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Effective Technical Cooperation for Capacity Development

Vietnam Country Case Study

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**Joint Study on
Effective TC for CD**



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EXECUTIVE SUMMARY

In response to the request from the Ministry of Finance, from February to June 2008, the Departments of International Cooperation, with assistance from the Japan International Cooperation Agency (JICA), conducted a comprehensive evaluation on all ODA programs/projects in the Ministry of Finance over the period of 2000-2007. This evaluation report aims to present a detailed picture on the effectiveness and impacts of ODA programs/projects on MOF from 2000 to 2007. The report also presents recommendations on enhancing the effectiveness of MOF in utilization of ODA sources in the future. For JICA, the Vietnam report will be an input into a global study on technical cooperation with participation from 11 Asian and African countries. The purpose of the joint study is to examine the effectiveness of technical cooperation programs and analyze their impacts on capacity development for the recipient countries.

In this report, both quantitative and qualitative methods were employed to enable in-depth analysis and assessment of ODA in the Ministry of Finance from 2000-2007, using the five criteria of: relevance, efficiency, effectiveness, impact and sustainability.

The evaluation covered a total of 57 ODA projects from 2000-2007 in the seven essential professional fields of public finance management, which are: (i) Management of State Budget; (ii) Management of Taxes, Management of Customs; (iii) Management of Public Properties; (iv) Management of the Capital Market; (v) Management of Prices; (vi) Management of National Debts, Supervision; (vii) and Monitoring of State-owned Enterprises (in accordance with the contents of FMP-2003 and with reference to the Single Document 2007).

The evaluation used internationally recognized research methodology and tools, which also have been widely used in Vietnam, including questionnaire surveys, semi-structured interviews, focus group discussions, document analysis and case study.

MAJOR FINDINGS OF THE EVALUATION

1. Compared to other Ministries, MOF is not among the biggest recipients of ODA in financial volume. However, the projects in the Ministry of Finance have been important and have had extensive impacts on economic and financial management throughout Vietnam. The number of projects in the Ministry of Finance has been much higher than the average of other ministries and sectors. The scales and types of ODA projects are diverse.
2. The most pertinent point concerning ODA programs/projects for the Ministry of Finance is their very **high relevance** to both the specific needs of the Ministry of Finance and the more general needs of Vietnam in modernization of the public financial management (PFM) sector. Secondly, the ODA programs/projects have been utilized and implemented **relatively effectively** and having achieved

the expected **impacts** not only within MOF, but also on the broader PFM reform process, which in turn, have had some impacts at the national level. Nevertheless, the **efficiency** in the utilization of ODA and the **sustainability** of ODA have been more uneven.

3. In generally, the ODA programs/projects in the Ministry of Finance have been designed to achieve the three strategic objectives: (i) development of a comprehensive financial policy system; (ii) enhancing organizational capacity and developing human resource; and (iii) development of modern financial management information system for the Ministry of Finance and the financial sector. Over the past seven years, the highest impact of ODA has been on the first strategic objective. The majority of important financial policies issued by the Ministry of Finance in the past few years owed a great deal to ODA programs/projects. ODA support has enabled the Ministry of Finance to receive technical assistance from both national and international experts, to organize seminars as well as to consult and draw essential experiences from overseas visits.
4. The second objective - enhancement of organizational capacity and human resource development - has been partially achieved. The gains, though less significant than that of the first objective, could be seen in the two aspects as follows:
 - Firstly, for human development, the ODA capital has played an undeniable part in improving the quality of human resource in the Ministry of Finance and it has timely and efficiently complemented the state budget expenditure allocated to carry out the human resource development plan. Thousands of staff members in the financial sector both locally and centrally haven been trained thanks to the projects. New knowledge, new skills, new work practices and new research styles staff gained from their participation in the training projects have helped them to enhance their competence as well as their confidence at work. Many of the participants in the ODA training projects have become key persons in the financial sector or in the Ministry of Finance.

Despite the significant improvements in the professional competence in the Ministry's line departments, it has not fully lived up to the expectations of MOF in building up the longer term capacity of the Ministry in the areas of planning, forecasting and policy formulating capacity. The main reason is the design of most ODA projects, which was more geared towards supporting MOF in performing their short-term and pressing tasks, and thus, paying less attention to improvement of longer-term capacity needs (e.g., forecasting, analyzing and policy planning) which could have longer-term effects and benefits. Furthermore, the recent trend shows a sharp decline in the proportion of ODA capital allocated to training programs and specific capacity development projects. Another reason is the absence of an effective mechanism to encourage qualified staff members to

join ODA projects as well as dedicating long-term service to the Ministry of Finance.

- The second aspect is on organizational capacity improvement. Though the impacts have been relatively slow and indirect, ODA programs/projects have partially brought about changes in structure and responsibility in some offices and units within the Ministry. More importantly, some of the ideas on restructuring initiated by ODA projects have helped the Ministry to "internalize" its needs and turn these ideas into an "endogenous" process so that the Ministry can actively implement the reform when the right conditions are in place.
5. The impacts of ODA on the third strategic objective, developing and improving the management information system (MIS), however, is less evident. The main reason is that all the important MIS projects in the Ministry are currently in progress; hence it is difficult to assess their outcomes and impacts. Another reason is that the number of ODA projects/programs supporting this strategy objective is small. Nevertheless, the ODA projects have made a valuable contribution by initiating the process of modernizing the financial management information system in the early stage of innovation and orientation, which is considered by MOF the most difficult phase.
 6. The ODA programs/projects in the Ministry of Finance over the period have produced *noticeable outcomes*, namely technical support for the drafting of law bills and financial policies/regulations. These outcomes have been applied in practice and made full use in the social and economic development of Vietnam. The remarkable effectiveness of the ODA programs/projects also have been enhanced by both *internal and external factors*, namely Vietnam joining of the WTO; Vietnam accelerating its global economic integration and Vietnam stepping up on its national economic and administrative reforms.
 7. The efficiency in ODA projects implementation was rated above average on the evaluation scale. A big proportion of projects lagged behind in their targeted progress. The following causes have been identified: (i) In the early design stage, some projects were not practically planned because the units supported by ODA did not sufficiently take part in the planning of those projects, hence there is an over reliance on international experts provided by donors. (ii) The processes and procedures of the Ministry and some donors are complicated and are not harmonized as expected. (iii) Limited number of qualified officers for both managerial and professional positions in the projects. (iv) Those officers who were assigned with multitasks within the Ministry do not always have sufficient knowledge and skills on project management. (v) Another underlying cause was that the payment policies of ODA projects were far from "reasonable" in comparison with the real situation, which in turn could not attract qualified staff with the professional, management and foreign language competence to join ODA projects.

8. Similar to the criterion on Efficiency, ODA programs/projects was rated at *above average* on the sustainability scale. The most positive point is that the Ministry of Finance is committed to use the project outputs after their completion and many of these products have been institutionalized within the system. In addition, MOF has made significant changes in human resource and structural system in order to sustain the project impacts. However, there is still a lack of a mechanism to encourage trained staff to share their expertise and skills with their colleagues.
9. The ODA projects have been successful, as far as the criteria on relevance, efficiency and effectiveness is concerned, owing largely to the following reasons: (i) The Ministry has been very pro-active and has demonstrated firm commitment on the reform programs of Vietnam and in the financial sector. Most developing countries rely on donors to initiate the reform process, but in Vietnam, the Ministry of Finance has taken the lead in initiating the financial management reform program. (ii) The Ministry of Finance has provided the donor community with a clear and consistent reform strategy, i.e. the 2003 Financial Sector Modernization Program and the Single Document-2007. However, for the implementation of the strategy, there should be more detail plans so that the donors can better address MOF needs. (iii) The sense of ownership of the Ministry of Finance towards ODA programs/projects has improved increasingly, along with maturity of staff members' competence. The relation between the Ministry and donors has shifted from donors-recipient into partnership. Firm commitment on innovation, new initiatives and self-reliance are all favorable conditions. (iv) The coordination of ODA programs/projects, especially over the 2000-2007 periods, has improved considerably owing to the leadership of the Ministry, particularly after the International Cooperation Department assumes this responsibility. (v) The diversity of ODA modalities is also an enabling factor on the relevance, efficiency and effectiveness of ODA. There are minimal differences in the effectiveness of projects between specific types of ODA (e.g., bilateral, multilateral, trust fund, etc.). It is the comparative advantages of individual donors that affect the effectiveness of ODA. The bilateral ODA has provided MOF with specific professional know-how, the multilateral projects has brought international experience and good practices, and multilateral trust fund has been able to meet the comprehensive as well changing needs of MOF.
10. ODA planning, implementation and management capacity of the Ministry of Finance, has improved significantly over the past seven years, especially in mobilizing and coordinating ODA capital. One drawback has been that beneficiary departments often are not actively involved in the planning of their projects. In addition, the Ministry of Finance still lacks well-trained and qualified personnel who can plan and appraise new projects.
11. MOF implementation of ODA projects still needs to be strengthened. In terms of human resource, the Ministry of Finance has not been able to build up a team of

capable officers with essential project management skills appropriate for the size and diversity of the ODA in MOF. As for the ODA administration system, the Ministry of Finance has internally issued a system of regulations and guidelines to assist with the management and utilization of ODA. This system however is no longer suited in the present situation due to new ODA modalities.

12. As far as the role, responsibility and coordination of all internal units within MOF is concerned, the Ministry has not fully ensured extensive communication of information as well as suitable level of participation among these units in the implementation of ODA projects.
13. The ODA monitoring and evaluation system (M&E) was a common deficiency on both sides of the Ministry of Finance and donors: (i) In many ODA projects, M&E was not designed as a separate component. (ii) Expenses to perform M&E tasks have neither been adequate nor allocated from the project budget. (iii) Numerous differences existed in the M&E procedures between different projects and different donors. (iv) Majority of donors conducted the project evaluation by themselves, and the Government hardly participated in the process. (v) The Ministry of Finance, and especially project management units, has not been able to recruit staff members with essential knowledge and skills on M&E.

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1. INTRODUCTION

In order to improve the effectiveness and efficiency of ODA capital mobilization and utilization, and in response to the request from the Ministry of Finance (MOF), the International Cooperation Department (ICD) has collaborated with related departments within the Ministry of Finance and other ministries in preparing this evaluation report on ODA programs/projects in the Ministry of Finance over the period of 2000-2007. In addition, the evaluation has been conducted in collaboration with the Ministry of Planning and Investment as the Vietnam's contribution to the *"Joint Study on Effective Technical Cooperation for Capacity Development"*, of which Vietnam is one of the eleven participating countries.

The write-up of the research was carried out over February to June 2008 with assistance from consultants supported by JICA.

1.1. THE AIMS OF THE EVALUATION REPORT

This report served two major aims. The first was to respond to the request from the Ministry of Finance. The Ministry of Finance would like to draw up a panorama picture detailing the effectiveness and impacts of ODA projects and programs in the Ministry over the period of 2000-2007. This would help the Ministry to propose policies, strategies and plans accordingly to increase the effectiveness of ODA utilization in the future. The second aim was in response to the request from the Ministry of Planning and investment. The report would be the contribution from Vietnam government to the *"Joint Study on Effective Technical Cooperation for Capacity Development"* of which Vietnam is one of eleven participating countries.

1.2. THE OBJECTIVES OF THE EVALUATION

- The implementation, management and mobilization of ODA programs/ projects in the Ministry of Finance from 2000-2007.
- The objects directly relating to the implementation of the 2000-2007 ODA programs/ projects in the Ministry of Finance.
- The outcomes of the implementation of the 2000-2007 ODA programs/ projects in the Ministry of Finance to support the implementation of the Financial Modernization Program.

1.3. THE SCOPE OF THE EVALUATION REPORT

The report analyzes and evaluates the 2000-2007 ODA programs/ projects in the Ministry of Finance in terms of implementation and management procedures. The report started with analysis of the overall situation and statistic data regarding the ODA projects and their implementation. Next, it analyzed the relevance, effectiveness, efficiency, impacts and sustainability of ODA programs/projects on public financial management modernization in

Vietnam. The report conducted evaluation on all aspects of ODA mobilization, planning, implementation management and achievement of expected outcomes. In addition, the report evaluated not only on the responsibility of project management units (PMUs) in ODA implementation, also on the coordination between PMUs and units involved. Particularly, the report conducted evaluation from the perspective of individual concerned units, including PMUs, administration management units (AMUs), ODA reception units, individuals benefited and donors.

1.4. THE METHODS OF EVALUATION

For data collection, researchers consolidated different statistics and surveys and made comparative analysis on projects implementation status against various project documents, detailing the outcomes of the management, monitoring and evaluation, compiled by the International Cooperation Department (ICD) and PMUs.

As far as addressing the unique characteristics of ODA programs/projects in the Ministry of Finance were concerned, the following techniques, models and instruments were employed to assist the evaluation.

- Survey
- Semi-structured interview
- Document review
- Focus group discussion
- Stakeholder analysis
- LOGFRAME tool

All these techniques were employed to collect and analyze data regarding single variants, groups of variants. Especially, log frame were used to illustrate the data analysis process as well as the research outcomes in a clear, easy to understandable manner.

1.5. EVALUATION CRITERIA AND INDICATORS

Evaluation Indicators: the effectiveness of the ODA programs/projects in the Ministry of Finance was evaluated in both quantity and quality aspects. Therefore, the abundance of indicators were analyzed both quantitatively and qualitatively

Evaluation Criteria: In accordance with present international standards and current regulations on ODA management and utilization in Vietnam, the ODA programs/projects were evaluated against five criteria, namely relevance, efficiency, effectiveness, impact and sustainability.

2. AN OVERVIEW ON THE 2000-2007 ODA PROGRAMS/PROJECTS IN THE MINISTRY OF FINANCE

2.1. COMMITMENTS, AGREEMENTS AND ODA CAPITAL ALLOCATION IN VIETNAM

The Vietnam donor conference held in Paris in November 1993 marked the normalization of cooperative relation for development between Vietnam and the international donor community.

Over the period, ODA mobilization was paid more attention to as stated in the foreign relation policies of The Vietnamese Communist Party and the Government: *“Vietnam will surely cooperate with any country in the international community to strive forward for peace, independence and development.”*

To-date, 14 consultation meetings have been organized with participation of donors in Vietnam (Consultative Group meeting). This important forum is held annually for the Government and international donor community in Vietnam to exchange views about Vietnam development progress and ODA allocation to support the next phase of country development process. Apart from the annual meeting, semi-official consultative group also is organized locally every six months for donors to have clearer ideas of priority development needs as well as to contact directly with ODA recipients.

ODA mobilization also had been made from diplomatic activities of senior leaders, namely of Party, of State, of Assembly and of government as well as from that of senior officers ministries, sectors, provinces, social political organizations, and Vietnam consulates overseas. At present, 51 donors, including 28 bilateral donors and 23 multilateral donors, are active in Vietnam and provide regular ODA support. The ODA capital commitment is on an upward trend.

The increasing amount of annually committed ODA capital proved that the international donor community strongly support the implementation of the Government’s policies and has great contributed to of socio-economic development and poverty reduction in Vietnam. Over the years 1993-2007, the total amount of ODA capital transferred was USD 32,109 millions, accounting for 75.66% of the total ODA capital agreed over the same period. In addition, the total amount of ODA capital allocated was UDS 19,865 million, making up 61.86% of the total ODA capital agreed period on period.

2.2. AN OVERVIEW ON THE UTILIZATION OF THE ODA CAPITAL IN VIETNAM

Over period of 1993-2007, the ODA capital contributed a significant amount to the investment capital granted for the development in Vietnam. In this period, the ODA capital

accounted for 11% of the total social investment capital and 17% of the total state investment budget.

2.2.1. THE 1993-2007 UTILIZATION OF THE ODA CAPITAL ON THE SECTOR AND SECTOR BASIS

Table 1: The 1993-2007 Utilization of ODA Capital on the Sector and Sector Basis

Sectors and Fields	1993-2007 ODA Capital (USD million)	
	Total	Percentile (%)
1. Agricultural and rural development in conjunction with poverty eradication	5.130,73	15,90
2. Energy and industry	7.376,28	22,97
3. Transportation, telecommunications water irrigation and urban development	11.286,64	35,15
<i>Transportation – Telecommunication</i>	8.222,99	25,61
<i>Water irrigation and urban development</i>	3.063,65	9,54
4. Medicinal healthcare, education and training, environment, science technology other fields	8.315,6	25,90%
Total	32.109,25	100%

In the field *agriculture and rural development*, the ODA capital has enabled the development of the irrigation systems, electricity network, schools, provision of running water, small-scale rural credit services, and the general rural development in conjunction with poverty eradication.

The OAD capital has enabled the *electricity sector* to increase the power source remarkably, expanding electricity provision network in rural areas in conjunction with rural development and poverty eradication. A number of industrial production premises funded by ODA capital had offered jobs for local residents.

In *transportation and telecommunication*, the ODA capital has contributed to the upgrading and development of technical facilities and to the improvement of service quality. Considerable progress has been made in the sector, regarding the systems of roads, railroad, internal waterways, seaports, airlines, and the telecommunication post infrastructure.

In *education and training*, the ODA capital helps to develop technology and facilities serving the needs of teaching and learning at all education levels, namely primary secondary, high school, tertiary, post-graduate studies and vocational training). The ODA capital was also allocated to reform the curriculum of textbooks and general education program. In addition, ODA has made it possible for the sector to offer teachers and students

further training courses at home and abroad. The development of management policies, competence in the sector has been benefited from the ODA.

In *medical and healthcare*, the ODA capital has been used to develop technology and facilities serving the diagnosis and treatment of diseases/illnesses. It has also enabled improvements in family planning job, the prevention of HIV/AIDS and infectious diseases. ODA also has supported the development of policies and the development of management capacity.

In *environment*, the ODA capital has assist with the protection and improvement of environment, including forestry development, water resource management, water irrigation and provision, treatment of waste and sewage in many cities, towns, industrial zones and major residential areas.

2.2.2. UTILIZATION OF ODA CAPITAL BY GEOGRAPHIC AREAS

Table 2: ODA Utilization, Geographic Areas, 1993-2007

Sectors and Fields	1993-2007 ODA Capital (USD million)	
	Total	Percentile (%)
1. The Red River Delta	3.500,83	16%
2. The Northern Midland	2.063,78	16%
3. Central-northern and Central Seaside	3.278,19	34%
4. Western Highlands	1.132,39	34%
5. Eastern Cochin	3.995,60	34%
6. The Mekong Delta	2.394,67	34%
7. Cross Region	9.211,33	34%
Total	11.206	100%

The ODA spending per capita in the northern mountainous area has reached \$ 33.98 while is the Red River Delta area is \$18.43. In the central northern and central seaside, Western highlands, Eastern Cochin and Mekong delta, ODA capital per person are \$52.46, \$21.86, \$25.4 and \$11.19 respectively.

2.2.3. OVERALL UTILIZATION OF THE 1993-2007 ODA CAPITAL

The utilization of the 1993-2007 ODA capital has been on developing policies, enhancing human competence, transferring scientific achievements, high technology and advanced management expertise. The ODA projects has met the needs of financial and professional know-how by developing a number of important laws, including business, property, commerce, investment, competition, and corruption prevention and detection, as well as other legislative documents. Through ODA projects, transfer of technological and scientism advances also has been carried out. A great proportion of the human source has been trained

at home and abroad, which in turn led to considerable improvements in the workforce capacity at all administrative level.

2.2.4. SOCIO-ECONOMIC DEVELOPMENT AT GRASS-ROOTS LEVEL

The ODA capital contributed a significant part in the social development, poverty eradication in a number of localities. The types of ODA projects included small-scale infrastructure development, such as water provision systems, networks of roads, schools, clinics, electricity provision, rural telephone lines, etc. The development of agriculture, forestry, irrigation, marine products in many localities, especially in poor provinces, rural, remote and ethnic minority populated areas have been benefited from ODA projects.

2.3. MOBILIZATION AND IMPLEMENTATION OF ODA PROGRAMS/ PROJECTS IN THE MINISTRY OF FINANCE, 2000-2007

2.3.1. THE PUBLIC FINANCIAL MODERNIZATION PROGRAM AND ORIENTATION FOR THE EXTERNAL SUPPORT MOBILIZATION IN THE MINISTRY OF FINANCE

The Ministry of Finance great achievements and improvements in the management of public finance has been recognized as a important contribution to the development of Vietnam. However, there remains some weaknesses, difficulties and challenges. To deal with these, the financial sector needs to accelerate its comprehensive financial reform in order to meet the demands of the industrialization and modernization in accordance with the economic development policy of the Vietnamese Communist Party.

In response to the demands for industrialization and modernization as well as global economic integration, public financial management reform was given special attention and is considered a regular and ongoing task for the financial sector. The PFM reforms aims to develop an integrated financial management system to mobilize all possible finance sources with the national budget source for the development of Vietnam.

