCRAS, including a set of formulas for budget allocation in education, health, population, and social welfare services. The formulas were based on the number of beneficiaries, direct cost of services delivery, indirect cost of administration, and inputs for quality improvement. As required by the TOR, the TA also produced a set of sector reviews covering education, health, population, and social welfare services. The reviews identified a set of issues in these sectors including, in particular, disparities between regions and inefficiencies in the delivery of the services. To collect additional data needed for the sector review and the estimation of unit costs, the TA added a facility survey in three provinces covering 120 schools, 36 health care facilities, and 48 social welfare services providers. Finally, the TA produced an ambitious plan to implement the UCRAS in all sectors within five years.

39. Three workshops were held under this TA, including an inception workshop to discuss problems in the existing budget allocation system, the need for reform, the TA objectives, and the consultants' workplans. Toward the end of the TA, two final workshops (one for social welfare and the other for education, health, and population) were held to discuss the TA's findings, recommendations, and implementation plans.

40. The TA produced a seven-volume final report, including three volumes of sector reviews on education, health, population, and social welfare, which described the structure of services delivery, the funding mechanism, and the status of services, and identified a wide range of sector issues. As shown in Appendix 1, when strictly comparing with the TA components and subcomponents as stated in the TA design, the coverage of the final report varied by sector. The education review covered almost every aspect of the TOR, although its discussions on private sector provision, household expenditure, and cost recovery were rather limited. In the health and population sector, the review covered most topics with the exception of cost recovery, private sector provision, household expenditure, forecast of future demand, and policy options under different scenarios. In social welfare, the review covered as many topics as data were available, but without sufficient discussion on capital expenditure, cost recovery, household expenditure, future demand, and policy options under different scenarios.

41. Unit costs were estimated for all sectors. In the health sector, however, the consultants found that using unit costs per patient was inappropriate due to the complexity of health care services and the large variations in the cost of treatment by hospital. Consequently, they proposed the diagnostically related group (DRG) approach. Due to a lack of detailed breakdown of data, however, the consultants were unable to estimate the DRG unit cost, as hospitals did not keep



detailed cost records under the existing system of free provision of health services. The tight TA schedule also prevented the consultants from conducting micro-level studies to collect cost data broken down further.

42. The quality of the reviews also varied by sector. The education review was the best, covering all subsectors within education, with systematic analysis and good recommendations. The OEM noted that the education review benefited from the availability of abundant data and existing studies on this sector. The review of the health and population sector was more general. It used many official data and existing studies, and made good use of the results from the facility survey conducted under the TA. Being the consultant team leader, however, the international health financing specialist seemed to have diluted his time and effort to manage the TA activities. This might have affected the quality of the health sector study. The social welfare was a largely ignored sector, with few existing studies and a shortage of official data. Thus, the consultants had to collect primary data, including information from the provinces. Due to insufficient time, they conducted no in-depth analysis of the issues identified. Nevertheless, the TA produced the first systematic review of the wide range of social welfare programs provided by government agencies and NGOs in Sri Lanka, including their financing sources and program structure.

43. The OEM noted that it was very difficult to fully implement the TA's four components and their subcomponents at a high level of quality within the six-month TA period. During implementation, a process approach was adopted and the ADB staff supervising the TA did not use the TOR to strictly control the consultants. However, since there was no formal adjustment in the TA scope and consultants' TOR, the consultants still endeavored to cover all the items listed in their TOR. In retrospect, the consultants could have concentrated their efforts on an in-depth analysis of the issues identified, or on the development of detailed unit costs of social services by province, which would have enabled ready implementation of the UCRAS. Through interviews with government officials, however, the OEM found that the Government was satisfied with the TA's major output of the UCRAS. The less than full implementation of some other parts of the TOR did not cause any problem because those parts were less relevant to the Government.