To achieve the stated modernization targets, over years of 2001-2003, the Ministry of Finance designed the comprehensive Modernization Program for the Financial Sector, and in 2007, the Ministry successfully produced the Single Document - The Public Financial Management Reform.

In general, the Financial Modernization Program and the Single Document are the documents issued by the Ministry of Finance which address major reforms in the finance sector by the year 2010. The Ministry expects to speed up and improve the quality and effectiveness of the reforms. It also expects to enhance the effectiveness of cooperative operation between subdivision reforms within the general public management reform in the financial sector.

These documents provide a comprehensive picture for the Ministry of Finance and donors with necessary details about the public finance reforms in Vietnam. The documents also serve as the basis for donors to identify and provide technical and financial support for a uniform and consistent reform. On that same basis, the Vietnam government and donors will also be able to promote their cooperation in the public financial reform, to minimize redundancies in administrative procedures, and to enhance ODA effectiveness in the fields related to public finance in Vietnam.

Main contents in the financial sector modernization program:

The Financial Modernization Program is a major resolution to the implementation of the ten year monetary-financial strategy (2001-2010). The program contents are as follows.

Long-term objective of the Financial Modernization Program is to introduce fundamental changes to public financial management in order to achieve a public finance sector strong enough to ensure high and sustainable economic growth strategy in support of the country's industrialization and modernization. The Modernization Program has medium-term of implementation timeframe (covering a period of 5 to 10 years) aiming at public financial management strengthening to contribute to improved quality and quantity of public services financed by national resources. This program is one out of four major components of Government's Comprehensive Public Administrative Reform (reforms of institution, administrative bodies, improvements in human resources in public finance sector, and reforms in public finance function itself).

The program is based on the following policy foundation:

- Government's Financial - Monetary Strategy for the period of 2001 - 2010 (draft) and objectives, responsibilities and solutions set by Ministry of Finance for financial development during the five year period of 2001 - 2005;
- Action plan in the financial sector for realizing the solution of the Ninth Congress of the Party;
- Government's Public Administrative Reform Master Plan, more specifically the Sixth National Action Plan on administrative reform in public financial management;
- International economic integration policies and international financial commitments of the Government.

The modernization in public finance management was mainly practiced in seven important professionals fields related to the entire public finance system and conducted national wide (previously six fields, now one new field, financial market management and monitoring and bond market development, is added to the list). The seven fields consist of:

1. State budget expenditure management;
2. State budget revenue management;

3. Public debts management, including foreign and domestic debts;
4. Financial market management motoring and bond market development;
5. SOEs financial management;
6. Public property management;
7. Price management.

In each field, the modernization tasks require the following three aspects to be implemented simultaneously:

1. Development of a comprehensive financial policy system
2. Improvement to organizational structure and human resources development
3. Development of a modern financial management information system.

Expected outcomes: The final result of the modernization program is to design an integrated public financial management system which can

1. Better communication on financial inputs and public service outputs in the entire public financial management system, to ensure the better mid-term budgetary and financial decision makings and better financial transparency and accountability.
2. More effective allocation of public financial resources which are focused on services supporting for the poverty reduction and economic growth in a mid-term expenditure framework.
3. Better management of financial inputs and outputs by program, ensuring overall finance order and effectiveness of public services delivery associated with giving necessary financial autonomy to the implementing units to facilitate them to gain the highest efficiency as possible.
4. Better transparency and higher accountability in public financial management.
5. Better delivery of public services to meet the public's demand, contributing to acceleration of the poverty reduction and success of the modernization and industrialization process.

Thus, the uniform public financial management system will contribute to the:

1. Better implementation of the transparency process and greater responsibility in the public administration and management;
2. More effective implementation of public services to meet people's needs better;
3. Faster economic development, and

4. Greater changes in the eradication of poverty.

A great proportion of the financial resources to carry out the program came from the state budget and external sources (including technical assistance and concessional loans) from other governments and international organizations.

Organizational structure of the Steering Committee of Modernization Program: Pursuance the Decree No 683/ issued on June 6th 2001, the Ministry of Finance, the Steering Committee of the Financial Sector Modernization Program (FSMP) was established. Its mandate was to direct all units to produce consistent and comprehensive modernization program, and to cooperate with the World Bank and other donors to design feasible projects before sending them to responsible Government bodies for approval.

The Vice Minister of the Ministry of Finance was the head of the Committee; the ICD served standing and operational function. It also involves members from related units within the Ministry of Finance. In the Decree No 73/2003/QD- BTC [Decree of the Ministry of Finance] issued on 26 May 2003 the committee was assigned greater responsibility to strengthen its operational activities. In accordance with the Decree, several staff members were transferred to the steering committee to carry out new professional tasks, namely customs and price management which was assigned to the Ministry of Finance. The new members also worked in the standing section to support the steering committee.

2.3.2. AN OVERVIEW OF THE 2000-2007 ODA PROGRAMS/PROJECTS IN THE MINISTRY OF FINANCE

The Ministry of Finance has gained remarkable achievements in its ODA mobilization. The Financial Sector Modernization Program has provided a consistent framework for ODA mobilization for the Ministry. It has provided the basis for donors to consider the assistance needs in the financial sector. The program, moreover, made essential changes in the technical assistance coordination within the Ministry of Finance and has created noticeable effectiveness in the use of technical assistance, through consistent and willingness to exchange information in term of the orientation and technical assistance needs in the financial sector, which resulted in donors' appreciation and greater aid commitments for the sector.

The steering committee has made many encouraging achievements regarding its operational mechanism since 2001. The Decree No 73/2003/ QD- BTC [Decree of the Ministry of Finance] issued on 26th May 2003 has provided further complementary guidance as far as the committee structure in enacting its detailed operational regulations and its hierarchical organizational mechanism. To ensure unified direction, it has mad full use of functions as well sets out responsibility of project management units, sub-PMUs, teams and groups in charge, etc. Simultaneously, the organizational mechanism encourages close relationships between professional units within the ministry of Finance

From the years of 2002 and 2003, special attention was paid to the establishment of relationships with donors to request for assistance for the design of the modernization program and to mobilize ODA resources for the development of supplementary programs/projects supporting the later implementation phase of the modernization program. In that direction, workshops and support for public financial management were enhanced and managed in close collaboration. Smooth cooperation between the Vietnamese government authorities, donor agencies, international financial organizations and the Ministry of Finance has enabled effective ODA mobilization for the modernization program. With great support from the government related bodies and the aid community, the Ministry of Finance has demonstrated a strengthened role in coordinating external support for the modernization program as well as in the mobilization of ODA sources to carry out the program. Over 2002 to 2007, the Annual Meeting of Partnership Group for Public Management Reform was held regularly by the Ministry of Finance and produced evaluation on the outcomes of public finance management reform operation.

While all the seven fields in the modernization program were provided with technical assistance and ODA commitment, the proportion of ODA capital for each field was far from equal, mostly depending on targets stated by the government and the practical reform activities in each field. As far as the operational content is concerned, donors focused mainly on the consultant and training activities. The investment on the development and management information network mostly relied on concessional loans (with World Bank as the major provider).

From 2000-2007, the Ministry of Finance received technical assistance from around 20 foreign donors, including UNDP, other international financial organizations (IMF, WB, ADB), EU, and governments (the federal Republic of Germany, UK, Sweden, France, Australia, Denmark, Canada, Norway, Switzerland, Japan, USA, etc. WB provided the Ministry of Finance with the biggest amount of low-interest loans, accounting for 63.12% of the total ODA capital over the period (the total loans worth \$120millions). EU and the Japan were top on the ODA commitment with total grant fund of \$ 11 millions each. UK was the third biggest donor for the MOF with total ODA of around \$11.4 million. France, Canada and UNDP, followed with significant amounts of ODA capital commitment at around \$ 6 to 7 million.

The table below shows concrete figures related to the total ODA capital committed.

Table 3: The 2000-2007 ODA Capital Committed by Donors

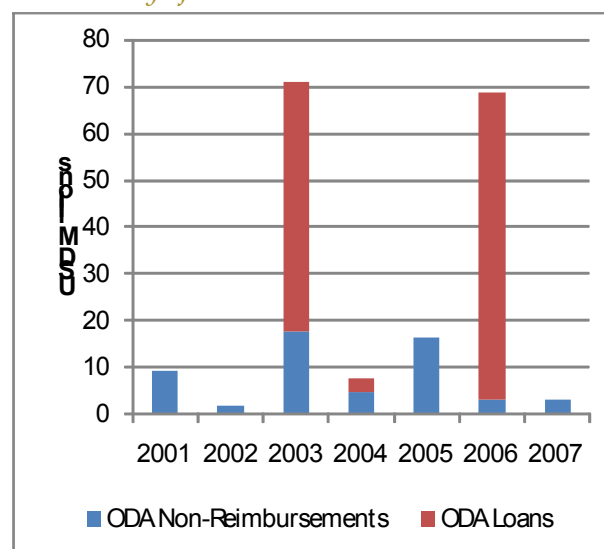
	Donor	Capital Committed (in million USD)
1	WB	120
2	EC	11
3	UK	10.4
4	Japan	11
5	UNDP	7.3
6	Canada	7
7	France	6.5
8	Germany	7
9	Denmark	2
10	Australia	2.5
11	ASEM II Find	1.9
12	ADB	1.6
13	USA	2
	Total	190

Source: Selected Data from the ICD

The Ministry of Finance has also implemented two projects financed by foreign loans (the public finance management reform and customs modernization projects); one project with loan funds directly transferred to the state budget (the insurance training center project with AFD loans from France), apart from traditional technical assistance projects. What the two types of loan projects different from those traditional technical assistance projects was that the followed the model of a general large-scale investment projects. More significantly, beside bilateral projects, the Ministry of Finance had also mobilized and carried out multilateral and “basket-fund” project, (e.g. Multi Donors Trust Fund phase I of MDTF).

The total committed ODA over the period was up to \$190 millions, accounting for 0.76% of the total ODA capital granted for Vietnam over the same period. The Vietnamese

Figure 1: The 2000-2007 committed ODA capital for the Ministry of Finance

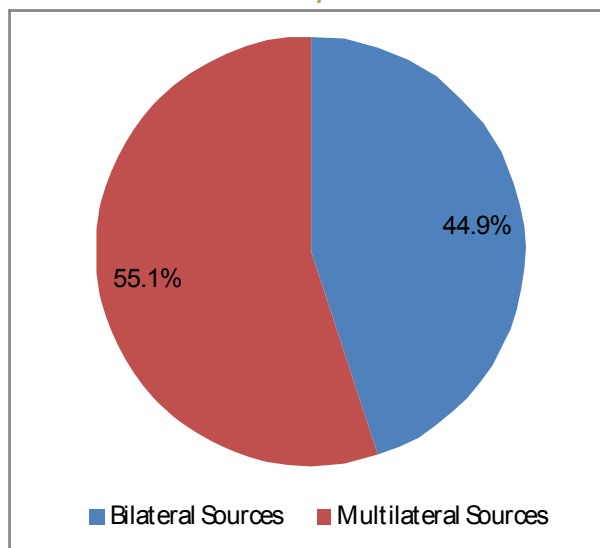


Source: Selected Data from the ICD

government also contributed to the ODA programs/projects with an amount of approximately \$18 millions. Figure 1 below shows the amounts of annually committed ODA capital.

From 2000 to 2007, the number of ODA programs/projects granted for the Ministry of Finance rose considerably. There were a total number of 57 ODA programs/projects, including 2 projects financed by loans, 50 no-reimbursed projects and 5 overseas cooperative programs. Among the 57 ODA projects/programs, 28 were bilateral projects with the sum of \$28.7 million or 44.91% of the total ODA; 24 were multilateral projects with the capital committed of \$32.5 million or 55.09% of the total ODA capital. The rest was cooperative programs with action plans committed.

Figure 2: Comparison between Multilateral and Bilateral ODA Source Proportions

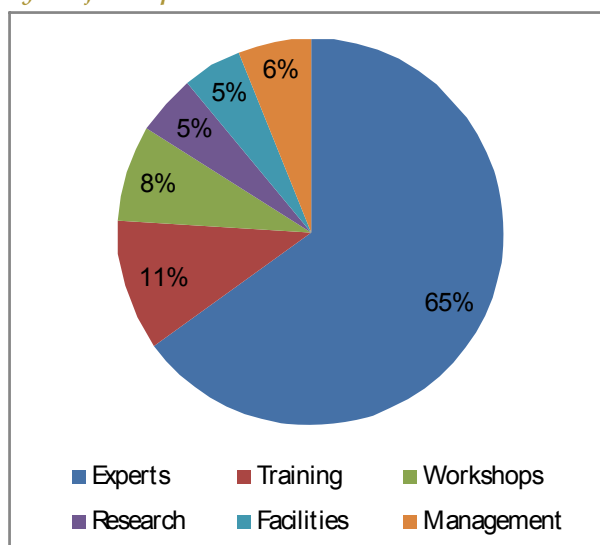


Source: Selected Data from the ICD

The larger-scale projects, few in number but great in value, made up nearly 65% of the total ODA capital for the Ministry of Finance in the period.

The activities financed by ODA programs/projects were wide-ranging. The popular activities were provision of foreign consultants, training courses, workshops, overseas training and research, alongside facilities and short and long-term scholarship were provided for the Ministry of Finance staff. A small number of technical assistance projects conducted general research. The proportion of ODA allocation by project inputs and activity types is shown in Figure 3 below.

Figure 3: Proportions of ODA Capital Allocation by Project Inputs and Activities



As can be seen from the figure, expenditures on expert's service was the top priority, taking up 65% of the total ODA capital. Training was considered the second most important activity, accounting for 11% of the total ODA source. The two types of activities, provision of facilities and research, received the smallest proportion of the total ODA support, at around 5% each.

2.3.3. IMPLEMENTATION OF THE ODA PROGRAMS/PROJECTS IN THE MINISTRY OF FINANCE

Over 2000 to 2007, in line with the second Socio-Economic Development Plan 2006-2010 period), the government's public financial reform strategy, the Vietnam's 2010 financial sector development proposed by the Prime Minister, and the financial sector modernization program designed by the Ministry of Finance, the ODA programs/projects in the Ministry of Finance aim at supporting the Ministry in enhancing the effectiveness of public financial management and the implementation of the Public Financial Management Modernization Program in Vietnam.

The ODA programs/projects in the Ministry of Finance mostly financed the fields considered to be priorities for the reform and development process. The fields addressed in the financial sector modernization program, in the Vietnam's 2010 financial sector modernization orientation proposed by Prime Ministry, and in the Single Document. The fields include budget disbursement management; budget contribution management; debts management, including foreign and domestic debts, financial market management motoring, and bond market development; enterprise financial management; public property management and price management. However, the proportions of financial aids in general and of the MDTF in particular for the fields were unequal, mostly depending on the government targets and the practical reform requirement in each field.

Management of state budget: State budget disbursement and state budget contribution were allocated the highest proportion for ODA capital for the Ministry of Finance. Recently, the ODA programs/projects have paid more attention to once-neglected fields such as the management of the state property and of price.

The ODA programs/projects in the Ministry of Finance were all designed to solve the following issues: (1) designing and perfecting the financial management system; (2) enhancing the competence of the personnel management and human resource development systems, and (3) developing a modern financial management network.

Figure 4: The 2000-2007 ODA Capital Disbursements for Professional Fields

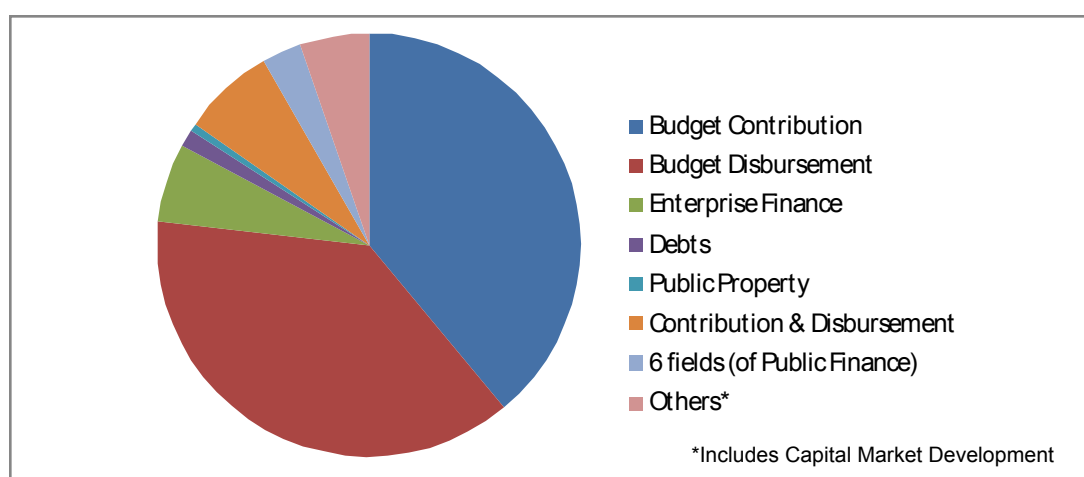


Table 4: The 2000-2007 ODA capital allocation for Fields of Management

Fields of Management	ODA Loans (in million USD)	ODA Non-Disbursements (in million USD)	Total
Budget contribution	65.90	7.27	73.17
Budget disbursement	54.00	16.85	70.85
Enterprise finance		11.22	11.22
Debts		2.43	2.43
Public property		1.20	1.2
Contribution & disbursement		13.27	13.27
6 fields (of public finance)		5.48	5.48

The financial outcomes achieved in the 7 fields reformed owed a great deal to the ODA programs/projects in the Ministry of Finance as follows:

State budget disbursement management: The state budget law enacted and came into effect since the 1997 financial year. The law has been revised and amended twice (currently the law No 01/2002/QH 11 [the central committee 11th conference] in practice). The law was to enact clearer, more reasonable mechanism regarding the right to utilize the state budget of the government authorities at different levels. The people’s representative bodies have been given the right to deal with the state budget utilization.

The law in its development and implementation process has gradually satisfied the needs of decentralization in the state budget disbursement management. The decentralization of management has ensured the key function of the central budget and the steering role of the upper budget management towards the local level. The Resolution regarding the handling of budget and human resources, self-management to budget and human resources, self-management to budget allocated units has been issued and carried out.

Efforts in the administrative reform regarding the financial disbursement process have been recognized when the mechanism of “financial disbursement threshold” has been shifted to the proposed financial disbursement mechanism. Legal documents under the law have been issued on investment disbursement from the state budget. Revision and amendments also have been conducted in issuing a state accountancy mechanism in line with the modern financial management model and system for state budget and state (State Treasury), (TAB MIS)

Regulations on financial management transparency have been issued and implemented at all financial management levels.

State budget contribution management:

- ***Tax management reform:*** The self-assessment mechanism maintained thoroughly and comprehensively, the tax management law approved by the XI National Assembly on 25th November 2006 and comes into effect on 1st July 07. The personal income tax law was approved by the XI national Assembly by the end of 2007 and will come in to effect in 2009. The promulgation for the law has been carried out intensively and extensively by new and updated methods. The investigation supervision practices have been strengthened by the increase in the number and quality of investigators, by the abiding of the new uniformed investigation procedures nationwide. Innovation and modernization in the collection of tax debts have been in compliance with the debt collection management procedures, information technology has been made use of in management of taxes at most of phases in all bodies responsible for government duties , etc.
- ***Customs modernization reform:*** generally, some of the targets proposed in the five programs within “The 2004-2006 Customs Modernization and Development Reform”, including the system, mechanism, training reform programs, and information technology modernization program equipment and the facility modernization program) have been achieved. The Customs Law has been revised and amended in compliance with international customs rules and standards. Investment to update and apply information technology has been conducted so that the implementation of the revised, amended tax and Customs Laws in the financial sector as a whole can be carried out effectively. The organizational system has initially been re-arranged in line with the implementation of the amended customs law, etc.

Debt management: The government has shown a clear view and gain remarkable achievements in the careful financial management. Vietnam’s debts have been assessed with the stable, medium term features, and Vietnam is not on the list of poor countries with heavy debts. The management and disbursement of the state budget has strictly complied with careful principles (the 8th article in the state budget law) regulating state budget balance, over disbursement and interest loans.

Management on the financial market monitoring and bond market development: The bond market has been established. Vietnam has been able to develop the elementary and secondary bond market for the first time. Certain development in terms of regulations for mediating financial activities in the bond market has been recognized. A draft regulatory system has been developed, which forms the basic frameworks to regulate and manage the bond market. It is clearly stated in the policies and regulations that in country and foreign investors and all agencies participating in the bond market enjoy the same investment condition. The Government bond issuance has been conducted in line with the plans, open, transparent bidding and various bond modes. The mobilization of capital by eructating government bonds, treasury credits, has generally met the demands of the state budget (i.e.

making up for the shortage of the state budget, disbursing for development investment, or construction of strategic transport, irrigation systems, etc.) Rapid and stable development has been seen in the bond market in the last few years, while macroscopic financial balance, national financial security and international integration have still been ensured.