## **B. Impacts of Technical Assistance**

### **1. Viet Nam: Financing of Social Services**

44. The OEM found that the TA had a positive impact in Viet Nam. Its draft final report was translated into Vietnamese, circulated to government agencies involved, and discussed in the final workshop attended by relevant government and aid agencies. The OEM learned, during its interviews with government agencies, that the TA's findings were repeatedly quoted by government officials in their proposals for policy changes. Together with the efforts of other projects, the TA's recommendations positively influenced policy reform in the social sectors in Viet Nam. Appendix 2 provides a summary of the implementation status of the TA recommendations, which indicates that most of them were accepted, and a large number have been implemented. In particular, the TA's recommendation on directing more public assistance to help the poor access education has led to new policies of fee exemptions, scholarships, and textbook subsidies for students from poor families. The recommendation on greater attention to the nutrition status of the population was accepted and the Government has established national targets for reducing malnutrition. The recommendation on better targeting health care subsidies has led to a government decision to pilot test exemption of health care payments as well as government payment for health insurance for the poor. The TA outputs were also used by other aid agencies. In particular, the World Bank used many of the survey findings in its Viet Nam Education Sector

Financing Study and Health Care for the Poor Project. ADB also quoted some TA findings in its Lower Secondary Education Development Project.<sup>8</sup>

45. The TA could have had an even larger impact if its outputs had been disseminated not only to the government agencies directly involved with the TA, but also to other government and aid agencies, the general public, and academic institutes. Toward TA completion, ADB planned to publish the final report in view of its high quality. That plan did not materialize due to the lack of a budget allocation for publication. The Government did not use the rich database from the surveys due to the limited capacity of government officials in data and policy analysis, and the lack of a component—and therefore time and resources—under the TA to train them in this. The shift of the EA from MPI to GSO may also have contributed to this problem. As a professional data agency, GSO was particularly strong in organizing and conducting surveys but not so in issue analysis and policy recommendation for a particular sector. GSO naturally focused the TA on data collection instead of sector policy analysis. Moreover, the line ministries (with the exception of NCPFP) were not actively involved in the TA except for facilitating the surveys in their respective sectors. They could have identified more sector issues using the survey database if they had been actively involved in the TA. Officials from GSO also pointed out that it was a common weakness in the Government to focus on data collection instead of data utilization, as there was no budget allocation for data dissemination under most projects and programs. They also found the final report too voluminous to be disseminated widely.<sup>9</sup>

46. The above observations reflect a weakness in the TA design, which focused on the production of TA outputs with insufficient arrangements for their dissemination and utilization. Given the weak government capacity in policy analysis, the traditional gap in the country between survey data and policy outputs, and the TA's expectation for building the Government's institutional capacity, the TA could have included a component to train government officials and engage them in analyzing the survey data. In retrospect, a two-stage implementation could have been considered, with the first stage focusing on data collection through surveys led by GSO and the second on data and policy analysis led by the line ministries. MPI could have served as the EA for overall TA coordination.

## **2. Sri Lanka: A Study on Financing of Social Services**

47. In Sri Lanka, the TA's primary outputs were the UCRAS and its formulas, which have been used by the Government. In education, the Government developed detailed unit costs and methodologies to implement the UCRAS under the Second General Education Project (SGEP) financed by the World Bank. This new budget allocation system has been used since 2000 in the allocation of provincial budgets to schools for quality inputs, and has had encouraging initial results.<sup>10</sup> In the health sector, the Finance Commission has developed detailed proposals with funding from the United Nations Development Programme to use the UCRAS for budget allocation from the central to provincial governments. In the social welfare sector, however, no follow-up actions have been adopted, primarily due to the low priority and insufficient attention given to this sector.

48. The TA's draft final report was disseminated in the final workshops attended by relevant central and provincial government agencies as well as NGOs. However, the impact of the workshops was limited to the participants. Similar to the case in Viet Nam, the circulation of the

---

<sup>8</sup> For \$50 million, approved on 16 September 1997.

<sup>9</sup> Although the final report included an executive summary, its 11 pages were considered too much to be read by high-ranking officials. For a report to reach upper government echelons, a brief summary of one or two pages of the most important findings needs to be prepared.

<sup>10</sup> The budget for quality inputs is the budget for procurement of inputs for improving the quality of teaching-learning activities in schools.

TA's final report in Sri Lanka was limited to government staff directly involved in the TA. The OEM found that the bulkiness of the final report put off readers in the Government. Again, there was no brief summary of the most important findings.