SOEs finance management: The financial mechanism for SOEs has been perfected step-by-step to suit the market economy, which has eliminated discrimination between public and private enterprises and has proclaimed that businesses belonging to different economic sectors can now enjoy uniformed policies regarding priorities, investment encouragement credit, tax and tax reduction, exemption, etc. The financial management modes dealing with state property and capital in public businesses have been innovated. The system of financial policies dealing with business classification has been consistent. The ordering process to equalize public owned businesses has gained better results.

Public property management: The Law on Public Properties have been drafted and proposed for approval from the National Assembly in 2008, this could be considered major outcome in the field.

Price management: The system of policies accessing and approving the prices in general in Vietnam has been completed and applied. The personnel hailing to meet requirement of price assessment and appeal has been attached with special attention.

3. GENERAL EVALUATION ON THE 2000-2007 ODA PROGRAMS/PROJECTS FOR THE MINISTRY OF FINANCE

3.1. RELEVANCE

3.1.1. MAJOR FINDINGS

The relevance of the 2000-07 ODA programs/projects in the Ministry of Finance is highly appreciated. Among the five evaluations criteria used in the report, relevance was mostly valued. The ODA programs/ projects in the Ministry of finance in the years of 2000-2007 have positive features regarding relevance as follows.

- The ODA programs/projects in the Ministry were suitable with the 5 year Socio-Economic Development Plans, 2000-2005 and 2006-2010 and the 2001-2010 Comprehensive Poverty Reduction and Growth Strategy (CPRGS) which has been the basis of planning principles for ODA programs/projects and other resources. The ODA programs/projects in the Ministry of Finance were also consistent with that of the 2000-2010 General Public Administrative Reform Program actively implemented nationwide at present (public administrative reform is a constituent of the general program).

Figure 5a: Opinions of Officers in the Ministry of Finance about ODA Relevance Regarding the Ministry

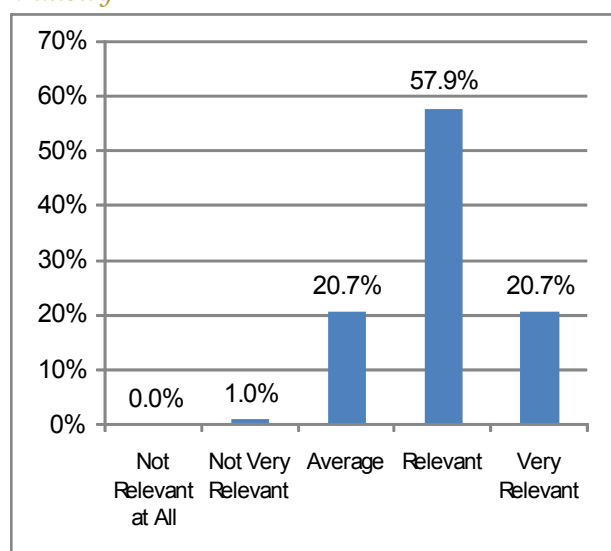
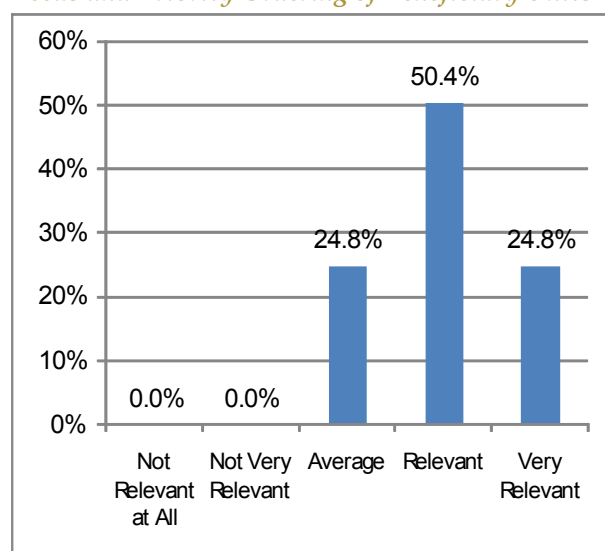


Figure 5b: Opinions of Officers in the Ministry of Finance about ODA Relevance Regarding the Needs and Priority Ordering of Beneficiary Units



- The ODA projects over the period were suitable with the priority targets in the public administrative reform as well as with the needs of the Ministry of Finance as indicated in the sector strategic documents (Decree Decision 211, FMD in 2003, and the up-to-date 2007 Single Document). 80% of respondents in the survey agreed that ODA projects were highly suitable with the strategy and priorities of the Ministry. Roughly 75% of people surveyed, breaking down into eight key fields in the financial

modernization program, responded that ODA sources satisfied almost all of the reform needs.

- The ODA programs/projects matched up with donors' concerns. This was an advantage that enabled donors to make support decisions.
- Statistic data showed that all of the key professional fields within the public administrative reform in the Ministry of Finance were granted ODA sources, although the ODA capital amount allocated to the eight fields indicated distinctive differences. (The highest proportion of ODA capital, taking up 3/4th of the total ODA over the period, was allocated for budget contribution and disbursement management while other fields, namely public property price and state-owned business management, were granted insignificant proportions of ODA capital.)
- In the meanwhile, the distribution of the ODA capital for the three strategic objectives of the public financial management reform program was disproportionate. Most of the ODA capital went to the financial mechanisms and systems while the non-reimbursed ODA went to the application of the financial information management system. Nonetheless, the field dealing with the MIS development has received significant support in form of low-interest ODA loans.

The Positive Onetime was Resulted from Following Factors

- The remarkable initiative of the Ministry of Finance. Over the period, the Ministry of Finance has taken the initiative of increasing its absorptive capacity of ODA capital, which meant that the ODA capital granted for the Ministry has to be planned to be "beneficiary driven". The key initiatives of the Ministry are as follows.
 - The Ministry has designed and perfected the sector reform strategy and ODA mobilization framework which has helped the implementation of the strategy. In 2003 the financial sector modernization program was designed, then widely practiced as the basic framework to mobilize ODA for the reform of public financial management. According to World Bank's evaluation, few countries have succeeded in issuing documents of this kind which strongly supports the orientation of ODA assistance. This is a long-term program, but flexible to some extent so that the needs of Ministry of Finance could be updated and added.
 - So far the document has been updated and developed into the Single Document-2007. The strategic document is greatly improved, more user-friendly and more valuable for the design of ODA programs/projects. This very feature ensures the ownership, high uniformity and consistency in the ODA programs/projects in the Ministry. Different from most of other developing countries, the Vietnamese government in general and the Ministry of Finance in particular took the initiative of proposing reform programs while the role of ODA donor community was to assist MOF in reform program implementation.

- The improved capacity of the Ministry staff was an enabling factor for the Ministry to be more involved during the project design process. Before the year 2000, Ministry units hardly participated in the design of projects and were mainly dependant on donors. Recently, ODA recipient units is participating in their projects at earlier phases and has been more active in selecting project contents that are more suitable to their needs. These positive changes have been clearly recognizable in the last three to four years. A typical example is the General Department of Taxes, a big department in the Ministry, which has proposed their project design to ODA donors. The General Departments plans to look for other funding sources if their proposal is not funded. This type of initiative will ensure ODA better meeting the needs of the Ministry.
- The initiative and active participation of the Ministry of Finance in the ODA mobilization process as well as in the design of projects has made donors shown more respect to the initiative and concerns of aid recipients. Donors have accepted the views of the Ministry regarding proposals for revision and amendments. This has resulted in the shift in the nature of relationship between the Ministry and donors, from the donor-recipient to cooperative partnership for development.
- The ownership of the Ministry of Finance has been strong. There has been a shift in the ODA recipient units' attitude toward ODA grants, which no longer regarded as "gifts". ODA is now treated with great appreciation, as it is essential and valuable assistance for sector reform. A number of ODA projects had been declined because they did not match up with the sector needs.
- Quality of ODA steering and managing: Since 2000, significant improvement has been seen in the steering and managing of the ODA capital granted for the Ministry, especially with the intensive and extensive participation from the International Cooperation Department (ICD). The recent tendency shows that proposals from the Ministry have increasingly matched up with donors' plans, and as a result; the annual ODA amount has increased in size. One of the main focuses has been successful annual meetings held by the ICD for the Ministry of Finance and the donor group in the field of public financial management. This open forum has enabled donors, government agencies and inter-ministerial bodies to meet and discuss public finance plans and needs for ODA sources.
- Diversity in ODA modalities: the diversity of aid modalities available now means the Ministry of Finance has more chances to get different needs of different internal units met through the ODA programs/projects. For instance, while the ODA loans and multilateral protects are designed to support the development of major management Information Systems (MISs) or other development mechanisms. Smaller bilateral and technical assistance projects are planned for the development of human sources.

- Finally, special importance has been attached to the public finance field, as a result, both the Vietnamese government and donor community have paid great attention to this field. Especially, the relatively high effectiveness in the utilization of ODA capital in the Ministry of Finance was the evidence generating prestige of the Ministry in the donor community, which led to successful mobilization of other ODA sources. Besides, according to JICA analysis, to some extent, donors for the Ministry of Finance were steered by World Bank, so they could maintain balance and harmony between the needs of the Ministry and donors' concerns. Yet some donors in the field of public finance management thought that technical issues have not been sufficiently dealt with in the annual meetings of the Partnership groups for public financial management reform. This made it difficult for donors to tackle and discuss the needs of ODA recipients concerning foreign assistance during the meetings. Furthermore, the financial sector modernization program has not drawn up a roadmap with definite time references to make it easier for donors to outline ODA financial assistance timeframes accordingly.

Along with the Above-Mentioned Positive Points, There Still Exist Some Drawbacks Regarding the ODA Relevance in the Ministry Of Finance

A number of projects were considered to be "too ambitious" as far as the readiness and other necessary conditions for reforms in Vietnam. In late 1990s, reform targets were not clearly identified. By then Vietnam in general and the Ministry of Finance in particular had started reform programs, under extreme pressures from the political ambition "to keep pace with other countries in the region". Thus, the Ministry of Finance and other sectors had proposed overly ambitious targets.

As for the absorption and management capacity of ODA resources in the Ministry of Finance, the relevance between the ODA assistance and the Ministry competence was not high. The considerable number of projects behind in their implementation schedules or projects uncompleted as planned was a clear evidence of this mismatch. The survey outcome showed that around 23% of respondents thought that the Ministry of Finance was not capable of implementing projects allocated huge amount of ODA resources as this was actually beyond their capacity. Result of semi-structured interviews also indicated donors' worries/concerns about "absorptive capacity" in some of ODA recipient units because there existed a mismatch between their capacity and the large quantity and scale of technical assistance provided from ODA projects.

There was improvement in the design of projects in the Ministry of Finance, but this has not lived up to the expectation. The number of projects designed by the Ministry was still small; the Ministry is largely depended on donors for the design process. Moreover, about 30% of the staff numbers in the Ministry surveyed responded that the Ministry of Finance had just covered 50% of tasks required in the planning of projects. The main reason for this is the severe shortage of staff numbers who were capable of conducting research on project feasibility as well as designing projects.

Figure 6: Evaluation of Officers in the Ministry Of Finance on the Involvement of the Ministry in Needs Assessment, Design and Implementation Processes Of ODA Projects

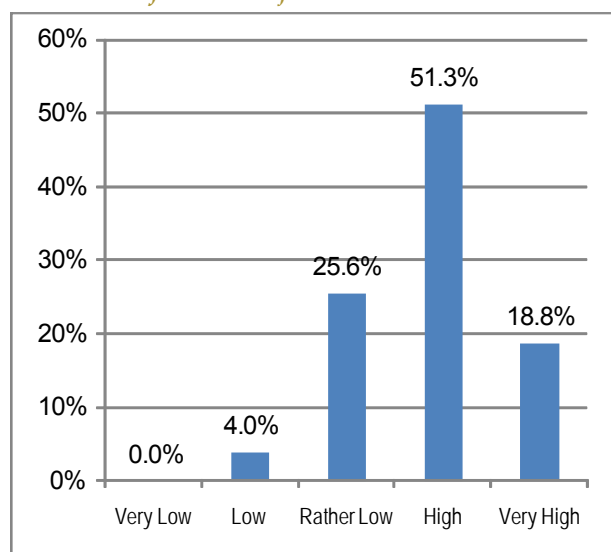
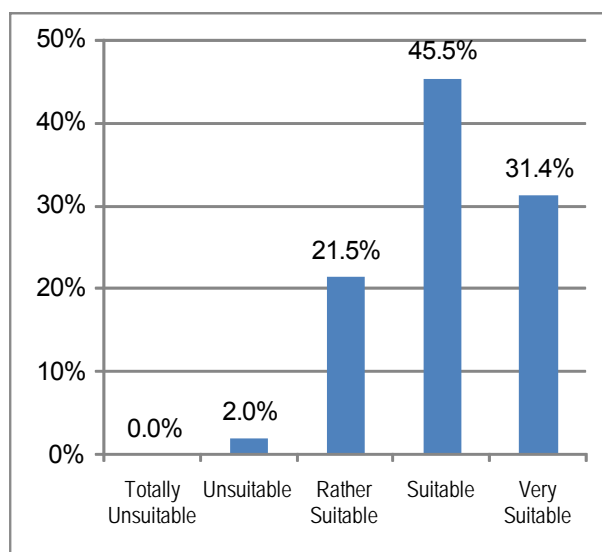


Figure 7: Evaluation on the Relevance of ODA Resources with the Competence of the Ministry Of Finance



The coordination and “systematization” among donors were limited. In some donors’ opinion there was little proof that the partnership group mechanism worked well in solving particular technical issues. A representative from JICA explained that “we joined the partnership group out of curiosity, but hardly technical issues were discussed in the group.”

Box 1: A Case Study on High ODA Relevance

Multi-Donor Trust Fund Project (MDTF) has received interest and multi-donor support from the Netherlands, Switzerland, Sweden, Norway, Denmark, United Kingdom of Great Britain and Northern Ireland and Canada since January 2004. In 2005, EC became a new donor of this project. The project is directly executed by MOF and administered by the World Bank. The first phase of the project ended in November 2007 (after three extensions). Total committed budget of the Fund is USD 4,315,000. MDTF main objectives includes:

1. Enhancing effectiveness of public financial management through implementation of the Public Financial Management Modernization Program (PFMMP); and
2. Providing technical supports, organizing workshop and training courses for strengthening the capability of the Ministry of Finance in formulation and implementation of policies, plans and processes in public financial management reform relating to the prioritized fields in PFMMP.

Until now, most of project’s planned outputs were produced, including institutional products, strengthened capability for human resource and information management systems.

MDTF is considered to be a typical example of high relevance to MOF’s reform priorities and demands. According to the survey result of over 100 MOF’s officers, the project was highly valued in many fields (including effectiveness and impact); especially with regard to its relevance to public financial reform. Project’s mid-term evaluation implemented by donors also stated that project is “highly responsive” to demands of public financial management reform in the way that it is difficult

for bilateral projects to achieve. Moreover, project activities were assessed to fit with demands of beneficial units. Enabling factors for high relevance of this Fund includes:

- *Leadership and ownership of the MOF and beneficial units in project design process:* At the design phase, as the coordinator of ODA sources for the Ministry of Finance, the International Cooperation Department (ICD) closely collaborated with line departments to actively participate in the design of the project with donors. As a result, MDTF design comprehensively reflected all priorities and orientations of financial sector modernization program. In particular, MDTF has supported those fields that had not been paid attention by any donor in the past. Therefore, it can be concluded that, at the design phase, MDTF provided an active role for Government in managing and coordinating external sources to implement its public finance management reform program.
- *Leadership and ownership of Vietnam in the implementation process:* MDTF can be considered as a typical example of a bottom-up process in designing and implementing of detailed activities. Instead of asking consultant to design action plan and activities in each field, MDTF empowered line departments in formulating activities supported by the project. The Fund Management Unit only assumed a facilitating role when necessary; primarily at the beginning phase. Thus, the Fund operation always meets line departments' needs as well as fit with their implementing capacity.
- *Characteristic of the Fund modality:* MDTF has a more flexible planning and implementing mechanism compared to bilateral projects. Therefore, the Fund has more chance to provide timely supports when new demands emerge.

3.1.2. LESSONS LEARNT

From the findings of group discussions, the following essential factors need to be considered in ensuring high relevance of ODA programs/projects.

- A thorough and comprehensive strategy should be drawn up to mobilize ODA resources. This is also the main reason for updating of the Financial Modernization Program to be the Single Document a comprehensive framework, completed in 2007. The ODA mobilization should be long-term, flexible and open to some extent. As experience from WB, small and more narrowly defined often are not flexible enough to ensure ODA relevance.
- The ODA recipients (both the management and implementation units) should be more active and creative and should participate in the project as soon as possible, especially at the very phases such as project needs analysis and design.
- Harmonious steering and coordinating between donors and government and between donors themselves is also necessary to ensure high ODA relevance. The role and function of the units in charge of ODA steering and coordinating, e.g. the ICD in the Ministry of Finance, is important, so its needs strengthening.

- It is essential to have diverse ODA modalities to enhance and increasing ODA relevance. The project design should not be “fixed” and flexible adjustments should be allowed during implementation process.

3.2. EFFICIENCY

3.2.1. MAJOR FINDINGS

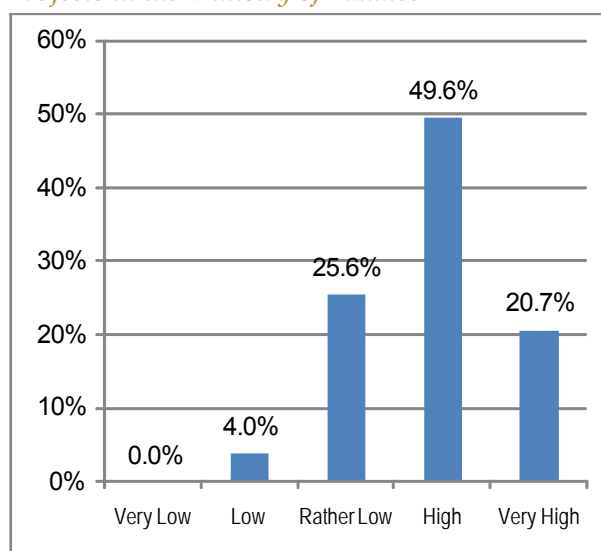
The efficiency in the utilization of the ODA capital in the Ministry of Finance was ranked as *above average* because of many positive results alongside a number of weaknesses.

- As far as the efficiency of the ODA resources for the Ministry is concerned, the following positive outcomes have been identified. The disbursement in the ODA projects in the Ministry had complemented effectively with the state budget public for financial management reform. Although the ODA disbursement met a small proportion of expenditures needed by the Ministry of Finance for the financial management reform program, ODA support has enabled the Ministry to carry out activities for which the state budget does not allow, such as hiring of international consultants, organizing overseas visits for staff or providing scholarships for overseas training. These activities were of a great importance, especially when the reform processes require new knowledge and international experiences.
- Different ODA assistance modalities in the Ministry of Finance are assessed to be complementary with one another in developing the capacity for the Ministry. Major projects tended to meet by long-term needs while technical assistance projects focused on urgent and specific needs of the reform process. This led to higher efficiency and more comprehensive impacts from ODA projects on the Ministry of Finance.
- ODA human resource assistance for the Ministry of Finance is highly valued as ODA assistance has made it possible for the Ministry to supplement its capacity with Vietnamese and foreign experts, due to the severe shortage of highly qualified staff in the Ministry.
- According to evaluation from the Ministry, majority of experts recruited by ODA have been highly qualified especially those who working for bilateral projects. The main reason for this is that bilateral projects allow the Ministry to seek experts with expertise suitable to professional needs of ODA recipient units in The Ministry, while multilateral ODA projects has relied on the recruitment of consultant by companies that won the bids. The problem is the limited number of consultants on public finance who are familiar with the situation of Vietnam.
- The Ministry of Finance HAS strictly abided to the regulations on project and financial management. Over the period, no serious violation regarding regulations on project and financial management in the ODA projects in the Ministry, for either

ODA capital or Ministry counterpart funds. Donors highly valued the Ministry's diligence in abiding to these regulations.

- The programs/ projects in the Ministry and the operations within a project have been changing. This was resulted from changes in steering and coordination functions, in ODA mobilization approaches and involvement of the ICD in the implementation of projects. For instance, for the ODA mobilization process, the ministry of Finance gradually has applied the SWAP approach, a favorite choice of modalities in many ministries/sectors in Vietnam when conditions permit. When this approach was employed, the ICD synthesized the needs of all internal units to produce grand plan of needs for the entire sector. Through this approach, the chance of different units in the sector proposing the same needs to different donors has been eliminated. This also meant donors could approach the Ministry as a single entity (by working with the ICD on this basis). As shown in the survey results, over 79% of respondents highly valued the coordinating role of the Ministry of Finance in the mobilization and implementation of ODA programs/projects. A large number of respondents also agreed that the job significantly improved since the ICD assume the main responsibility for ODA coordination.