### **C. Sustainability**

49. The TAs' benefits and development impact are likely to be sustainable in both countries. In Viet Nam, the TA's primary benefits were the survey findings and policy recommendations, which have been used in raising the awareness of government officials of the large disparities in the access to, and quality of, social services across regions as well as between urban and rural areas. The TA also contributed to the increased consensus among government officials on shifting the limited public subsidies from the rich urban sector to the poor rural sector. Over time, most of the TA's policy recommendations have been accepted, and some of them have been implemented (Appendix 2). These positive impacts are likely to be sustained as the TA's recommendations continue to positively influence policy reforms in the social sectors. Furthermore, most of the government officials who gained experience under the TA through working with the international consultants have remained in relevant government offices. Many of them were promoted after the TA and, therefore, have a better chance of ensuring continual implementation of the TA recommendations.

50. However, know-how transfer to the Government under the TA was weak due largely to the lack of time and resources allocated for training government officials in policy analysis.<sup>11</sup> Government officials continue to rely on international consultants for sector issue analysis and policy recommendations.

51. In Sri Lanka, the TA's primary benefit was the UCRAS, which has been accepted by the Government and used in the education sector for budget allocation for quality inputs. Proposals have also been prepared for budget allocation from the central Government to provincial councils for health services using the UCRAS. It is likely that the Government will continue to implement the UCRAS in all sectors because of several developments. First, awareness of the problems in the "history-based" budget allocation system and advantages of the UCRAS is high, due largely to the workshops organized under the TA as well as various training programs under other projects such as SGEP. Second, the successful implementation of the UCRAS in the education sector under the SGEP has generated strong interest in UCRAS within the Government. Consensus has been achieved among government agencies on the need to move to a new budget system. Third, the leadership of NPD has shown strong commitment to reform, and the Government has been encouraging sector investment projects financed by aid agencies to include a financing component to directly or indirectly apply the UCRAS formula or principles. Similar to the case in Viet Nam, the government counterpart staff who gained experience by working with the TA consultants have remained in relevant government offices. They will contribute to continued implementation of the TA's recommendations in the future.

---

<sup>11</sup> The Government counterpart staff under the Viet Nam TA improved their ability in survey design and implementation but not in policy analysis (para. 56).

#### **D. Institutional Impact of Technical Assistance**

52. Both TAs generated positive institutional impacts. In Viet Nam, the TA positively influenced government policies through increased awareness of social sector issues and consensus on social sector reforms. The TA also contributed to substantial improvement in GSO's capacity in designing survey questionnaires on financing of social services, which was lacking before the TA. Moreover, the government counterpart staff who worked with the international consultants improved their capacity and were promoted after the TA (para. 49). The TA's institutional impact on the line agencies, however, was limited, due largely to their less active participation, with the exception of NCPFP.

53. In Sri Lanka, the TA had a significant impact on government policies as it not only increased awareness of social sector issues but also initiated the process of reform on budget allocation system. The TA also contributed to improved capacity of the government counterpart staff. As in Viet Nam, the TA's institutional impact on the line ministries was limited, due largely to their limited participation in the TA activities.

## **IV. CONCLUSIONS**

### **A. Key Issues**

#### **1. Overly Broad TA Scope**

54. The scope of both TAs as stated in the TA reports was overly broad vis-à-vis the available resources. Both TAs covered several sectors and comprised several components with many subcomponents. It was very difficult, if not impossible, to fully implement all these tasks at a high level of quality within the relatively short TA duration and available budget. Both the governments and ADB were aware that the governments' needs were rather simple and narrow. In Viet Nam, the priority of the Government was the social survey data needed for its formulation of social reforms. In Sri Lanka, the objective of the Government was to introduce the UCRAS as a tool to reform the budget allocation system. In both TAs, the ultimate goal was to optimize the utilization of public resources for social services. Yet in the TA reports, the objectives and scope were defined too broadly, and included elements not directly related to the governments' objectives. Both TAs produced the outputs needed by the governments; however, the ambitious scope diluted the TA consultants' time and efforts to produce comprehensive sector reviews, which then had few readers in the governments. In retrospect, the consultants' time and effort could have been more concentrated on the governments' narrow objectives. Under such a scenario, the consultants might have been able to explore more policy implications of the survey findings in Viet Nam, and develop detailed unit costs and measures for the implementation of the UCRAS in Sri Lanka.

#### **2. Dissemination and Utilization of TA Outputs**

55. The design of both TAs did not include arrangements for dissemination of their outputs, such as survey data and consultants' reports, to the general public and academic institutes. Although workshops were held to discuss the TAs' findings and recommendations, the impact of the workshops was limited to the participants, most of whom had already been involved in TA execution. The bulky reports and the lack of a brief summary of the most important findings also prevented wide readership. This may have been attributable to the tendency to focus TA design on output production with insufficient attention to output dissemination and utilization. In Viet Nam, a traditional gap between social surveys and policy outputs in the Government also contributed to this, due largely to government officials' weak capacity in policy analysis.