Figure 8: Evaluation on the Coordination of ODA Projects in the Ministry of Finance



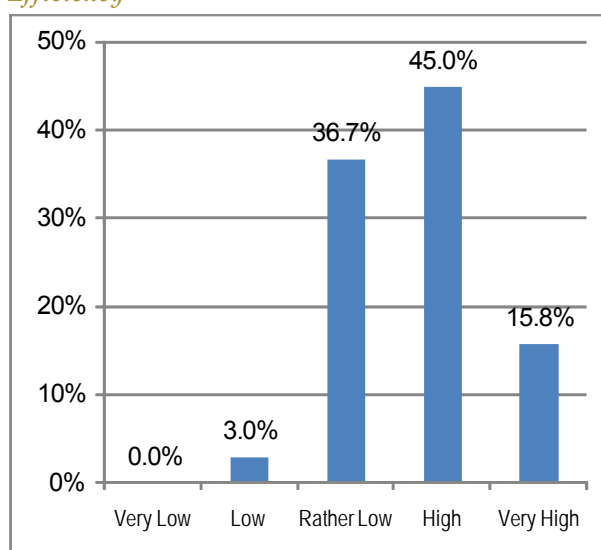
Apart from these positive points, a number of weaknesses need to be addressed if ODA efficiency is to be further enhanced. The main drawbacks of ODA projects in the Ministry of Finance are as follows.

- The biggest concern is the delays in the implementation of ODA programs/projects. The preliminary statistics from the ICD shows that over 80% of the ODA programs/projects in the Ministry of Finance over the period of 2000-2007 had to ask for an extension for a variety of reasons. For example, the ETV2 project (designed and carried out by the Ministry of Investment and Planning and joined by the Ministry of Finance on fourth component) was to be completed in three years. It took two years for the complicated administrative approval procedures to be finished, and another year for the operational plan to be revised. If the project has not extended, it will need to be completed by 2008. Thus, the project would be implemented in two years instead of three years as designed. Similarity, the

insurance training project took one year for preparation, and then it has only two instead of three years for implementation. Some major projects, the PMU acknowledged the delay “right after the day the project was approved”, e.g. the projects for customs modernization and public finance reform.

- There are concerns about the employment of international consultants. In the last few years, international consultants are still used for administrative tasks in some small projects. This meant a waste of considerable capital allocated for the Ministry. Furthermore, some foreign experts lacked of essential understanding about Vietnam and public finance in Vietnam, so it took a long time for them to understand the system. This also meant more financial disbursement for the projects.
- In some cases, recruited experts did not meet to the requirements. Their working contracts had to be terminated prior to the contract dues. Moreover, the above-mentioned delay at certain project phases led to increases in administrative expenditures of the project (for personnel expenses) and other opportunity costs for the Ministry.
- Another common notable problem for projects was the difficulty to find public finance consultants, both domestic and international. The number of public finance experts in Vietnam is limited. Many projects were lengthened because it was not possible to find suitable consultant, or the schedules of the consultants did not match with that of the projects. Bilateral projects have advantages as the foreign governments could send their consultants to work with the Vietnamese counterparts. So far, the Ministry of Finance has not developed “a database” of potential consultants, as well as an assessment system for their consultant services. As a result, the implementation of projects still largely depends on the consultant sources provided by donors.
- The implementation capacity of some beneficiary departments was rated “poor” by relevant parties. In the survey, 40% of respondents thought that the ODA utilization efficiency only reached the average level.
- It was also difficult to recruit and retain qualified people to work for PMUs. It is required that those who work in PMUs must be professionally qualified, good at foreign languages and have necessary management skills.

Figure 9: Evaluation on the ODA Utilization Efficiency



However, those who can satisfy these requirements are limited and they are in fact, the target of private sector “head hunting”. Furthermore, their chances of promotion at work will likely to be reduced if they are transferred to work full time on ODA projects over a certain period of time. The findings from group discussions and interviews showed that some of units and PMUs, e.g. the General Department of Taxation or Insurance Training Centre Projects, have been “losing” their competent and experienced staff.

Causes to Limited ODA Efficiency

- As stated in the evaluation on the relevance criterion, some projects had too ambitious targets and plans in comparison with the reform process and with their implementation capacity. Unrealistic project designs also led to difficulties in implementation.
- Related parties, especially PMUs and ODA recipient units, did not pay sufficient attention and invest time during preparation phase of projects. This resulted in longer time for projects to get started.
- ODA related procedures were the common concern. The procedures were commented to be too complicated because they were attached to two systems of regulations (e.g., the government and of donors), especially the procedures of approval for project revision and procurement. Recently, in order to minimize these difficulties, the gaps between the two systems have been gradually narrowed. Yet, in some cases, rigid practices generated reporting burdens for PMUs, i.e. simple, small technical assistance projects had to abide to the same reporting process as major, large-scale projects.
- The system of regulations and instructions for ODA implementation and management issued by the Ministry of Finance, the Government, and donors did not meet the management needs in new ODA modalities, e.g. investment projects and multi-managerial level projects. The management procedures did not have detailed and appropriate guides for some processes, such as project appraisal or monitoring and evaluation. The appraisal of large or complicated projects is a challenge for the Ministry of Finance at the moment.
- In the implementation process, the information sharing mechanism between PMUs and related bodies (the International Cooperation Department, the International Accountancy Department, and The Personnel Department) was not adequate. Therefore, parties concerned lacked of necessary information to give proper consultation and to join the implementation of projects. In addition, the role of the ICD in the design and revision processes related to the General Action Plan and the Annual Action Plan of projects was not clearly stated in the regulations. Presently, after projects are approved and started, PMUs are allowed to consult parties related to developing and revising their annual Action Plan in compliance with the project

documents. In the process, consultants are invariably donors while the involvement of internal bodies is ambiguous irregular and unofficial as it is not regulated. Therefore, it is likely that operations in some projects are repetitive, or that the effectiveness and efficiency are not at their best because the operations do not cover a wide range of recipients.

- It is notable that the project implementation capacity of some beneficiary departments is weak. A number of members in PMUs are not professional or lack of essential project management skills. It is a fact that some officers in the Ministry of Finance are professionally qualified, but not strong in project management. On the contrary, the external members are good at project management, but know little about the public finance field as well as the working patterns of the Ministry. As reported by the ICD in the 2004 survey, only around 39% of PMU members have the necessary projects skills and 20% of them have taken project management training courses. The external members taken on to manage projects have project management skills and expertise, but lack of comprehensive understanding on finance and are not used to the working patterns in the Ministry of Finance, which leads to difficulties in performing their task effectively
- The current ODA management model is associated with professional units. The model has the advantage of solving practical professional issues, but it is a deficiency when many of the units do not have project management skills. In such units, there is a mindset of wanting to control but not willing to carry out more responsibility and workload.
- The major cause for the shortage of qualified project officers is the low compensation for the Ministry officers who join in projects, especially those doing multitasks. The survey findings show that the Ministry officers joining in projects especially those doing multitasks are not satisfied with the current levels of extra compensation, because they do not match their workload and responsibilities. The situation is even worse when their payment package is compared with that of external members or experts of PMUs. In some PMUs there are four different payment packages for “four citizenship groups” taking on the same workload, being under the same work pressure. They are (1) foreign experts (2) Vietnamese experts, (3) external officers, and (4) the Ministry multitask officers. The last group is paid the least, and sometime their earning is dozens of times lower than their counterparts.
- This fact has considerable negative impact on their motivation at work. One donor representative commented “we see the issue and know it is difficult to solve the issue, not just for the ODA projects in the financial field. The Ministry of Finance itself cannot solve the problem of officers’ incomes below market prices. It is the government that needs to take the essential measures to bridge the gap between officers’ incomes and market prices. In fact, the public sector normally offers much lower payment package than the private or free-market sector. However, some

people choose to work in the public sector. Thus, it is not possible to deal with the issue at the technical level, but should be addressed at the higher level of government.”

- Another problem derived is the over-workload of multitask officers. The Ministry of Finance possesses a limited number of officers, professionally qualified and experienced enough to work in ODA projects. Therefore, some officers are assigned to work in projects while they still have to perform regular tasks in their units. In reality, they only work on the projects on a part-time basis.
- A certain number of staff members and units regarding ODA as “a gift”, not as part of their unit’s operation (e.g. ownership). Thus, implementing project activities is not always given high priority.
- One of the major weaknesses in the ODA projects, acknowledged by the Ministry of Finance and Vietnamese Government, is that the monitoring and evaluation systems for the ODA projects in the Ministry of Finance have not been paid enough attention to and are not efficient.

Monitoring of Projects:

- Over the 2000-2007 periods, there did not exist a system of regulations strong enough to act as the framework for the monitoring of projects. The Decree No 17/CP [of the government] provided only one line on project monitoring. Thus, it was not obligatory and clear enough for projects to do the task;
- Few projects allocate sufficient amount of budget for systematically monitoring of projects. At the operational level, it was difficult to monitor projects owing to the shortage of monitoring indicators in the project design. At the ministerial level, the monitoring largely depends on two indicators, i.e. disbursement and project progress. So, it was difficult to perform regular monitoring to enable providing timely solutions for problems. The Aligned Monitoring Tool (AMT) has been used on an experimental basis in some projects since 2005 and it has officially been utilized since late 2007. But this tool is quite complicated for financial sector projects. The Portfolio Monitoring Tool (PMT) has been developed, but has not been required to use.
- In some projects, the monitoring task is practiced on the basis of particular donors’ concerns and requirements of the projects. In the project design, a number of projects neglect contents related to internal monitoring and management.

The Evaluation on Projects:

- Previously, the project evaluation task involved evaluation meetings. Regulations from the Government and donors about project evaluation were not sufficiently

aligned. Independent evaluation i.e. mid-term and final evaluation) was hardly conducted systematically.

- The evaluation was simply description of the project input and ODA activities rather than assessment on the outputs, the results and impact of the projects. Regular progress investigation and final evaluation were performed in most projects, but this did not produce concrete evaluation on effectiveness and impacts of the projects.
- Bilateral projects hardly followed the logical frame so the monitoring and evaluation of those projects were not statistically reliable.
- Recently, the monitoring and evaluation of ministerial level projects have improved considerably. Especially, after realizing the weaknesses in the monitoring system, the Ministry requires all PMUs to use the AMT system since the fourth quarter of 2007. The ICD cooperated with the Ministry of Investment and Planning in its VAMESP II project and conducted around 10 training courses, from basic to advanced level. The courses aimed at improving monitoring and evaluation skills for the PMUs within the Ministry of Finance and project management officers in the ICD. As a result, the monitoring and evaluation process in the Ministry now starts to run smoothly.
- Finally, some donors implied that the Ministry decision-making process related to ODA project issues was not transparent and fully participated by parties concerned. In some cases, parties concerned were informed the decision afterwards instead of taking part in the discussion on final decision-making.

Box 2: A Case Study on High ODA Efficiency

MDTF, once again, is used as a typical example of a project that achieves high efficiency in the utilization ODA resources. This project is assessed to have high efficiency for following reasons:

- **High disbursement rate:** Project actual disbursement as of 31 December 2007 is USD 491,577. Recently, project budget was increased from UDD 4,315,000 to UDS 4,750,580 after adding the exchange rate differential (US 435,000). This added amount is partly used for activities of 2007 (around USD 135,000) and partly for the 2nd phase of the project (around 300,000 USD). Therefore, the actual disbursement rate of this project is 103%. This rate is very high compared to average disbursement rate of Vietnam of 61.86% (for period of 1993-2007) and average disbursement rate of ODA projects in the Ministry of Finance is around 70%.
- **Good progress made in project implementation:** MDTF has made good progress in implementing its bi-annual action plans. Consequently, the Fund has produced most of its outputs timely while assuring their quality.
- **High compliance with government's and donors' regulations:** regular monitoring and mid-term evaluations found that the Fund has strictly followed project management regulations of both Vietnam and donors. This project also develops its own Management Regulation.

Enabling factors for high efficiency of this project consists of:

- **High ownership of the ODA recipient:** Being a fund that is directly implemented by the Ministry of Finance, MDTF was designed to meet the ministry's pressing reform needs. Therefore, the Fund provides strong motivation as well as pressure to complete its activities and to produce timely outputs, especially for those outputs related to institutional establishment.
- **Capacity of Fund Implementation Unit:** participating in the Implementing Unit are not only out-sourced project management expert, financial expert and procurement expert but also Ministry's seconded staff. Financial knowledge of ministry's staff combined with project management skills of out-sourced staff has been a critical element in ensuring the smooth implementation of the Fund. What make this project successful in attracting and retaining qualified out-sourced staff is the flexible compensation system; that is, project staffs are paid as experts/consultants rather than project administrative staff like other projects of the Ministry. However, similar to other projects, the Fund encountered several difficulties in attracting competent staff of the Ministry to be more involved in project activities because of the low compensation from state budget.
- **Effective M&E system:** Being one of the first projects of the Ministry of Finance to pilot new M&E system, MDTF has phased in the new M&E system. All project's inputs, activities and outputs have been monitored, regularly reported to related agencies and donors. As a result, emerging problems were discussed so that correcting actions are taken in time.

3.2.2. LESSONS LEARNT

- The ODA recipients should pay attention to and are involved in the project right from the design process in order to ensure high project relevance and efficiency that meet the needs of the unit and minimize the possibility of alteration in the project implementation.
- Pre-project preparation is very important and has a decisive role in ensuring the project progresses as planned. Thus, it is suggested that project design is included as part of the project period, as good preparation means saving of resources during implementation.
- By developing a database on national and international consultants in each field, the Ministry of Finance will not have to rely solely on contractors when looking for relevant consultant services, and to increase project efficiency. Moreover, international experts should only be assigned to technical tasks at certain necessary time and it is not advisable to assign them to administrative/management posts. The Ministry of Finance does not wish to take on resident consultants.
- Monitoring and evaluation system is a key element in generating high project efficiency. The current system needs to be developed and applied widely. This will enable donors and recipients to be informed timely and to share information related

to the project. At the same time, this will enable the Ministry of Finance and donors to have comprehensive understanding about ODA project implementation.

- All ODA project should have a shared directory, which will provides all parties concerned with necessary information and experiences in management. Furthermore, information on ODA project management experiences in the Ministry of Finance in successive periods should be electronically stored to serve the monitoring and evaluation of projects. More importantly, the Ministry of Finance should be pro-active in conducting baseline evaluations prior to project implementation so that baseline data can be used for comparative evaluation on the outputs of projects.
- Due to the limited number of external members having public finance expertise, it is not likely to find many qualified people to take on key positions in PMUs, e.g. project coordinators, officers etc. Therefore, a safer and more efficient measure is that the Ministry of Finance should organize regular training courses to provide the existing or potential staff members of ODA project with management knowledge and skills, which will develop the human sources for later project management. Besides, it is recommended that the following measures are taken to improve officers' project management competence:
 - Require all ODA projects to have training component on project management.
 - Develop a team of master trainers to train others. However, there should be a suitable mechanism to encourage them to transfer their expertise to colleagues.
 - Annual seminars should be organized, which will allow PMUs to share information, experiences on project management.
 - Complete and upgrade the directory on ODA programs and projects on the website of the Ministry of Finance. This also means having a financial mechanism to support those in charge of collecting information, editing and administrating the site.
 - The current management guidebooks that PMUs are using should be consolidated to serve as a reference for other projects for the time being, and later on, to be developed into a common guidebook for all project in the Ministry. Such a guidebook should also be posted on the Ministry website.
- High ownership is also a key element ensuring high ODA project efficiency. However, ownership can go hand-in-hand with effectiveness and efficiency only when the Ministry of Finance has strong capacity to design and implement project.
- The incentive mechanism needs to be improved further. Long-term effects on project efficiency and effectiveness will be much higher than increased costs to narrow the gap in compensation between internal officers and external staff.

- The procedures of project preparation should be further simplified and harmonized. There should be a stronger mechanism of delegation on decision making, with better linkage between power and responsibility. This would enable faster implementation in multi-managerial level projects.
- The model of management and coordination should ensure a balance roles of parties participate in the projects, including the beneficiary units. . Firstly, it is necessary to create favorable conditions for units to work directly with the donors in order to be able to address both practical and technical issues. Secondly, there is a need o create favorable conditions for the management and steering bodies, especially the ICD, to provide other bodies and PMUs with the best assistance in dealing with ODA general steering and administrative procedures. This will avoid overlapping and reduce operational time and costs. Some beneficiary units proposed that the ICD should take on the responsible for procurement of small projects. Major projects, e.g. Customs or Tax ones, have independent bidding units responsible for procurement.

3.3. EFFECTIVENESS

3.3.1. MAJOR FINDINGS

The implementation effectiveness of ODA programs/projects in the Ministry was highly valued as shown in the following positive points.

In the last seven years, ODA programs/projects were effective supported the Ministry of Finance in meeting its financial sector reform targets. Most of the key targets in the public financial reform have been achieved with direct contribution of ODA projects. Some examples are the drafting and enactment of the revised and amended state budget law, the Corporate Income Tax law, Insurance Law, Securities Law, and the Reform of State Enterprises, etc.

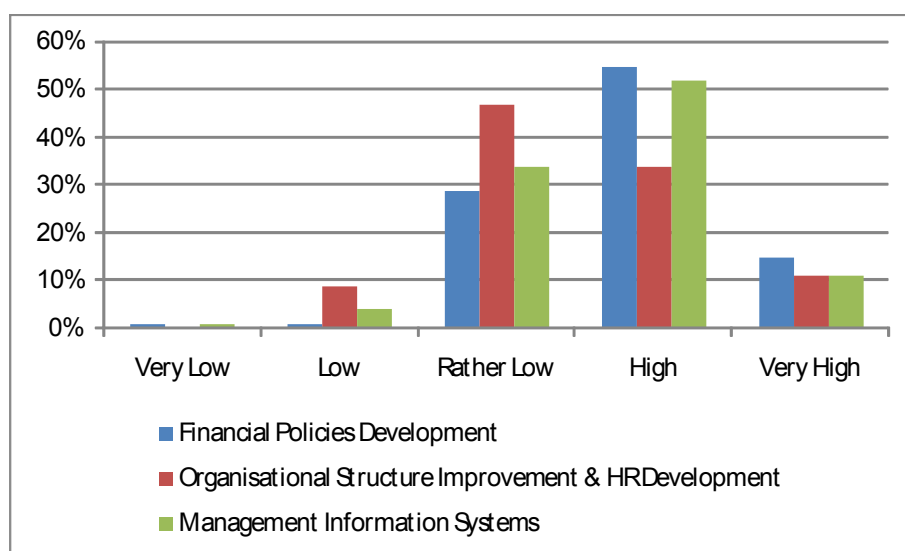
Majority of officials from recipient units participated in focus group discussions and interviews responded that they were satisfied with the achievements and outputs of projects. Moreover, the evaluation results proved the high effectiveness of ODA projects as outlined below.

- As for comprehensive development of a financial policy system: 100% of plans for financial policy development, in compliance with the 2010 Vietnam financial sector development (Decree No 211/2004 by prime minister), have met the targets as designed, with direct assistance from ODA projects at various levels. Milestones of the public finance Reform in the last seven years include:
 - The approval of the revised law on state budget (2000-2002), Accounting Law, Auditing Law, Law on Insurance Business.
 - New treasury procedures (based on international standards)

- State budget publication (2003), the state budget is no longer a secret to the public.
 - The self-declaration of business tax was a bold reform of the MOF, from its experimental base to the nationwide practice now.
 - The Securities Law (2005), a critical shift to enable the stock market to function.
 - Resolution on debt management
 - Elimination of public private business discrimination
 - Government proposals on public expenditure reporting (2004) have been approved and carried out with significant assistance from ODA projects. Public Expenditure Reporting (PER) has been practiced on an experimental base since 1996. The Ministry officially embarked on implementing the 2000 PER. With World Bank's guidance, the Vietnamese government actively participated in the 2000 PER. As for the 2004 PER, there was a swapping of the roles: the Vietnamese government led the exercise and donors participated.
 - Establishing the Development Strategies of Customs, Taxation, Insurance, and the Capital Market.
- As for the development of the organizational system and human source capacity in the Ministry of Finance.
- According the 2004 report by the ICD, by the year 2004 the ODA projects provided 16 Masters and 5 PhD scholarships for officers in the Ministry of Finance. Over 11.000 officers in the Ministry and officers in the financial sector either took training courses or participated in capacity development activities, such as workshops, overseas visits organized by ODA programs/projects. Through these activities, these officers have gained updated knowledge and skills necessary for the reform. In addition, the opportunities of working directly with international experts have gradually improved many officers' working styles and attitudes.
 - A very high percentage (88%) of respondents agreed that the ODA projects had achieved targets designed regarding capacity development for officers in the Ministry of Finance. 55% of participated in ODA training courses believe that the capacity development activities supported by projects were far more effective than those financed by the state budget.
 - A number of projects have designed priority training courses for participants or potential officers from the Ministry of Finance in an effort to make them Master Trainers who will act as key persons for the training of successors and improving project efficiency.

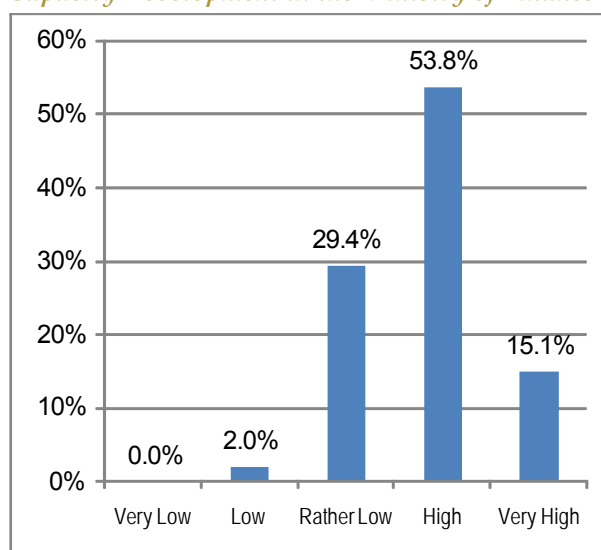
- As for the organizational reform in the Ministry of Finance, it needs to be emphasized that there has not been many ODA programs/projects in the Ministry of Finance directly aim at enhancing the organizational system. Nonetheless, the ODA projects have played a role in generating remarkable changes in the structural system. The establishment of SCIC, debt trading company, public debt management office as well as the shift in functions and mandates of the state treasure are some positive examples.
- Some donors and survey respondents said that the ODA projects were not efficient in reforming the structural system. The counter argument is the different approaches of the donors and the government in assessing structural reform needs and approaches. Donors supporting in ensuring competent work force, adequate facility and infrastructure can have more impact than exerting external pressures on system and structural reforming. In this regard, the impacts of ODA projects on the system reform are more indirect and less visible at present. The fact that ODA projects have changed MOF officers' attitudes and competence will eventually lead to "internal" needs and consequently, the Ministry will take the initiative of making structural changes in compliance with its own plan and in accordance with the unique context of Vietnam.
- As for the development of the modern financial Management Information system (MIS)
 - It is too early to evaluate the effectiveness of ODA projects regarding MIS because all of MISs is currently under development. Yet, the MOF units believed that the major achievement of ODA projects in the modernization of MIS has been initiating the idea on modernization and provided orientation in the early stages. These are critical contribution in the early "confusing" period of the reform process.
 - ODA support for MIS development in the Ministry of Finance was assessed to be appropriate. The development of the hardware and the applied software is being carried out simultaneously with human resource development and other system reforms. This will harmonize the three essential factors in the reform process and will help to avoid risks faced by other modernization projects when only the MIS is computerized.

Figure 10: Evaluation on the Public Financial Modernization regarding the Three Strategic Objectives (by March 2008)



Overall, the concerns about the mechanism of information sharing, coordination and exchange in ODA programs still exist. Some donors and recipient units proposed that direct talks can enhance ODA effectiveness and efficiency. Few MOF recipient units thought that it would be more effective and efficient if they could directly steer, implement their projects by themselves, and that participation from these units or PMUs should not be necessary.

Figure 11: Evaluation on ODA contribution to Capacity Development in the Ministry of Finance



Box 3: A Case Study on Aid Effectiveness

Project “Strengthening financial policy analysis for human resource development” (VIE/03/010) is funded by UNDP with initial life span of three years. Project’s main objectives are to (i) Improve Ministry of Finance capacity in analyzing and evaluating financial policies, (ii) Enhance policy dialogue and pro-poor fiscal decentralization, and (ii) Evaluate prioritized financial policies and make and implement recommendations. Due to its high effectiveness, project was extended to nearly five years with total budget of USD 2.01 million.

This project is considered to be one of the most effective projects of the Ministry of Finance. So far, the project has completed most of its planned outputs such as providing training courses for over 200 Ministry’s staff, building electronic library, compiling manual on policy analysis, and conducting 53

policy analysis and evaluations.

More importantly, project's outputs have been translated into expected improvement in the Ministry's capacity, thus makes achieving the project's goal. For example, for the objective of strengthening Ministry capacity in analyzing policy, the project organized a series of training courses from basic knowledge (e.g., macro/micro-economics) to advanced knowledge (e.g., cost-benefit analysis, overall balance model). This project has equipped over 30 members of the Potential Policy Maker Group of the Ministry with systemic and modern knowledge about financial policy analysis. They are now capable of conducting policy research and evaluation which the Ministry had difficulty to do on their own in the past.

For the objective of evaluating financial policy and making recommendation, the project significantly contributed to important policies, such as Personal Income Tax Law, Vietnam financial integration policy etc. All the project's policy analysis were used by the Ministry of Finance in their policy formulation. In spite of the fact that some of project policy recommendations were not incorporated into new policies, this project did a commendable job in enabling independent and objectives policy analysis to facilitate formulation of new financial policies and programs.

Main factors ensuring high effectiveness of this project include:

- *Leadership and ownership of the Ministry in implementing this project:* This project was implemented according to National Executive Method (NEX) by which donor only approve its overall direction, while detailed activities were completely designed and implemented by the Ministry of Finance based on their priorities. Therefore, project's action plans were always in line with Ministry priorities and plans. Besides, because project outputs were designed to meet Ministry specific needs, this project was always under a pressure to produce those outputs in time and with expected quality.
- *Good capacity strengthening approach:* project selected appropriate people to strengthen their capacity (Ministry's promising staffs were selected by each department and then divided into Potential policy makers and Key policy makers); training needs assessment was conducted before organizing training courses, all trainees were encouraged to detach their work during training time.
- *Good balance between contradicting needs:* On one hand, the project hired consultants to assist the Ministry in fulfilling its pressing tasks, on the hand hand, the project also focuses on providing training course for the Ministry' staff on their longer term capacity development needs. This helps to balance the tension between the needs for external support to implement Ministry's urgent tasks while ensure longer-term capacity development needs of the ministry were met.
- *Capacity of Project Implementing Unit (PMU):* PMU is staffed by both outsourced staff, who are competent in with project managing skills, and Ministry seconded staffs, who are familiar with ministry structure and working patterns. As a result, project's activities was implemented smoothly and in accordance with the Ministry's plan.
- *Effective M&E system:* Project has maintained an internal monitoring system and reporting mechanism by which problem is timely detected and remedied.

3.3.2. LESSONS LEARNT

- The Financial Sector Modernization Program (FMP) is an intensive strategy which calls for great efforts from the Ministry of Finance and other Government ministries and agencies, including the Ministry of Investment and Planning and local authorities. The strategy is to create a flexible framework for ODA projects and to provide a basis for targets and results setting.
- Technical assistance projects should be in line with the priorities of the national public administrative reform and with international economic integration needs.
- The partnership between donors and recipient units has improved significantly over the period which greatly contributed to the enhancement of ODA effectiveness.
- A number of other key factors contribute to ODA effectiveness. Some of the examples are the internal force within the Ministry of Finance, i.e. political determination and ownership of both Ministry leaders and recipient units, new regulations on aid coordination, and clearer definition of roles and responsibilities of various parties involved in ODA project implementation.
- The good match between ODA projects and the human resource of the recipient units, and vice versa, which ensure effective ODA absorption by the units.
- The diversity of ODA modalities generally can enhance ODA effectiveness, due to their flexibility and complementarity in meeting the needs of the recipient units and matching their absorptive capacity.
- The project targets should not be too ambitious, but practical instead.
- The following factors are major obstacles for effective management and implementation of ODA projects with regard to capacity development:
 - The ownership of some recipient units is still low
 - Some recipient units are not capable of fully absorb ODA
 - The poor monitoring and evaluation system prevents thorough evaluation on ODA effectiveness.

3.4. IMPACTS

3.4.1. MAJOR FINDINGS

Impacts of the ODA programs/project in the Ministry of Finance are significant. They are highly valued at both the national and ministerial level.

- Nationally, the public financial management reform has been recognized by its positive impacts on the implementation of socio-economic development plans in Vietnam. For example, many poor people's living standard and conditions have been gradually improved over the past few years (ETV2 project evaluation report). Public financial management also has improved transparency and accountability of the Government, even that the grass-roots level.
- In the Ministry of Finance, ODA sources have positive impacts on all three PFM strategic objectives, namely development of the financial policy system, development of human sources, and development of the financial the management information system.
 - *As for the development of the financial policy system*, ODA has the greatest impacts on this objective. Almost all of the important policies of the Ministry in the last few years were developed with support from ODA projects., including the Revised Law on the state budget, Law on Business revenue tax, Law on insurance business, Law on stock business, the Law on personal income, Vietnam accountancy and audit standards, the government Decree on overseas debt management, the implementation of the 2000 public expenditure report PER-2000) and of the PER-2004, etc., are just a few of the examples. Even if there was no ODA support, the Ministry of Finance would still have to carry out these reforms and new financial policy system development. However, the quality and timeliness of these policies could have been greatly reduced. In this regard, international experiences and expertise gained through ODA projects have played an important part in the completion of the Vietnamese policy framework, in the effort to meet the international rules and standards.
 - ODA projects have visible and direct impacts on the development of human resources. As mentioned above, projects have enabled the Ministry to have thousands of staff members trained. More importantly, the knowledge and skills gained through ODA projects (i.e. training courses and contacts with Vietnamese and foreign experts) have reinforced staff members' competence, self-confidence and new positive working styles. Undeniably, people benefited from ODA projects, either professionals or leaders, are key persons in the Ministry at present.
 - Different from the outcome of single projects, the impacts of ODA projects as a whole, on the structural system are indirect the impacts are regarded as chain reaction with implementation of a series of ODA projects throughout the period 2000-2007. The impacts are apparent despite of their delayed nature and relatively low impacts, compared to those on human resource and policy development.

- As for the MIS development in the Ministry of Finance over the period, the non-reimbursed capital from ODA grants on MIS development is limited. But the present trend shows that there will be increased attention in future ODA assistance. This has potential impact on the development of the MIS for the Ministry and the PFM reform.
- There are still some problems that to be considered. In the implementation of the policy planning process, the capacity of the Ministry is assessed to be very modest, despite the capacity of individual Ministry staff members has greatly improved. The causes to this are identified as follows:
 - (i) Firstly, the development of individuals' capacity cannot singly ensure the enhancement of Ministry's capacity which is based on many other essential factors, such as the ability to develop policies, new structural systems, new information systems (database, software, etc.)
 - (ii) Second, a number of projects aimed assisting the units to achieve their short-term goals, rather than enhancing the Ministry longer term capacity. For instance, the majority of projects take on international and domestic consultants to assist the Ministry in developing new policies while few projects focus on training activities, especially comprehensive and long term training. These factors and many others were highlighted in the Discussion Paper, No. 77, dated September 2007 of the European Centre for Development Policy Management¹. It was stated that after the project completed, foreign consultants left, the Ministry officers, despite having gained some new knowledge owing to close contact with experts at work, have not achieved the essential knowledge and skills required to carry out their tasks effectively.

¹ This was a survey in which respondents commented that the implementation of policies or enforcement of laws in Vietnam were like "cooked noodle", a popular noodle dish served with broth in Vietnam). The Vietnamese counterparts acted as cooks. They considered all available "ingredients", weighed technical expert's advice regarding their contributions. Then, they exercised judgments, choices based on the so-called "acceptable" stuff to them. They [policymakers] then can gradually enjoy their "policy" dish. Accordingly, the Vietnamese counterparts had to ensure that some required ingredients had to be natural and be "localized" in order to suit the particular political and cultural context of Vietnam. The approach differed from the common approach, in which technical experts designed a comprehensive model/plan, then tried to "sell" or force the counterparts to apply it. Most of the survey respondents thought that the cooks would "surely spoil their dish," (p. 28-29).

- (iii) In fact, the Ministry of Finance has recognized the problem, but the Ministry is under the pressure to meet its short-term needs while simultaneously developing its long-term competence.
- The evaluation report aims at assessing the general impacts of ODA programs/projects on the capacity improvements in the Ministry of Finance in the last seven years. However, the Ministry did not carry out any baseline evaluation in year 2000, so qualitative research methodology is the only option. Through opinion survey of Ministry officials, 75% of questionnaire respondents agreed that ODA contribution to capacity development in the Ministry of Finance was relatively high or very high (see Figure 6 for details). The survey questions on ODA impacts on the five areas related to capacity development in MOF is as follows:

Figure 12: Evaluation on the Improvement in the Five Competency Areas

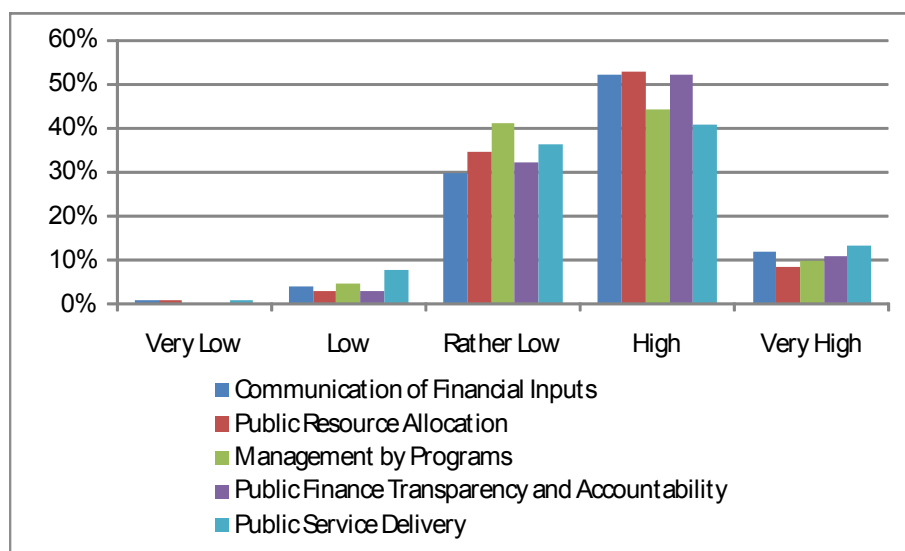
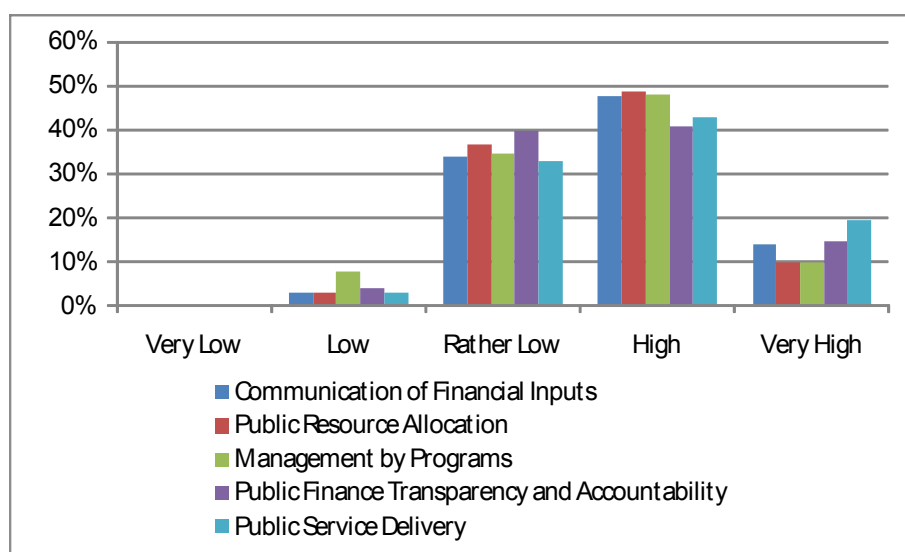


Figure 13: Evaluation on ODA Contribution to the Improvement in the Five Competency Areas



Box 4: A Case Study on a Project Having High Impact

Project “Supporting Vietnam Budgetary Reform” was co-implemented by GTZ and the Ministry of Finance of Vietnam. This project, started in 1999 and completed 2005, was implemented in four phases with total budget of DM 5.165 million or EUR2.0 million. The project aimed at supporting the Vietnamese government in modernizing their state budget management through formulation of new legal framework and strengthening human capacity. Project activities included providing German consultants, organizing study tours, seminars and training courses (in Vietnam and abroad). Project’s main outputs include:

- State Budget Law (ratified in March 1996), revised State Budget Law (in May 1998 and November 2002);
- Completed Budget Line system;
- New and revised regulations on state budget management such as two resolutions of the National Assembly, five Decrees and two Decisions of the Prime Minister, 18 Circulars and five Decisions of Minister of Finance;
- Large number of staff equipped with modern state budget management knowledge;
- Introducing IT application in state budget management; completed pilot project on IT application in budget planning, execution and final accounting.

This project was assessed to have positive impact on achievements of state budget management, such as the formulation and implementation of State Budget Law. This project injected new ideas on state budget management into the Law, thus making state budget management system more transparent. In addition, the project significantly contributed to updating knowledge on state budget management for staff, through which capacity of the Ministry in general and capacity of Ministry’s individual staff improved significantly. In addition to positive impacts within the Ministry, this project is observed to have an impact on Vietnam at the local level (especially at the commune level) as well as nation-wide (such as improving effectiveness of state budget and asset utilization, decentralization of state budget expenditures and revenues, administration reform in planning, executing, accounting and final accounting of the state budget)

The experience of this project indicated following factors that help ensuring high impact of ODA projects:

- The due attention paid by Ministry leadership;
- The close and smooth collaboration between Ministry’s line departments and related agencies to implement and accomplish planned activities. This is due to the high relevance of project activities to Ministry’s responsibilities.
- High attention and support from donor community: State budget management reform in fact has been accorded the highest priority by donors and other stakeholders.
- Good collaboration between the consultants and MOF’s staff.
- Flexibility in project implementation.

3.4.2. LESSONS LEARNT

- ODA programs/projects need to be designed in a manner that key factors regarding systems/mechanisms, human resource, and information technology are uniformly and simultaneously improved. This will ensure ODA resources have expected impacts on the capacity improvements for the Ministry.
- Technical assistance projects should not be implemented too early or too late in comparison with the reform process.
- Project targets should not be too ambitious.
- The Ministry should have better preparation to absorb ODA impacts, especially in the area of capacity development. More importantly, ensure well-qualified staff members available to work with experts and take on key posts in PMUs.
- External factors that have effected ODA impacts:
 - The Public Administrative Reform created favorable conditions for ODA projects.
 - Joining WTO means Vietnam needs further improvement in its financial policies and mechanism framework in accordance with international commitments and standards.
 - Legal orders on anti corruption and good governance practices encourage more transparency in all fields including public finance.
 - The scope of “national secrets” is narrowing. For example, national debt is no longer a national secret as it used to be.
- Internal factors that have effected ODA impacts:
 - The Ministry’s firm commitment on innovation, initiative and ownership are all favorable conditions. However, traditional culture, behavior and attitude at work exist in some staff member, which prevents ODA program/project have greater impact throughout the sector.

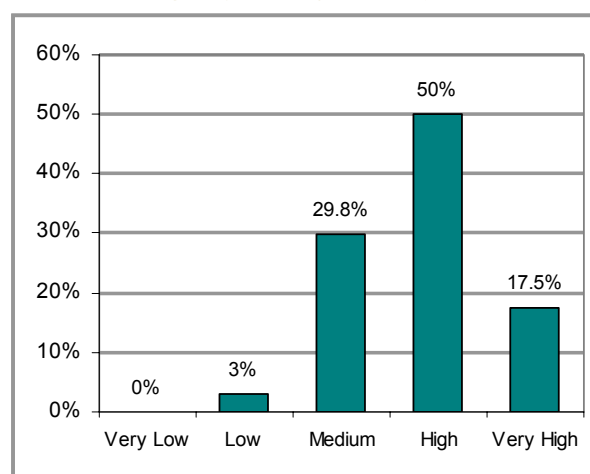
3.5. SUSTAINABILITY

3.5.1. MAJOR FINDINGS

Compared with the situation of other developing countries, the sustainability of ODA for the Ministry of Finance has some very distinctive and positive features. Yet, by the government and donors’ standards, ODA programs/projects were rated at *above average* on the sustainability scale. Positive points regarding sustainability of ODA programs/projects in the Ministry are as follows:

- Majority of the program/project outputs have been regulated and put into practice, e.g. drafts of financial regulations. The outcomes of semi-structured interviews also showed that almost all project outputs and products were suitable to the sector reform needs. Accordingly, the sector keeps on applying them after projects completion.
- The Ministry of Finance has clear commitments including continual financial disbursements to keep project outputs/results functioning after projects completed. It is worth noting however, the level of financial resource needed to sustain project results of MOF is not high due to very few outputs require maintenance expenses, e.g. facilities, etc.
- Another evidence of project sustainability is the considerable number of staff members, officers in the Ministry of Finance trained in ODA programs/projects. The questionnaire survey on training activities conducted in ODA programs/projects proves that the training courses provided participants with not only modern knowledge and skills, but also new studying and working methods, such as critical thinking, teamwork, etc. Firstly, these new knowledge and skills meet their current needs at work. More importantly, in the long-term, they will serve the reform process after projects completed. As seen in the survey outcome (see Figure 14), a large number of the Ministry staff members agreed that ODA programs/projects have created the essential basis to sustain positive changes after project completion.