#### **3. Transfer of Know-How**

56. Neither TA included explicit arrangements for know-how transfer to the governments, although during implementation, the capacity of the governments' counterpart staff improved as they worked closely with international consultants. In Sri Lanka, the TA's impact in the education sector was enhanced by the follow-up SGEF financed by the World Bank that provided substantial training and engaged government officials in the implementation of the new budget system. In Viet Nam, the TA helped improve the capacity of the government counterpart staff in survey design and implementation, but not in data analysis and policy recommendation development. As a result, the government officials continue to rely on consultants for sector issue analysis and policy recommendations. Their use of the TA outputs was limited to quoting the consultants' findings instead of using the survey data to conduct further policy analysis. It is recognized that capacity building needs long-term efforts; it is unrealistic to expect that one TA of short duration could have moved the EA away from relying on consulting services. Nevertheless, such advisory TAs should give attention to know-how transfer, with a view to contributing to the final goal of making

government agencies less dependent on foreign consultants. Since the impact of a TA depends not only on the quality of its outputs but also the capacity of its users, know-how transfer will enhance the impact by building up the capacity of the government in utilizing the TA outputs.

## **B. Overall Assessment**

### **1. Viet Nam: Financing of Social Services**

57. The TA was and remains highly relevant to the Government as it helped generate social survey data needed for the formulation of social sector reforms. The TA's policy recommendations continue to positively influence government policy reforms in the social sectors. However, the TA's objectives as stated in the TA report did not focus on the primary objective of the Government. As a result, the TA produced the outputs needed by the Government, but the less relevant objectives of developing a policy framework and evaluation guidelines were not fully achieved. Since the TA met the relevant objective and targets, it is rated relevant and efficacious. It is also rated efficient because, although delays were experienced in processing, there were no major implementation delays. The TA's outputs were used by the Government and aid agencies. They could have been more widely used if the survey database and the final report had been made available to the general public and academic institutes. The TA's sustainability is rated likely because the Government has accepted most of the TA's recommendations; some have been implemented. The know-how transfer was weak and the government staff continue to rely on consultants in sector issue analysis and policy recommendations. The TA's institutional impact is rated moderate as it had a positive impact on government policy and the capacity of the counterpart staff, but a limited impact on the participating line ministries due largely to their less active involvement in the TA. Based on the above considerations, the TA's overall rating is successful.

### **2. Sri Lanka: A Study on Financing of Social Services**

58. The TA helped introduce the UCRAS urgently needed by the Government as a tool to reform the budget allocation system and was, therefore, highly relevant. However, the scope as stated in the TA report was overly broad, including some less relevant elements. The TA produced the output that was considered by the Government as very useful, although it did not meet some less relevant targets. Thus, the TA is rated relevant and efficacious. The TA is rated efficient because, although delays were experienced in its processing, there were no implementation delays. However, the bulky reports found few readers in the Government. The TA's sustainability is rated most likely because its major output, the UCRAS, has been used by the Government in the budget allocation to schools, and the Government has been encouraging donor-funded projects to include a financial component to implement the new budget system in other sectors. The TA's institutional impact is rated moderate as the TA had a positive impact on the Government's policy and the capacity of the counterpart staff, but a limited impact on the participating line ministries due largely to their less active involvement in the TA. In summary, the TA's overall rating is successful.

## **C. Lessons Identified**

59. As the two TAs focused on sector studies and policy reforms, lessons identified relate to the design and implementation of such advisory TAs, related to sector studies and policy reforms in general, rather than being limited to the social sectors.

60. A TA has maximum development impact when the government (i) feels a strong need for the TA either on its own or after consultations with ADB, (ii) is very clear about the desired outputs, and (iii) provides leadership during design and implementation. These conditions result in the government having a strong incentive to use the TA outputs and implement its recommendations.

61. Since strong ownership of a client is key to a TA's success, a TA will yield better results and impact if it focuses on the primary concerns of its client. Given the limited resources and time available, a focused TA has several advantages over one with broad coverage. Instead of comprehensive reviews of a general nature, a focused TA may provide clear insights into the key factors underlying the issues identified, detailed measures for ready implementation of its recommendations, and testing of selected recommendations when appropriate. The testing, if successful, may generate strong interest within the government in favor of the TA recommendations and, therefore, enhance its sustainability.