Figure 14: Evaluation on ODA Contribution to the Organizational and Training Procedures to Sustain Positive Changes after Project Completion



The ODA programs/projects have the following weaknesses in terms of sustainability.

- Most units in the Ministry responded that staff members are encouraged to apply and share their expertise and skills gained from projects with their colleagues. However, encouragement alone does not work well because there has not been any incentives system to award those who enthusiastically share their expertise and skills with their colleagues.
- Generally speaking, capacity development for project staff has not been systematically and professionally done. The number of is limited. The master and PhD degree holders only account for 0.5% of the total participants trained by the

ODA programs/projects, and made up less than 1% of the officers with post-graduate degrees in the Ministry. Because the regular training was not systematically and professionally implemented, staff members' ability to employ their existing knowledge regularly is low, except for those who are self-motivated in improving their knowledge.

- The 2004 survey on training activities within ODA programs/projects revealed the following weaknesses:
 - The percentage of officers who regularly apply knowledge and skills gained in projects for their daily work is low.
 - The percentage of materials used after project completed is also insignificant.
 - Fewer than 50% of ODA recipient units were concerned with further use of project materials and references left after project completion.
 - Almost all project training course participants do not share their know-how and skills with their colleagues.
 - Fewer than 50% of the units in the Ministry reassigned trained staff to jobs matching their knowledge and skills gained in ODA projects. For one reason, some of their knowledge gained from ODA projects cannot be applied in the present context of Vietnam due to the lack of necessary conditions. Another reason is the difficulty to allocate staff members to other posts on short notice.

Box 5: A Case Study on a Project Having High Sustainability

Vietnam-France Finance Project phase I is provided by the French government, in which Ministry of Finance of Vietnam is one of the beneficiaries. The objective of the project component for the Ministry of Finance was to strengthen the capacity of the Ministry of Finance.

During its six year of implementation, the project trained over 150 trainees who, thanks to project's training courses, are now able to use French in their daily work. The project also trained 9 lecturers, 17 masters and 5 doctors and dozens of diploma for the Ministry of Finance. In addition, the project compiled a Vietnamese-French financial dictionary, organized a wide ranges of seminars, study-tours abroad on all sub-field of financial sector, provided technical advice for the Ministry when they participated in Paris Debt Club.

To date, five years after the completing phase 1, many of its results still remained and having positive impact on the ministry, as follows:

- Regarding human resource development: The survey in 2004 revealed that the project trainees have effectively applied what they acquired during project training course into their work. So far, unlike trainees of other programs, majority of the trainees still work for the Ministry. In particular, most of them have been promoted to higher level positions in the Ministry of Finance. Lecturer trained by the project have effectively acted as the "master trainers" in the way that they have actively disseminated their knowledge and skills to their

students and colleagues;

- Regarding organizational structure improvement: thanks to the project's contribution, there have been several major organizational changes in Ministry of Finance, such as the separation of State Treasury from State Bank of Vietnam, the establishment of Public Asset Management Department and Ministry's training center.
- Regarding equipment procurement: Projection room set up under the project was handed-over to the Finance Academy. This academy has allocated its budget for maintaining and running this room, thus effectively facilitating training activities of this Academy.

The critical element that ensures high sustainability of this project is the good fit between project activities and Ministry needs. Project's output, therefore, continued to be used by the beneficiaries after closure of the project.

The second element affecting project's sustainability is the large sum of money spent on training activities. The average training cost per trainee of this project was much higher than that of other projects. However, thanks to intensive training courses organized, project trainees were equipped with systemic and advanced knowledge and skills that have been frequently applied in their work afterward. Investing in human resource, in the case of this project, proves to be the most sustainable way to strengthening capacity of an organization.

Factors contributing to ODA desirable impacts on capacity development in the Ministry of Finance

- The Public Financial Management Reform Program consistently was reflected in The Financial Sector Modernization Program and in the Single Document. ODA programs/projects associated with the government reform program will more likely to be sustained.
- The firm commitment and high ownership of the Ministry of Finance and of recipient units are important factors to ensure sustainability. The Ministry effective implementation of the ODA programs/projects is resulted from the practical reform needs, so the Ministry is determined to carry out the project. Therefore, the Ministry accepts almost all project results and utilizes them seriously.
- The high relevance of project activities to the needs of recipient units will also generate high sustainability, which encourages the recipient units to sustain project products more enthusiastically.
- The implementation of project suits well with the practical reform process. This means the project outcomes are produced timely to meet the Ministry's needs for the time being and in the future.

Obstacles and challenges in the Utilization of ODA resources for the Ministry capacity development

- The Ministry of Finance does not have policies and regulations to encourage staff sharing of “know how”, knowledge and experiences gained the ODA projects.
- Quality staff members in the financial sector leave for private sectors for higher income presents risks on human resources for both the Ministry of Finance and ODA projects.
- Traditional working styles still exist in some staff members in the Ministry of Finance. After project completion, a large number of officers consider the work is done and longer thinks about how to maintain project achievements and results.
- According to a donor representative, Vietnam Government needs to take concrete action on human resource allocation in order to ensure project sustainability instead of “oral commitments”.

4. CONCLUSIONS

Over the period from 2000 to 2007, public financial management is increasingly being attached with great importance. In this context, the Ministry of Finance appreciates the concerns and contributions from donors, including bilateral and multi-lateral donors, international financial organizations. Judging by the ODA financial volumes provided to the Ministry of Finance, the Ministry is not a big ODA recipient ministry, compared to other ministries and sectors in Vietnam. However, the projects were important and had influential effects on the financial and economic management nationwide. The number of projects in the Ministry was much higher than the average number in other ministries and sectors. The types and scales of ODA projects also were diverse and different from those in the early decade. The scope of support have also expanded, i.e. from the more traditional fields, such as state budget management and disbursement, to relatively new ones, such as customs, capital market development, management of state properties and prices, which did not use to be allocated in the ODA capital.

Based on the five evaluation criteria, the most prominent aspect about ODA programs/projects for the Ministry of Finance is their very high relevance to the needs of the Ministry of Finance, in particular the Vietnam's modernization of public financial management. Secondly, these ODA programs/projects have been implemented and utilized relatively effective and achieving expected impacts to not only within the MOF but also on the modernization of public financial management systems, which in turn, brought about certain impacts at the national level. However, the efficiency in the utilization of ODA capital and the sustainability of the projects/programs were more un-even.

Generally speaking, the ODA programs/projects in the Ministry of Finance aimed to achieve the three strategic objectives: (i) development the system of financial policies, (ii) enhancement of organizational capacity and human resource development, and (iii) development of financial management information system for the Ministry of Finance and the financial sector. Over the past seven years, the biggest impact of all ODA programs/projects has been on the first objective, followed by the second objective. The third target hardly received any grant aid support. Nevertheless, due to its significance and the needs of public financial management reform, the MOF has mostly used concessional loans to finance this objective.

As for relevance criterion, the ODA programs/projects in the Ministry of Finance were judged to have achieved much better results in comparison with other sectors in Vietnam as well as with other ODA-receiving countries. This is largely due to the fact that ODA sources were allocated and utilized in the way that they are "highly responsive" to the needs of the recipient units, which in turn, has positive impacts on project impacts and sustainability. Furthermore, the ODA programs/projects over that period also suited well with donors' concerns.

As for impact criterion, the general impacts of ODA programs/projects on the first objective of policy development are the most visible. So far, almost all important policies of the Ministry in the last few years have been assisted by ODA programs/projects. This means that ODA programs/projects have had significant impacts on the “milestones” in the public finance reform process in particular, and on economic management in general. As for the target, ODA programs/projects have made important contribution to the development and enforcement of the policy system. This has been done through activities financed by ODA, such as national and international consultants, overseas intensive courses/study tours to learn international experiences, and regional and international workshops.

The second objective - enhancement of organizational capacity and human resource development - has been partially achieved. The gains, though less significant than that of the first objective, could be seen in the two aspects as follows.

- Firstly, for human development, the ODA capital has played an undeniable part in improving the quality of human resource in the Ministry of Finance and it has timely and efficiently complemented the state budget expenditure allocated to carry out the human resource development plan. Thousands of staff members in the financial sector both locally and centrally have been trained thanks to the projects. New knowledge, new skills, new work practices and new research styles staff gained from their participation in the training projects have helped them to enhance their competence as well as their confidence at work. Many of the participants in the ODA training projects have become key persons in the financial sector or in the Ministry of Finance.

Despite the significant improvements in the professional competence in the Ministry's line departments, it has not fully lived up to the expectations of MOF in building up the long term capacity of the Ministry in the areas of planning, forecasting and policy formulating capacity. The main reason is the design of most ODA projects, which is more geared towards supporting MOF in performing their short-term and pressing tasks, and thus, paying less attention to improvement of long-term capacity needs (e.g., forecasting, analyzing and policy planning) which could have longer-term effects and benefits. Furthermore, the recent trend shows a sharp decline in the proportion of ODA capital allocated to training programs and specific capacity development projects. Another reason is the absence of an effective mechanism to encourage qualified staff members to join ODA projects as well as dedicating long-term service to the Ministry of Finance.

A number of staff members having gained essential knowledge and skills feel unsatisfied with their current working conditions, i.e. payment, environment, prospects, etc. and so they do not actually settle down to their jobs. Besides, the payment mechanism on both donors' and Vietnam's sides is not attractive enough to encourage professionally qualified staff with management and foreign language skills to participate in project activities.

- The second aspect is on organizational capacity improvement. Though the impacts have been relatively slow and indirect, ODA programs/projects have partially brought about changes in structure and responsibility in some offices and units within the Ministry. More importantly, some of the ideas on restructuring initiated by ODA projects have helped the Ministry to "internalize" its needs and turn these ideas into an "endogenous" process so that the Ministry can actively implement the reform when the right conditions are in place.

The impacts of ODA on the third strategic objective, developing and improving the management information system (MIS), however, is less evident. The main reason is that all the important MIS projects in the Ministry are currently in progress; hence it is difficult to assess their outcomes and impacts. Another reason is that the number of ODA projects/programs supporting this strategy objective is small. Nevertheless, the ODA projects have made a valuable contribution by initiating the process of modernizing the financial management information system in the early stage of innovation and orientation, which is considered by MOF the most difficult phase. But more recently, most of MIS project of the financial sector have been supported by contribution from ODA, especially, major nationwide project financed by concessional ODA loans. Thus, in the medium to long term, ODA potential influences on MIS will be immense.

The ODA programs/projects in the Ministry of Finance over the period have produced *noticeable outcomes*, namely technical support for the drafting of law bills and financial policies/regulations. These outcomes have been applied in practice and made full use in the social and economic development of Vietnam. The remarkable effectiveness of the ODA programs/projects also have been enhanced by both *internal and external factors*, namely Vietnam joining of the WTO; Vietnam accelerating its global economic integration and Vietnam stepping up on its national economic and administrative reforms.

The efficiency in ODA projects implementation was rated above average on the evaluation scale. A big proportion of projects lagged behind in their targeted progress. The following causes have been identified: (i) In the early design stage, some projects were not practically planned because the units supported by ODA did not sufficiently take part in the planning of those projects, hence there is an over reliance on international experts provided by donors. (ii) The processes and procedures of the Ministry and some donors are complicated and are not harmonized as expected. (iii) Limited number of qualified officers for both managerial and professional positions in the projects. (iv) Those officers who were assigned with multitasks within the Ministry do not always have sufficient knowledge and skills on project management. (v) Another underlying cause was that the payment policies of ODA projects were far from "reasonable" in comparison with the real situation, which in turn could not attract qualified staff with the professional, management and foreign language competency to join ODA projects.

Similar to the criteria on efficiency, ODA programs/projects were rated at *above average* on the sustainability scale. The most positive point is that the Ministry of Finance is committed

to use the project outputs after their completion and many of these products have been institutionalized within the system. In addition, MOF has made significant changes in human resource and structural system in order to sustain the project impacts. However, there is still a lack of a mechanism to encourage trained staff to share their expertise and skills with their colleagues.

The ODA projects have been successful, as far as the criteria on relevance, efficiency and effectiveness is concerned, owing largely to the following reasons: (i) The Ministry has been very pro-active and has demonstrated firm commitment on the reform programs of Vietnam and in the financial sector. Most developing countries rely on donors to initiate the reform process, but in Vietnam, the Ministry of Finance has taken the lead in initiating the financial management reform program. (ii) The Ministry of Finance has provided the donor community with a clear and consistent reform strategy, i.e. the 2003 Financial Sector Modernization Program and the Single Document-2007. However, for the implementation of the strategy, there should be more detail plans so that the donors can better address MOF needs. (iii) The sense of ownership of the Ministry of Finance towards ODA programs/projects has improved increasingly, along with maturity of staff members' competence. The relation between the Ministry and donors has shifted from donors-recipient into partnership. Firm commitment on innovation, new initiatives and self-reliance are all favorable conditions. (iv) The coordination of ODA programs/projects, especially over the 2000-2007 periods, has improved considerably owing to the leadership of the Ministry, particularly after the International Cooperation Department assumes this responsibility. (v) The diversity of ODA modalities is also an enabling factor on the relevance, efficiency and effectiveness of ODA. There are minimal differences in the effectiveness of projects between specific types of ODA (e.g., bilateral, multilateral, trust fund, etc.). It is the comparative advantages of individual donors that affect the effectiveness of ODA. The bilateral ODA has provided MOF with specific professional know-how, the multilateral projects has brought international experience and good practices, and multilateral trust fund has been able to meet the comprehensive as well changing needs of MOF.

ODA planning, implementation and management capacity of the Ministry of Finance, has improved significantly over the past seven years, especially in mobilizing and coordinating ODA capital. One drawback has been that beneficiary departments often are not actively involved in the planning of their projects. In addition, the Ministry of Finance still lacks well-trained and qualified personnel who can plan and appraise new projects.

MOF implementation of ODA projects still needs to be strengthened. In terms of human resource, the Ministry of Finance has not been able to build up a team of capable officers with essential project management skills appropriate for the size and diversity of the ODA in MOF. As for the ODA administration system, the Ministry of Finance has internally issued a system of regulations and guidelines to assist with the management and utilization of ODA. This system however is no longer suited in the present situation due to new ODA

modalities. Furthermore, there are still weaknesses in the management information system in the Ministry ODA projects, which reduces the effectiveness of the ministry-level project management as well as in the Ministry of Finance.

As far as the role, responsibility and coordination of all internal units within MOF is concerned, the Ministry has not fully ensured extensive communication of information as well as suitable level of participation among these units in the implementation of ODA projects.

The ODA monitoring and evaluation system (M&E) was a common deficiency on both sides of the Ministry of Finance and donors: (i) In many ODA projects, M&E was not designed as a separate component. (ii) Expenses to perform M&E tasks have neither adequate nor allocated from the project budget. (iii) Numerous differences existed in the M&E procedures between different projects and different donors. (iv) Majority of donors conducted the project evaluation by themselves, and the Government hardly participated in the process. (v) The Ministry of Finance, and especially project management units, has not been able to recruit staff members with essential knowledge and skills on M&E.

APPENDIX 1: EMP LOGICAL FRAMEWORK (ADAPTED FOR EVALUATION PURPOSE)

Narrative summary	Indicators	Means of Verification	Key assumption
<p>Goal</p> <p>To accelerate the country's industrialization and modernization, develop the independent economy so as to shift the nation to an industrialized country (<i>Source: Ninth Party Congress</i>)</p>	<p>1.1 Perception of stakeholders about the impact of changes in public financial management (PFM) on the country's industrialization and modernization</p>	<p>Focus Group Discussions Questionnaire survey Key informant Interviews Desk review of Project Evaluation Reports</p>	<p>The 10-year Financial-Monetary Strategy 2001-2010 is well design and in detail, especially for targets of each policy in the coming time. Without this element, the direction, content and implementation steps of the Modernization program cannot be achieved.</p>
<p>Objective</p> <p>To introduce fundamental changes in public financial management (PFM) to achieve a public finance sector strong enough to ensure the high and sustainable economic growth strategy for supporting the country industrialization and modernization.</p>	<p>1.1 Perception of stakeholders about the impact of changes in public financial management (PFM) on economic growth</p>	<p>Focus Group Discussions Questionnaire Key informant Interviews Desk review of Project Evaluation Reports</p>	<p>Perfected functions, responsibilities and organization structures of the MOF and other agencies and units in the financial sector, ensuring the better coordination, without duplication of activities among agencies and units in the financial sector.</p>
<p>Outcome</p> <p>To build up an integrated public financial management for all six professional areas including the formulation of a complete policy and regulation framework that meet the demand for the country modernization and industrialization, and creation of competent staffs to operate the system. The main outcomes are: Better communication on financial inputs and public service outputs in the entire public financial management system, to ensure the better mid-term budgetary and</p>	<p>Perception of stakeholders about the changes in: - Communication on financial inputs and public service outputs in the entire public financial management system - Allocation of public financial resources; - Management of financial inputs and outputs by program - Transparency and accountability in public financial management - Delivery of public services to meet the public's demand.</p>	<p>Focus Group Discussions Questionnaire Key informant Interview Desk review of Project Evaluation Reports</p>	<p>The consistency of targets and final outcomes of the reform process in each unit in the MOF is a critical element ensuring</p>

Narrative summary	Indicators	Means of Verification	Key assumption
<p>financial decision makings and better financial transparency and accountability.</p> <p>More effective allocation of public financial resources which are focused on services supporting for poverty reduction and economic growth in a medium term expenditure framework.</p> <p>Better management of financial inputs and outputs by program, ensuring overall finance order and effectiveness of public services delivery associated with giving necessary financial autonomy to the implementing units to facilitate them to gain the highest efficiency as possible.</p> <p>Better transparency and higher accountability in public financial management.</p> <p>Better delivery of public services to meet the public's demand, contributing to acceleration of the poverty reduction and success of the modernization and industrialization process.</p>	<p>impact of ODA on the change in:</p> <ul style="list-style-type: none"> - Communication on financial inputs and public service outputs in the entire public financial management system - Allocation of public financial resources; - Management of financial inputs and outputs by program - Transparency and accountability in public financial management. - Delivery of public services to meet the public's demand. 	<p>1.1 No. of financial policies developed in each of 6 areas under the support of ODA projects over 2000-2007</p> <p>1.2 Proportion of new financial policies developed under the support of ODA in total number planned in the Financial</p>	<p>the success of the program. The leadership of units can be changed in the long-term. If a change in leadership results in the changes in thinking, targets and outcomes, the results of the Modernization Program might be affected.</p> <p>The regular and consistent guidance of the Ministry leaders, competence and responsibility of its staff and units participating in the Program can affect directly on the pace and quality of modernization activities.</p> <p>As many works can arise in the coming time, the determination and unification in implementing the program activities is a condition ensuring the feasibility of the Program. The concerns and support from the international</p>
Output	<p>Development of a comprehensive financial policy system in 6 areas</p> <p>Improvements to organizational structure and human resources development in the six areas</p> <p>Development of a modern financial</p>	<p>Desk review of:</p> <ul style="list-style-type: none"> - <i>Annual Reports of ICD to MPI about ODA received by MOF</i> - <i>Projects Annual Reports</i> - <i>Project Completion</i> 	

Narrative summary	Indicators	Means of Verification	Key assumption
management information system in the six areas.	Modernization Program (FMP) over 2000-2007.	<i>Evaluation Reports</i>	donor community for this Program (including technical assistance, consultancy, experience and financial support)
2.1 No. of staff trained by ODA projects.	Key informant Interviews,	Focus Group Discussions,	will ensure the program design in line with economic integration and international commitments and
2.2 Proportion of staff trained by ODA projects/ programs in total number of MOF staff trained over 2000-2007	Questionnaire Survey		provide sufficient technical and financial support for the implementation of the program.
2.3 No. of new legal mandates and institutional roles introduced over 2000-2007			
2.4 Proportion of new legal mandates and institutional roles introduced under the support of ODA in total number planned in the Financial Modernization Program.			
2.5 No. of new management system and organizational practice introduced in the MOF under the support of ODA in total number planned in the Financial Modernization Program			
2.6 Proportion of new management system and organizational practice introduced under the support of ODA in total number planned in the Financial Modernization Program (% of #)			
2.7 No of new the knowledge and organizational learning process introduced under the support of ODA			
2.8 Proportion of new the knowledge and organizational learning process introduced under the support of ODA in total number planned in the Financial Modernization Program (% of #)			
2.9 No of new the motivation, incentive, and			