62. The TOR of consultants should reflect the sharp focus of the TA scope. Sufficient time and budget need to be allocated for the later stages of TA implementation to allow consultants not only to produce reports but also conduct in-depth discussions with government officials on the policy implications of their findings, develop follow-up actions, and guide the actual implementation of their recommendations when appropriate.

63. Utilization of TA outputs should receive full attention in a TA design; explicit arrangements for the dissemination of TA outputs should become a standard design requirement for advisory TAs.

64. Workshops are a good mechanism to discuss TA findings and collect feedback. Their impact on dissemination of TA outputs, however, may be limited to the number of workshop participants. This may be particularly true when the participants are government agencies and officials that have already been involved in the TA's execution.

65. Whenever possible and appropriate, arrangements should be made in TA design to make the reports and other information produced, such as survey data, available to the general public and academic institutes through public libraries, websites, and other suitable mechanisms. ADB may also facilitate the dissemination by posting the TA reports on its website when appropriate.

66. To facilitate the dissemination of TA reports, particularly in upper echelons of government, the most important TA findings should be summarized in only one or two pages.

67. The selection of a government agency to be the EA of a TA needs to consider the authority of that agency in leading the policy reforms to be recommended by the TA. To maximize the TA's impact on policy reforms, it is necessary to select an agency that will not only have the ability to facilitate the required TA activities, but also the authority to implement the TA recommendations.<sup>12</sup>

68. Arrangements for know-how transfer should become a standard design requirement for advisory TAs to ensure that government officials will have the capacity to use the TA outputs and reduce their reliance on consultants in the long run.

---

<sup>12</sup> For example, the Viet Nam TA should not have used GSO as the EA. This is because GSO, though strong in conducting the social survey, had no authority in leading social sector reforms. Consequently, the TA did well in the social survey but not in social sector reforms.

#### **D. Follow-Up Actions**

69. For TA 2135-VIE, GSO should (i) disseminate widely the TA's final report and its executive summary, possibly through public libraries, websites, its office, and ADB's Viet Nam Resident Mission (VRM), with a target date of June 2002; and (ii) disseminate the survey database to interested users, especially academic institutes, possibly through public libraries, websites, its office, and VRM, with a target date of June 2002. VRM should monitor the implementation of the above actions.<sup>13</sup>

---

<sup>13</sup> VRM was established in 1996 and, therefore, was not involved in the TA execution. By virtue of its location, VRM has a close relationship with the Government and is in a position to monitor implementation of these actions.



## APPENDIXES

<b>Number</b>	<b>Title</b>	<b>Page</b>	<b>Cited on</b> (page, para.)
1	Assessment of Final Reports	18	8, 33
2	Implementation Status of Recommendations	20	10, 44

### SUPPLEMENTARY APPENDIXES

(available on request)