Narrative summary	Indicators	Means of Verification	Key assumption
<p>Activities</p> <p>Modernization in targeted in six major professional areas as a whole and therefore be implemented nationwide, namely: State budget management reform Tax policy and administration Customs duties reform SOEs monitoring and supervision reform</p>	<p>reward structure made under the support of ODA. 2.10 Proportion of new the motivation, incentive, and reward structure made under the support of ODA in total number planned in the Financial Modernization Program (% of #)</p> <p>No of IT system developed in each areas in the MOF from 00-07 Proportion of IT system developed in each areas under the support of ODA in total number planned in the Financial Modernization Program (% of #)</p> <p>No of software application developed in each areas over 2000-2007 Proportion of software application developed in each areas under the support of ODA in total number planned in the Financial Modernization Program over 2000-2007 (% of #)</p>	<p>Desk review of: + Annual Reports of ICD to MPI on ODA received by MOF over 2000-2007 + Projects annual and completion reports</p>	

Narrative summary	Indicators	Means of Verification	Key assumption
<p>National debt management reform Public assets and national reserve management reform Prices control reform Capital Market Development</p>	<p>Input Donor support and Government resources</p>	<ul style="list-style-type: none"> - Total number of ODA projects received by MOF over 2000-2007; - Trends in total volume of committed ODA for the MOF over 2000-2007. - Trends in disbursement rate of ODA received by the MOF over 2000-2007 - Trends in volume of committed ODA for MOF over 2000-2007 supporting 6 areas - Trends in volume of committed ODA for MOF from 2000-2007 supporting 3 strategic objectives - Proportion of ODA as percentage of MOF's budget over 2000-2007 	<ul style="list-style-type: none"> - Annual Reports of ICD to MPI about ODA received by MOF - Project Documents - Project Annual Reports - Project Completion Reports - MOF's annual budget

APPENDIX 2: EVALUATION FRAMEWORK AND TOOLS

Evaluation Framework for ODA Projects Implemented In 2000 - 2007

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
Overview	<p>What has been the overall trend in number of ODA projects and TC received by MOF over 2000-2007;</p> <p>What has been the overall trend in volume of committed ODA for the MOF over 2000-2007.</p> <p>What is the overall trend in disbursement of ODA received by the MOF over 2000-2007</p> <p>What has been the overall trend in volume of committed ODA for MOF over 2000-2007 supporting 8 areas</p> <p>What has been the overall trend in volume of committed ODA for MOF over 2000-2007 supporting 3 strategic objectives?</p> <p>What has been the overall trend in volume of committed ODA for MOF over 2000-2007 supporting 3 strategic objectives?</p> <p>What has been the nature</p>	<p>Trends in number of ODA projects and TC received by MOF over 2000-2007;</p> <p>Trends in volume of committed ODA for the MOF over 2000-2007.</p> <p>Trends in disbursement rate of ODA received by the MOF over 2000-2007</p> <p>Trends in volume of committed ODA for MOF over 2000-2007 supporting 8 areas</p> <p>Trends in volume of committed ODA for MOF from 2000-2007 supporting 3 strategic objectives?</p> <p>Characteristics of different types of ODA intervention</p> <p>The list of strategic objectives of FMP over 2000- 2007</p>	<p>Desk review of</p> <ul style="list-style-type: none"> - <i>Annual Reports of ICD to MPI about ODA received by MOF</i> - <i>Project Documents</i> - <i>Project Annual Reports</i> - <i>Project Termination Reports</i> 	<p>Stakeholder to Interview</p>	<p>Comprehensive inventory of ODA program/ project information</p> <p>Quantitative analysis, including charts and tables</p> <p>Quantitative analysis, including charts and tables</p> <p>Quantitative analysis, including charts and tables</p> <p>Quantitative analysis, including charts and tables</p> <p>Quantitative analysis, including charts and tables</p> <p>Analytical paper, incorporating quantitative analysis</p>

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>and types of ODA by selected donors (e.g., TA personnel, scholarships, training) and</p> <p>What have been the primary capacity development objectives and strategies of development agencies?</p>				
Relevance	<p>To what extent was ODA effectively aligned with MFP priorities and targets?</p> <p>To what extent was ODA design based on MOF demands for external assistance? Was the supply and demand a good fit with respect to MOF's capacity in implementing MFP priorities and targets</p> <p>What was the role of MOF in ODA needs assessment in the ODA feasibility and design process? How effective was the capacity assessment?</p> <p>What was the role of MOF</p>	<p>Perception of stakeholders about alignment of ODA with the strategic objectives and priorities of FMP.</p> <p>Perception of stakeholders about the alignment of ODA with the demands and capacity of MoF</p> <p>Perception of stakeholders about the role of MoF in needs assessment and project design process</p> <p>List of dialogues and its characteristics</p> <p>Main lessons learnt</p> <p>Recommendations on improvements in needs</p>	<p>Annual Reports of ICD on ODA, project documents, key informant interviews and questionnaire survey</p> <p>Focus group discussions, key informant interviews and questionnaire survey</p> <p>Desk review of ODA design documents, focus group discussions and questionnaire survey, interviews</p> <p>Desk review of ODA design documents,</p>	<p>Director of Departments and Senior official (Director of Divisions) in 8 areas, Beneficiary</p> <p>Director of Departments and Senior official (Director of Divisions) in 8 areas</p> <p>Director of Departments and Senior official (Director of Divisions) in 8 areas</p> <p>Director of Departments and Senior official (Director of Divisions) in 8 areas, Donors of MOF</p> <p>Director of Departments and Senior official (Director of Divisions) in 8 areas, Donors of MOF</p> <p>Director of Departments</p>	<p>Summary of desk review and survey findings</p> <p>Meeting minutes, interview notes and survey results</p> <p>Summary of desk review, meeting minutes and survey results</p> <p>Summary of desk review, meeting minutes</p> <p>Summary of desk review and interview notes</p> <p>Meeting and</p>

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>and other stakeholders in the ODA feasibility and design process, (e.g., stakeholder analysis)?</p> <p>What kind of dialogue took place?</p> <p>What are the main lessons learned and measures needed to improve the relevance ODA at the design stage, including identification on the use of appropriate mix of aid modalities and instruments; coordination mechanisms of ODA supports (ICD and other Departments roles)</p> <p>How could ODA needs assessments and problem diagnosis be improved?</p>	<p>assessment</p>	<p>focus group discussions and questionnaire survey</p> <p>Desk review of ODA design documents and key informant interviews</p> <p>Focus group discussions</p> <p>Focus group discussions and key informant interviews</p>	<p>and Senior official (Director of Divisions) in 8 areas</p> <p>Director of Departments and Senior official (Director of Divisions) in 8 areas</p> <p>Director of Departments and Senior official (Director of Divisions) in 8 areas</p>	<p>interview minutes</p> <p>Analytical section on the evaluation of relevance of ODA support</p>
Efficiency	<p>Was ODA spending complementary to the MOF's own spending in implementing FMP</p> <p>Has the three strategic objectives (e.g. policy, organization, information</p>	<p>Trends on proportion of ODA as percentage of MOF's budget over 2000-2007</p> <p>Trends in volume of committed ODA for MOF from 2000-2007 supporting 3 strategic objectives</p>	<p>Desk review of MOF budget, ODA MIS, key informant interviews and questionnaire survey</p> <p>Analysis of ODA MIS and key informant</p>	<p>Q: Beneficiaries/ I: Senior officials of Finance Department and 8 areas.</p> <p>I: Senior officials of Finance Department and 8 areas.</p> <p>I: Senior officials of</p>	<p>Summary findings and interview notes</p> <p>Summary findings and interview notes</p> <p>Summary findings and interview notes</p>

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>system development) equitably covered by ODA support? Were there over or under-investment in any of the three strategic objectives?</p> <p>Were the eight professional areas equitably covered by ODA support? Were there over or under-investment in any of the eight areas?</p> <p>To what extent was the ODA program complemented with other forms of capacity development support and did this complementary approach achieve greater efficiency and impact?</p> <p>To what extent was the ODA input can be streamlined and achieve similar results?</p> <p>What are the main lessons learned on measures needed to improve the relevance ODA at the</p>	<p>Trends in volume of committed ODA for MOF over 2000-2007 supporting 8 areas.</p> <p>% ODA projects delayed in implementation</p> <p>Lessons learnt</p> <p>Recommendations for efficiency improvement</p>	<p>interviews</p> <p>Analysis of ODA MIS and key informant interviews</p> <p>Focus group discussions and questionnaire survey</p> <p>Focus group discussions and questionnaire survey</p> <p>Focus group discussions and key informant interviews</p>	<p>Finance Department and 8 areas.</p> <p>FG: PMU representatives/ Q: Beneficiaries</p> <p>FG: PMU representatives/ Q: Beneficiaries</p> <p>FG: PMU representatives/ I: Senior officials of ICD and 8 areas</p>	<p>Overview summary and survey results</p> <p>Meeting minutes and survey results</p> <p>Analytical section on efficiency of ODA support</p>

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	design stage, including identification and use of appropriate mix of aid modalities and instruments?				
Effectiveness	Were the improvements in three strategic objectives lead to the expected outcomes as stated in the Financial Modernization Program? Could these outcomes have been achieved without the support of ODA? How do beneficiaries perceive change resulting from the improvements in these strategic objectives?	Perception of stakeholders about the changes in : -Communication on financial inputs and public service outputs in the entire public financial management system - Allocation of public financial resources. -Management of financial inputs and outputs by program -Transparency and accountability in public financial management -Delivery of public services to meet the public demand. Stakeholder's perception of the ODA contribution in the above-mentioned outcomes	Desk review of MOF policy paper, focus group discussions and key informant interviews, questionnaire Focus group discussions and key informant interviews Desk review of functions and responsibilities of related departments, key informant interviews Desk review of ODA design documents and donor's regulations, focus group discussions Desk review of ODA evaluation documents and ICD Reports, focus group discussions, and	FG: Beneficiaries/I: Seniors Officials in 8 areas/ Q: Beneficiaries FG: PMU representatives/ I: Seniors Officials in 8 areas and Personnel Department Senior official of ICD, Personnel Department, Financial Department, and 8 areas FG: PMU representatives/ I: Seniors Officials in 8 areas and ICD FG: PMU representatives/I: ICD Senior officials FG: PMU representatives/I: Senior officials of ICD and 8	Des review summary, meeting minutes, interview notes, and survey result Des review summary, meeting minutes and interview notes Summary of desk review and Meeting minutes Meeting minutes and survey results Summary of desk review. meeting minutes and survey results Summary of desk review, meeting minutes and survey results
	Did MOF have clear policies and operational guidelines for the use of ODA and how effective are their implementation?	Stakeholder's perception of the ODA contribution in the above-mentioned outcomes			
	Did MOF have clear organizational structure to manage ODA? How effective was the cooperation pattern	Stakeholder's perception on the achievements in 3 strategic objectives (namely			

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	between related Departments in managing ODA (ICD, Finance Department, Personnel Department and Beneficiary Department)	policy, organization structure and human resource development, Management Information System) and ODA contribution to these achievements.	key informant interviews Desk review of ODA evaluation documents and focus group discussions	areas FG: PMU representatives / I: ICD Senior officials	Meeting minutes Meeting minutes Analytical section on the effectiveness of ODA support
	Did MOF demonstrate strong ownership and leadership of ODA programs and projects?	Lessons learnt	Focus group discussions and key informant interviews	FG: PMU representatives / I: Senior officials of ICD and 8 areas	
	To what extent was the ODA intervention under the direct management and control of MOF and how effective was it (e.g., producing ToR, contracting resources, mobilizing and managing resources, organizing monitoring and evaluation processes, disseminating results)?	Recommendation on effectiveness improvement Percentage ODA project properly monitored and evaluated	Focus group discussions and key informant interviews Focus group discussions and key informant interviews	FG: PMU representatives / I: Senior officials of ICD and 8 areas	
	Were the ODA interventions implemented as planned? Was sufficient time allocated for the initiatives in light of the objectives outlined?				

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>Were objectives and strategies clearly incorporated into ODA designs in such a way that monitoring and adjustment can easily take place?</p> <p>Were monitoring and evaluation systems set up at project level and ministry level and how effective were their operations?</p> <p>What are the key lessons learned on ensuring effective, implementation, management and monitoring of ODA operations by MOF?</p>				
Impact	<p>To what extent was the objective of introducing fundamental changes in public financial management to ensure high and sustainable economic growth can be achieved?</p> <p>To what extent was the overall goal of accelerating the country's</p>	<p>1. Perception of stakeholders about the impact of changes in public financial management (PFM) on economic growth</p> <p>2. Perception of stakeholders about the impact of changes in public financial management (PFM) on the country's</p>	<p>Key informant interviews, Focus group discussions, and questionnaire survey</p> <p>Key informant interviews, Focus group discussion, and questionnaire survey</p> <p>Desk review of ODA evaluation documents,</p>	<p>I: Senior officials in 8 areas, MPI, Budget and Economic Committee of the N.A/ FG: Beneficiaries/ Q: Beneficiaries</p> <p>I: Senior officials in 8 areas, MPI, Budget and Economic Committee of the N.A / FG:</p>	<p>Meeting minutes, interview notes and questionnaire survey</p> <p>Meeting minutes, interview notes and questionnaire survey</p> <p>Summary of desk review, interview</p>

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>industrialization and modernization been achieved?</p> <p>To what extent was the outcome of building up an integrated public financial management been achieved?</p> <p>Which strategic objective area did ODA have the greatest impact on the FMP reform process:</p> <ul style="list-style-type: none"> - Policy development, including Institutional mandates, policies and regulations; - Organizational and staff development, including leadership, systems; work practices, incentive and reward structure, management systems, and staff knowledge, skills and motivation. - Management information system development, including knowledge 	<p>industrialization and modernization</p> <p>3. Perception of stakeholders about the overall impact of ODA on the changes Public financial management, especially in:</p> <ul style="list-style-type: none"> - Communication on financial inputs and public service outputs in the entire public financial management system - Allocation of public financial resources; - Management of financial inputs and outputs by program - Transparency and accountability in public financial management - Delivery of public services to meet the public's demand. 4. Positive and negative impacts of ODA interventions at the following level: <ul style="list-style-type: none"> - national level: SERD 	<p>key informant interviews and questionnaire survey</p> <p>Desk review of ODA evaluation documents, key informant interviews and questionnaire survey</p> <p>Focus group discussions and key informant interviews</p>	<p>Beneficiaries/ Q: Beneficiaries</p> <p>I: Senior officials in 8 areas, MPI, Budget and Economic Committee of the N.A / FG: Beneficiaries/ Q: Beneficiaries</p> <p>I: Senior officials in 8 areas/ Q: Beneficiaries</p> <p>I: Senior officials in 8 areas, MPI and Budget and Economic Committee of the N.A.</p> <p>FG: Senior officials in 8 areas and ICD</p> <p>I: Senior officials in 8 areas and ICD</p>	<p>notes and questionnaire survey</p> <p>Summary of desk review, interview notes and questionnaire survey</p> <p>Summary of desk review, interview notes and questionnaire survey</p> <p>Summary of desk review and interview notes</p> <p>Meeting minutes and interview notes</p> <p>Analytical section on the impact of ODA support</p>

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>management and organizational learning processes</p> <p>Which of the 8 priority professional areas did ODA have the greatest impact on the FMP reform process?</p> <p>What was the impact of ODA on broader national development and reform programs (SEDP)?</p> <p>Which ODA strategies and programs were the most and least successful, and how much of the ODA impact was due to:</p> <ul style="list-style-type: none"> - Internal factors (e.g. organizational readiness, reform environment, local leadership, legitimacy, good relationships, adaptiveness etc.)? - External factors (e.g., civil service reform and remuneration)? <p>What are the common</p>	<p>- Sectoral level: MoF</p> <p>- Individual level</p> <p>5. External factors influencing impacts of ODA projects</p> <p>Internal factors influencing impacts of ODA projects</p> <p>The most successful ODA projects</p> <p>Lessons learnt</p> <p>Recommendations</p>			

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	features of examples of good practice and what are the implications for the design and implementation of ODA programs and projects?				
Sustainability	Did MOF visibly express their commitment to take forward the reform process after completion of ODA programs and projects, including adequate resource allocation to sustain the initial ODA inputs? Did MOF staff encourage continuing to promote FMP reform organizational change and in what ways were they rewarded or otherwise affected? How effective was ODA support for the organizational learning in order to sustain change management processes? What were the measures	The degree of alignment between ODA outputs and outcomes with the objectives and targets of FMP Commitment of leadership of MoF including beneficiary departments on further investment in following - up activities. The degree of capacity improvement of MoF staff The knowledge sharing mechanism and measures applied in MoF Lessons learnt Recommendations	Key informant interviews Focus group discussions and key informant interviews Focus group discussions, key informant interviews and questionnaire survey Focus group discussions and key informant interviews Focus group discussions and key informant interviews Focus group discussions and key informant interviews	Senior officials of 8 areas, ICD, donors, FG: Beneficiaries/ I: Senior officials of 8 areas and Personnel Department FG: Beneficiaries/ I: Senior officials of 8 areas and Personnel Department FG: Beneficiaries/ I: Senior officials of 8 areas and Personnel Department Beneficiaries FG: Beneficiaries/ I: Senior officials of 8 areas and Personnel Department FG: Beneficiaries/ I: Senior officials of 8 areas and Personnel Department	Interview notes Meeting minutes and interview notes Meeting minutes, interview notes and survey results Meeting minutes and interview notes Meeting and interview minutes Analytical section on the sustainability of ODA support

Criteria	Key questions	Indicators	Method and Tools to Use	Stakeholder to Interview	Anticipated Output
	<p>needed to ensure effective sharing of knowledge from the ODA support and how might knowledge management systems be sustained, during and after ODA interventions?</p> <p>What were the main contextual factors that can influence the sustainability of ODA support (e.g., ownership, alignment, political economy)?</p> <p>What were the key success factors in ensuring ODA helps building country capacity and what were the main challenges and constraints in using ODA effectively to develop capacity?</p>			<p>FG: Beneficiaries/ I: Senior officials of 8 areas and Personnel Department</p>	

APPENDIX 3: SURVEY QUESTIONNAIRE

Part 1: Overall assessment of ODA programs and projects in MOF

- 1. How do you evaluate the relevance of objectives and design of ODA programs and projects to tasks, strategy, objectives and priorities of financial sector?

Rate on a 1-5 scale

- 2. To what extent ODA programs and projects have been designed based on actual needs of MOF (need for support)?

Rate on a 1-5 scale

- 3. To what level ODA programs and projects in MOF suited with current capacity of MOF?

Rate on a 1-5 scale

- 4. If you have ever participated in designing and management of ODA programs/projects, how do you perceive the role of your department?

Rate on a 1-5 scale

- 5. Please scale the effectiveness of ODA programs/projects in MOF for capacity development (including all institutional- accountability- power, management skills, incentives system)

Rate on a 1-5 scale

- 6. Please describe how you perceive the supplementary of different aid modalities in building up capacity for MOF?

.....
.....
.....

- 7. If having to score, how you score the contribution of ODA for the capacity development in MOF?

Rate on a 1-5 scale

- 8. How do you assess the coordination of ODA projects and programs in MOF?

Rate on a 1-5 scale

9. Given the proposition that “Inputs for ODA projects have been efficiently managed and utilized for achieving the same level of outputs”, how would you rate the efficiency in the use of ODA funding?

Rate on a 1-5 scale

10. How do you think about the contribution of 03 strategic objectives (policies, organizational and capacity development, and management information system) towards the reform in 05 aspects of Communication of financial inputs, Public Resource Allocation, Management by programs, Public Finance transparency and accountability and Public service delivery?

Rate on a 1-5 scale

11. Please give the mark for the achievement of each of the following expected results:

<i>Financial policy development</i>	<input type="text"/>
<i>Organizational structure improvement & HR development</i>	<input type="text"/>
<i>Management Information System</i>	<input type="text"/>

Rate on a 1-5 scale

12. Please give the mark the improvement for each of the following aspects over the last 7 years:

<i>Communication of financial inputs</i>	<input type="text"/>
<i>Public Resource Allocation</i>	<input type="text"/>
<i>Management by programs</i>	<input type="text"/>
<i>Public Finance transparency and accountability</i>	<input type="text"/>
<i>Public service delivery</i>	<input type="text"/>

Rate on a 1-5 scale

13. Please rate the contribution of ODA to the improvement of each of the following aspects?

<i>Communication of financial inputs</i>	<input type="text"/>
<i>Public Resource Allocation</i>	<input type="text"/>
<i>Management by programs</i>	<input type="text"/>
<i>Public Finance transparency and accountability</i>	<input type="text"/>
<i>Public service delivery</i>	<input type="text"/>

Rate on a 1-5 scale

14. Which of the following 3 strategic objectives have been most effective for the modernization of the public financial management?