- A Survey Questionnaire for Government Agencies on the TA to Viet Nam
  
- B Survey Questionnaire for Consultants on the TA to Viet Nam
  
- C Survey Questionnaire for ADB Staff on the TA to Viet Nam
  
- D Survey Questionnaire for Government Agencies on the TA to Sri Lanka
  
- E Survey Questionnaire for Consultants on the TA to Sri Lanka
  
- F Survey Questionnaire for ADB Staff on the TA to Sri Lanka

## ASSESSMENT OF FINAL REPORTS

### TA 2135-VIE: Financing of Social Services

TA Scope	Education	Health	Population
Analyze existing patterns of private and public expenditure on social services.	Overall level of government investment in education; public and private investment on education by income groups; differentials in school subsidies; school inputs; school performance and efficiency; public perceptions of school quality; and needed improvements analyzed.	General situation in health and nutrition including private expenditures; role of government and budget in the health sector; the role of self-treatment and private pharmacies; public and private providers in rural and urban areas; patterns of government subsidies to hospitals and commune health centers; patterns of utilization of government outpatient and inpatient care by facility and income groups; and health personnel training analyzed.	History and current status of family planning (FP) program; rationale for government funding such as information gaps; program limitations; current levels of government funding; patterns of public and private participation; the role of the private sector; allocation of FP program resources among provinces and activities; and optimum level of subsidies for FP discussed.
Analyze presently limited private sector delivery of social services.	Household expenditures on public and private education at different income levels discussed, but private schools were not surveyed nor analyzed.	Private sector provision of health services; differential access to and utilization of public and private services; public perceptions of the quality of public versus private services; and differences in household cost of health care services analyzed.	Private sector role in FP service delivery, including social marketing and vouchers, analyzed.
Investigate determinants of appropriate future mix of public and private services.	Determinants of future public-private mix not discussed.	Future public-private mix not analyzed but the need to increase private sector provision of health care services discussed.	The need to encourage private sector services, especially in wealthier and urban areas, analyzed.
Assess ability and willingness of different income groups to pay for social services.	Current actual payments for different school levels by income level analyzed but willingness to pay not discussed.	Analysis of perceived and actual ability to pay for the services; the need for insurance coverage for the poor.	Purchase of contraceptives; willingness of public to buy from private pharmacies; and use of private doctors discussed.
Examine scope for more efficient and equitable financing of social services, both public and private.	Current public and private financing at different school and income levels, including subsidies, total education costs, scope for improvements in equity and efficiency of schooling services, analyzed.	The role of public versus private hospitals; perceptions of quality and costs; the need for government subsidies for commune health centers; and improved access to hospitals for the poor analyzed.	Current FP subsidy levels for contraceptive methods; and use of client incentives and field worker incentives analyzed.
Examine feasibility of establishing a social security fund and fund for retraining workers displaced by economic adjustment program.	Not applicable.	Health care costs and perceived need for health insurance, government-sponsored health insurance, patterns of coverage, benefits, and demand for insurance among the presently uninsured analyzed and discussed.	Not applicable.

TA= technical assistance.

### TA 2441-SRI: Study on Financing of Social Sectors

TA Scope	Education	Health and Population	Social Welfare
Overall sector review.	Comprehensive sector description on each of higher education, technical education and vocational training, including organization, statistics, accomplishments; issues including regional disparities, untrained teachers, and lack of facilities, analyzed.	General description of organization, basic policies, physical resources, demographic and epidemiological profile; description of FP and health services provided.	Sector description including central and provincial organization, relationship between levels and types of services, descriptions of the range of facilities and services provided.
Analysis of existing pattern of public capital and recurrent expenditure.	Public recurrent and capital expenditure; intersectoral (share in gross domestic product, share in government budget, provincial and central expenditures) and intra-sectoral (salary versus others, levels of education, special issues); allocation of resources; and devolution of education resources to provinces analyzed.	Public recurrent and capital expenditures by central and provincial health administrations; per capita expenditures; and structure of expenditure (salaries, travel, supplies) analyzed. Population program expenditures and cost per user estimated.	Resource mobilization system for public assistance; other income transfer programs; personalized social services including resources allocated centrally and through the provincial councils analyzed. Recurrent expenditures and resource transfer payments to institutions and individuals discussed; no detailed capital expenditures discussed.
Existing patterns of expenditure by gender, institution, and region.	Expenditure pattern analyzed by institution and region but not by gender.	Expenditures analyzed by province and broken down by hospital, community care, and administration, but not by institution nor by gender. Facility survey including cost breakdown by service, facility type, and cost category analyzed.	Expenditure patterns analyzed by institution but not by region nor by gender.
Existing level of cost recovery for services.	School fees, other private and household contributions analyzed.	Cost recovery not discussed as all health services provided free of charge.	Cost recovery not discussed.
Household expenditure on social services by income group, region, and province.	Direct (payments to schools) and indirect (payments for clothes and supplies relating to school attendance) household expenditure discussed without differentiation by education level.	Household expenditures for health services not analyzed.	Household expenditure data were not included in the study.
Expenditures for private provision of social services.	Costs of private education not discussed.	Private health expenditures not discussed due to lack of data.	Nongovernment organization (NGO)-generated resources and government payments to NGOs discussed. NGO institutional program cost based on facility survey estimated.
Estimation of unit costs by major programs, activities, and levels.	Unit costs of recurrent expenditure estimated at primary and secondary levels; by school type; that of higher education estimated, with specified relationship between cost and size of school.	Unit costs developed for outpatient and inpatient services at different levels of care based on the results of the facility survey.	Unit costs estimated for public assistance beneficiaries, disaster relief, and for personalized social services by institutions.

## IMPLEMENTATION STATUS OF RECOMMENDATIONS

### TA 2135-VIE: Financing of Social Services

TA Recommendations	Implementation Status
<b>1. Education Financing</b>	
a. Increase returns to schooling through civil service, employment, and labor market reforms.	Labor market information system under development in a project funded by the International Labour Organization; reforms on civil service (CS) salary and reduction in numbers of CS personnel under consideration.
b. Direct more public resources for education to poorer households and rural areas to increase efficiency and reduce inequities in schooling.	Government has instituted fee exemptions, scholarship, and textbook subsidy to poor students; shifting of infrastructure programs to poorer communities under implementation.
c. Review the structure of school-based fees (tuition, school improvement and parent association fees, and insurance) to make education more accessible to the poor.	Reallocation of budgetary resources to shift public funds to primary sector under consideration. Implementation is slow due to budgetary constraint. Semi-public schools are growing.
d. Develop means to use public resources more efficiently; pilot testing school voucher systems.	No development to date.
e. Consider policy incentives to encourage financing of education by private sector.	Encouragement of private secondary schools under consideration.
f. Systematic collection and analysis of information on schooling.	Studies conducted under the Second General Education Project financed by the World Bank and the Lower Secondary Education Development Project financed by the Asian Development Bank (ADB).
<b>2. Health and Nutrition Financing</b>	
a. Viet Nam should give increased attention to improving nutritional status.	National target for reducing malnutrition established; nutrition communication programs implemented; investment projects prepared using donor funds.
b. Both the determinants and consequences of self-treatment need to be better understood.	Ministry of Health (MOH) and Ministry of Planning and Investment (MPI) agreed on this but programs yet to be developed.
c. Public subsidies to hospitals and curative care for the rich are higher than that for the commune health centers and preventive care for the poor.	Government recognized the need to improve primary health care for the poor and better targeting of health care subsidies; information campaign program implemented; a Rural Health Project financed by ADB will improve district hospitals and targeting of health services for the poor.
d. More effective means to target government subsidies should be developed and pilot tested.	Better targeting of health care subsidies approved for pilot testing, including free health care, payment exemption, and government payment for health insurance for the poor.
e. The decentralized financing of commune health centers should be reexamined.	MOH proposed central budgetary support to commune health centers to supplement provincial funding.
f. Effective mechanism for social financing of insurance is urgently needed.	Strategy approved to improve insurance system and protect the poor through health care cards and subsidized insurance costs.
g. Current policies on health human resources training and salaries need to be reexamined.	Increased salaries for medical workers in remote areas recommended with slow implementation due to insufficient budget especially in poor provinces. Health volunteers program established for poor rural areas.
h. Public policy needs to give more attention to the private health sector.	Private clinics and hospitals increased; regulations and quality monitoring yet to be developed.
<b>3. Family Planning Financing</b>	
a. The rationale for government funding of family planning (FP) needs to be reexamined.	The Government agrees with the need to continuously reexamine its role in financing FP.
b. Financing of, and provision for, FP services should be	Private sector programs are encouraged and contraceptive

transferred to the private sector.	social marketing and fee-for-service programs initiated.
c. Staff and other resources engaged in the current FP programs should be utilized to address 21 population and health-related problems.	Maternal and child health programs and HIV/AIDS projects initiated using existing FP network.
d. The use of economic incentives by the FP program is not coercive.	The Government agrees with this vi Appendix 2, page 2

HIV/AIDS= human immunodeficiency virus/acquired immunodeficiency virus, TA= technical assistance.

### TA 2441-SRI: A Study on Financing of Social Services

TA Recommendations	Implementation Status
A performance-based approach should be developed for budgetary allocation for social services.	<ol style="list-style-type: none"> <li>1. The unit cost resource allocation system (UCRAS) for procurement of quality inputs from provinces to schools developed and implemented through the Second General Education Project financed by the World Bank.</li> <li>2. Need-based budget allocation system with linkage to performance assessment developed by the Finance Commission under funding from the United Nations Development Programme for budget allocation from central to provincial governments in the health sector.</li> <li>3. The Government is encouraging sector investment projects financed by donors to include a component on financing to implement the UCRAS.</li> </ol>
In health, a diagnostically related group (DRG) approach should be developed for budgetary allocation.	The Government is pushing for the Health Sector Reform Project to be financed by the World Bank to further develop the DRG approach.