<i>Financial policy development</i>	<input type="text"/>
<i>Organizational structure improvement & HR development</i>	<input type="text"/>
<i>Management Information System</i>	<input type="text"/>

Please only select one

15. Which of the following professional areas have been more effective for the modernization of the public financial management?

<i>State budget management reform</i>	<input type="text"/>
<i>Tax policy and administration</i>	<input type="text"/>
<i>Customs duties reform</i>	<input type="text"/>
<i>SOEs monitoring and supervision reform</i>	<input type="text"/>
<i>National debt management reform</i>	<input type="text"/>
<i>Public assets and national reserve management reform</i>	<input type="text"/>
<i>Prices control reform</i>	<input type="text"/>
<i>Capital Market Development</i>	<input type="text"/>

Please select and prioritize for 3 most effective ones

16. Do you think MOF has been supportive and encouraging you to use the skills and knowledge as well as the results of ODA projects? If yes, please describe the incentives systems?

.....
.....
.....

17. How do you perceive the effectiveness of ODA in MOF for the organizational learning and development (including organizational reform and human resource development) to maintain and further the positive change in management?

Rate on a 1-5 scale

Part II. Assessment of projects with experience

Informants shall use a table listing of 57 projects with 8 columns for marking their answers.

1. Which projects you have been working?
2. Which projects you know about?

Among those, please

3. Select top five projects you see as most successful, please rate them on a 1-5 scale.
4. Select top five projects as you see the most relevant to the tasks and priorities of financial modernization- score them on a 1-5 scale.
5. Select five most effective projects and give rate them on a 1-5 scale.
6. Select five most effective projects for capacity development for MOF- also give them the marks on a 1-5 scale.
7. Select five projects with largest impacts on the objectives of reform and modernization of public finance sector. Score them on a 1-5 scale.
8. Select and rank the 5 most sustainable projects for the objectives of reform and modernization of public finance sector.

APPENDIX 4: QUESTIONS FOR FOCUS GROUP DISCUSSION

ANNEX 4A: QUESTIONS FOR FOCUS GROUP DISCUSSION OF ODA BENEFICIARIES

Relevance

- What was the role of MOF/beneficiaries in ODA needs assessment in the ODA feasibility study and design process?
 - Did ODA programmes/projects (2000-2007) within FMP framework meet the right demand and fit the implementation capacity of the departments?
 - Which kind of dialogue was used between beneficiaries and other stakeholders during the ODA programmes/projects design (2000-2007)?
 - Was the stakeholder analysis applied during the projects design and how effective was it?
-
- What was the procedure of ODA project proposal (2000-2007)? (By the department? Or by experts? Or by assigned from the upper level? Or demanded by the donor?)
 - How have ODA needs assessment and problem diagnosis been improved to enhance the relevance of ODA?
 - Which ODA form (bilateral/multilateral/trust fund/investment/TA/scholarship...) is the most and the least relevant to MoF? Why?
-
- What are the main lessons learned on measures to improve the relevance ODA at the design stage, including identification on the use of appropriate mix of aid modalities and instruments?

Efficiency

- Were ODA programmes 2000-2007 funding complimentary to the MOF's /departments' own spending in and other supporting forms within the framework of FMP?
-
- How was the efficiency of the ODA design (2000-2007)? Could it possible to gather most projects to make a greater efficiency?
-
- What are the main lessons learned on measures to improve the relevance ODA at the design stage, including identification on the use of appropriate mix of aid modalities and instruments?

Effectiveness

- Was the ODA intervention implemented as per plan? Was sufficient time allocated for the initiative in light of the objectives outlined?
-
- To what extent was the ODA intervention under the direct management and control of MOF and how effective was it?
-
- Were objectives and strategies clearly incorporated into ODA designs in such a way

that monitoring and adjustment can easily take place?

- Which kind of TA was the most effective? (Experts, workshops, scholarship)? Why?
 - What are the recommendations for ensuring the leading role of the government as well as the effective implementation of ODA supports?
-

Impact

- Which ODA strategies and programs were the least successful in the support for implementing FMP?
 - What were the other impacts on the treatments of donors to ODA for other reforming programmes of MoF and the government?
 - how much of the ODA impact was due to:
 - Internal factors (e.g. organizational readiness, reform environment, local leadership, legitimacy, good relationships, adaptiveness etc.)?
 - External factors (e.g., civil service reform and remuneration)?
 - What are the common features of examples of good practice and what are the implications for the design and implementation of ODA programs and projects?
-

Sustainability

- How sustainable the FMP reform process after the completion of ODA programmes/projects?
 - What are the measures needed to ensure effective sharing of knowledge from the ODA support and how might knowledge management systems be sustained, during and after ODA interventions?
 - What are the key success factors in ensuring ODA helps build country capacity and what are the main challenges and constraints in using ODA effectively to develop capacity?
-

ANNEX 4B: QUESTIONS FOR FOCUS GROUP DISCUSSION OF PMUS' REPRESENTATIVE IN MOF

Relevance

- What was the role of MOF/beneficiaries in ODA needs assessment in the ODA feasibility and design process?
 - To what extent did MoF ensure relevance and what was the role?
 - Which kind of dialogue was used between beneficiaries and other stakeholders during the ODA programmes/projects design?
 - Was the stakeholder analysis applied during the projects design and how effective was it?
-
- How have ODA needs assessment and problem diagnosis been improved?
-
- What are the main lessons learned on measures to improve the relevance ODA at the design stage, including identification on the use of appropriate mix of aid modalities and instruments?

Efficiency

- Were ODA programme fundings complimentary to the MOF's /departments' own spending in and other supporting forms?
-
- How was the efficiency of the ODA design (2000-2007)? Could it possible to achieve greater efficiency?
-
- What are the main lessons learned on measures to improve the relevance ODA at the design stage, including identification on the use of appropriate mix of aid modalities and instruments?

Effectiveness

- Was the ODA intervention implemented as per plan? Was sufficient time allocated for the initiative in light of the objectives outlined?
-
- To what extent was the ODA intervention under the direct management and control of MOF and how effective was it?
-
- Were objectives and strategies clearly incorporated into ODA designs in such a way that monitoring and adjustment can easily take place?
-
- Which kind of TA was the most effective? (Experts, workshops, scholarship)? Why?
-
- What are the recommendations for ensuring the leading role of the government as well as the effective implementation of ODA supports?
-
- Was there any positive change in MoF's staff recruitment for the past 7 years? Was it relevant to any ODA programme/project?

Impact

- Which ODA strategies and programs were the least successful in the support for

implementing FMP?

- How much of the ODA impact was due to:
 - Internal factors (e.g. organizational readiness, reform environment, local leadership, legitimacy, good relationships, adaptiveness etc.)?
 - External factors (e.g., civil service reform and remuneration)?
-
- What are the common features of examples of good practice and what are the implications for the design and implementation of ODA programs and projects?
-

Sustainability

- How sustainable was the FMP reform process after the completion of ODA programmes/projects?
-
- What were the measures to ensure effective sharing of knowledge from the ODA support and how might knowledge management systems be sustained, during and after ODA interventions?
-
- What are the key success factors in ensuring ODA helps build country capacity and what are the main challenges and constraints in using ODA effectively to develop capacity?
-

APPENDIX 5: QUESTIONS FOR IN-DEPTH INTERVIEWS

Relevance

- To what extent ODA designs were based on MOF beneficiaries' need of support from donors?
 - Did ODA support fit the MOF beneficiaries' need?
 - Did the ODA commitment received by the department fit the implementation capacity?
-
- To what extent ODA inputs were planned in advance or they were only a part of open long-term program of MOF? What are the positive and negative effects of this approach?
-
- What are the general lessons learned during the programme/project designing stage based on the department's demand to improve the relevance ODA programmes/projects?

Efficiency

- Were the ODA projects implemented as per plan?
 - Did any delays of ODA affect the achieving of the objectives of the sector's reform objectives and targets?
 - Was ODA support been efficient in allocation spending in implementing plans for the FMP?
 - Was the MOF efficient in ODA coordinated and managed?
 - Was there any overlap causing the waste in ODA projects?
-
- Was ODA support efficiently helped in achieving the three strategic goals of FMP? (Policy, Organization and Information system)
 - Were these three strategic objectives of FMP supported equally from ODA? If not, why?
 - Did any of the strategic objectives lack funds or over invested?
 - Were the six professional areas supported equally from ODA? If not, why?
 - Did any areas lack funds or over invested?
-
- What are the main lessons learned and recommendations on how to improve the efficiency of ODA support?

Effectiveness

- Did ODA programmes/projects for the department achieve the expected results?
 - What was the level of the department's capacity improvement during the past 7 years
 - To what extent MoF was implemented the policy and instructed the Government of ODA effective management?
-

- Did MoF show its strong leadership and ODA “ownership”?
- Was the ODA Guidelines fully published, applied, and brought into effect?
- What are the key lessons learned on ensuring effective, implementation, management and monitoring of ODA operations by MoF?

Impact

- Did the support from ODA have a positive impact on strategic goals of FMP and the priorities of the six prior areas?
- Did the support from ODA have a positive impact on the reform process and the socioeconomic plans?
- To what extent the impact of ODA had been affected by internal and external factors?
- What are the main lessons learned and recommendation on enhancing the impact of ODA?

Sustainability

- Did MoF maintain the reforming achievement after the completion of ODA programmes/projects (including allocating the necessary resources such as human and material resources)?
- Were the staffs encouraged to continue to promote Public Finance Reform organizational change and in what ways were they rewarded or otherwise affected?
- How effective was ODA support for the organizational learning in order to sustain change management process?
- What are the key successful factors ensuring that ODA support can help in capacity building for the nation and challenges and constraints in ODA using for effective capacity development?

APPENDIX 6: LIST OF COMPLETED AND ON-GOING ODA PROGRAMS/PROJECTS

57 Projects, of Which 50 Bilateral with Details as Followings

No.	Program/Project	Donor	Duration	ODA Concessional Loan	ODA	Counter Funding
1	Hợp tác trong lĩnh vực đào tạo bảo hiểm (ASSUR III)	Pháp	1995 - 2003		100,000	
2	Chính sách và quản lý hành chính thuế (giai đoạn III)	Thụy Điển	1998 - 2002		2,875,000	
3	Đánh giá chi tiêu công Giai đoạn II (VIE/96/028)	UNDP	1998 - 2003		1,561,449	
4	Dự án Tài chính Pháp Việt (giai đoạn mở rộng)	Pháp	1999 - 2003		500,000	
5	Tin học hoá Kho bạc	Pháp	1999 - 2003		80,000	
6	Tăng cường năng lực Tổng cục Doanh nghiệp (VIE/97/028)	UNDP	1999 - 2003		2,027,100	
7	Cải cách ngân sách (giai đoạn III)	Đức	2000 - 2003		1,000,000	
8	Tăng cường năng lực khuôn khổ pháp lý và năng lực thể chế công tác bồi thường tái định cư tại VN	ADB	2001 - 12/2005		310,000	77,50
9	Tăng cường trách nhiệm tài chính tại Việt Nam	WB	2001 - 2003		290,600	
10	Tăng cường năng lực quản lý ODA thông qua phân cấp 3722/VIE	ADB	2001 - 2003		500,000	
11	Kiểm toán 100 DN NN	Đan Mạch, Úc, Nhật Bản	2001 - 2003		8,050,000	

No.	Program/Project	Donor	Duration	ODA Concessional Loan	ODA	Counter Funding
12	Tăng cường quản lý nợ nước ngoài VIE/01/010	UNDP	2001 - 2004		2,433,063	
13	Xây dựng năng lực thực hiện phân cấp ngân sách và cung cấp dịch vụ công	Quỹ ASEM	2002 - 2003		200,000	
14	HTKT Chuẩn bị dự án Cải cách quản lý tài chính công	Nhật Bản	2002 - 2003		742,880	
15	Quỹ lao động dôi dư	UNDP	2002 - 2003		342,000	
16	Tăng cường năng lực thực hiện cơ chế giám sát ASEAN	ADB	2002 - 2003		100,000	
17	Nghiên cứu khả thi xây dựng kế hoạch phát triển công nghệ thông tin KBNN	Mỹ	10/2002 - 3/2006		494,500	255,00
18	Hỗ trợ kỹ thuật cho VN gia nhập WTO (TA 4291 VIE???)	ADB	2003 - 2005 (or 2006?)		150,000	27,00
19	Hỗ trợ dự án thí điểm hệ thống tự khai, tự nộp thuế (TKN)	IMF	2003 - 2006			
20	Tăng cường năng lực đào tạo và thống kê kinh tế FSP	Pháp	6/2003 - 8/2007		800,000	150,000
21	Cải cách quản lý tài chính công (PFMRP)	DFID	10/2003 - 12/2008		9,990,00	
		WB	10/2003 - 12/2008		54,330,000	7,130,000
22	Tiểu dự án Chia sẻ - BTC	Thụy Điển	11/2003 - 12/2008		564,000	80,000
23	Tăng cường năng lực phân tích chính sách tài chính phục vụ phát triển con người	UNDP	12/2003 - 3/2008		1,656,000	83,906

No.	Program/Project	Donor	Duration	ODA Concessional Loan	ODA	Counter Funding
	(VIE/03/010)					
24	Hỗ trợ cải cách ngân sách (giai đoạn IV)	Đức	2004 - 12/2005	1,625,000	74,62	
25	Nâng cao năng lực quản trị DN cho giám đốc DN	ASEM	1/2004 - 8/2006	325,000	22,00	
26	Tăng cường năng lực cho đội ngũ giảng viên chủ chốt phục vụ tiến trình HĐH hành chính hải quan gđ 2004 - 2007	Nhật Bản	1/2004 - 12/2007	2,360,000	192,91	
27	Quý tín thác đa biên các nhà tài trợ cho hiện đại hoá quản lý tài chính công (MDTF) - Giai đoạn I	8 Nhà tài trợ: Canada, Đan Mạch, Hà Lan, Na Uy, Thụy Điển, Thụy Sĩ, Anh, Bắc Ai-len và EU	2/2004 - 11/2007	4,750,580	207,375	
28	Quý lao động dôi dư giai đoạn II (Trợ cấp cho hỗ trợ vận hành và giám sát hệ thống an sinh xã hội đối với người lao động dôi dư - gđ II)	ASEM II	6/2004 - 12/2005	369,926	36,87	
29	HTKT Chuẩn bị cho dự án Hiện đại hoá Hải quan	Nhật Bản	7/2004 - 12/2005	996,500	60,13	
30	Chương trình hợp tác về Tài chính Việt - Pháp	Pháp	7/2004 - 2007			
31	Hỗ trợ xử lý nợ và tài sản tồn đọng của doanh nghiệp	ASEM II	8/2004 - 6/2006	420,000	90,00	
32	Trung tâm đào tạo Bảo hiểm	Pháp	10/2004 - 12/2008	2,812,500	200,000	
33	Hiện đại hóa Hải Quan	WB	10/2005 - 12/2010	65,901,400	11,158,846	

No.	Program/Project	Donor	Duration	ODA Concessional Loan	ODA	Counter Funding
34	Phát triển thị trường vốn	ASEM	4/2005 - 4/2006		600,000	
35	Phát triển bảo hiểm nông nghiệp Việt Nam	ADB	4/2005 - 30/4/2008		600,000	18,228
36	DA HTKT chuẩn bị cho DA "Quỹ đầu tư phát triển địa phương" vay vốn WB	WB	3/5/2005 - 21/5/2008		998,000	100,000
37	Tăng cường năng lực xây dựng chính sách chế độ tài chính DN dân doanh CEG	???	8/2005 - 11/2005		85, 87 (hay 600,000???)	3,99
38	DA HTKT giữa TCT và JICA về cải cách hành chính thuế	Nhật	8/2005 - 7/2008	Vốn đối ứng: 3 tỷ VND	1,700,000	187,500
39	Chương trình HTKT của Châu Âu cho Việt Nam - ETV 2	EU	9/2005 - 12/2008		9,332,132	124,528
40	Giới thiệu chuẩn mực kế toán công quốc tế	WB	10/2005 - 3/2007		228,000	
41	Hệ thống thông tin thống kê tài chính VN	USTDA	2006 - 1/2008		272,000	19,813
42	Nền Tài chính công (Cấu phần 2 thuộc Chương trình Cải cách kinh tế vĩ mô)	Đức	1/2006 - 12/2009		1,175,000	
43	Xây dựng các quy định và hướng dẫn hoạt động quản lý quỹ tài sản và quỹ đầu tư	Quỹ First - Anh	2/2006 - 3/2008		385,000	14,500
44	Tăng cường tính hiệu quả của tài chính công: Hướng tới nguồn thu ổn định, hiệu quả	AUSAID	3/2006 - 9/2006		37,500	
45	Nghiên cứu khả thi DA nâng cấp và phát triển TTGDCK Hà Nội	USTDA	6/2006 - 1/2008		420,000	
46	Phát triển năng lực Ngân sách giới	Canada	8/2006 - 8/2007		89,809	
47	Dự án thử nghiệm về thông quan hàng chuyển	USTDA	10/2006 - 11/2006		601,893	

No.	Program/Project	Donor	Duration	ODA Concessional Loan	ODA	Counter Funding
	phát nhanh phục vụ cho tuần lễ cấp cao APEC2006					
48	Dự án “Hỗ trợ kỹ thuật PHRD chuẩn bị cho DA HĐH công tác quản lý thuế”	PHRD - Nhật	1/2007 - 12/2007		999,000	
49	Hỗ trợ xây dựng luật Quản lý tài sản nhà nước	AusAID	2/2007 - 12/2007		500,000	18,136
50	Việt Nam hướng tới các chuẩn mực quốc tế trong quản lý giám sát bảo hiểm	Quỹ First - Anh	3/2007 - 8/2007		249,000	12,000

APPENDIX 7: LIST OF INTERVIEWED AGENCIES/DEPARTMENTS

Date	Functional Management Unit	Interviewee
12-Mar-08	General Department of Taxation-MoF	1. Ms. Le Hong Hai- Vice Head of General Department of Taxation 2. Mr. Tran Hieu Hoa- Tradition Office
	General Department of Customs-MoF	1. Mr. Nguyen Nhat Kha- Deputy Director of the Customs Modernization Project 2. Mr. Dao Duc Hai- Manager of Customs Component, Project ETV2 3. Mr. Anh Duc- Officer of Reforming Department, Customs Modernization Project
13-Mar-08	Department of External Finance-MoF	1. Mr. Vu Xuan Hieu-Vice Director
	Department of State Budget-MoF	1. Mr. Do Viet Duc- Vice Director 2. Ms. Tran Kim Hien Head of Statistics Division 3. Ms. Dinh Mai Anh-Vice Head of Statistics Division
	State Treasury-MoF	1. Mr. Tran Quang Dau- Head of International Cooperation Department 2. Mr. Nguyen Quang Vinh- Head of The Office 3. Mr. Dai- Officer
14-Mar-08	State Securities Commission of Vietnam	1. Mr. Nguyen Ngoc Canh- Head of International Cooperation Department
	Department of Corporate Finance-MoF	1. Ms. Vu Thi Hong Loan- Vice Head of General Affairs Division
	Department of Price Management-MoF	1. Mr. Vu Anh- Vice Director
17-Mar-08	Department of Public Assets Management-MoF	1. Mr. La Van Thinh- Head of General Affairs Division
	Department of Tax Policy-MoF	1. Mr. Nguyen Van Phung- Vice Director
18-Mar-08	The donor (World Bank)	1. Mr. Nguyen Van Minh-World Bank head office
19-Mar-08	Department of Banking and Financial	1. Mr. Vu Ngoc Anh- Vice Director

Date	Functional Management Unit	Interviewee
	Institutions-MoF	
	Department of Personnel and Training-MoF	1. Mr. Hoang Duc Long- Vice Director
	Department of Financial Administration-MoF	1. Mr. Nguyen Hong Ha- Directoe
	Department of International Cooperation-MoF	Consultants of the department and Viet Insight Mr. Nguyen Ba Toan-Vice Director
21-Mar-08	Japanese donor + JICA	
24-Mar-08	General Department of Customs-MoF	Mr. Dang Hanh Thu
25-Mar-08	JICA and ICD	
	Donor	GTZ

List of Participants for Group Discussion on 18 March 2008

No	Unit	Name of Participants	Position
1	Department of Public Assets Management	Nguyen Thi Thuy Chung	Chief Accountant
2	Department of Public Assets Management	Dinh Phi Nga	Officer
3	State Treasury	Nguyen Huu Hiep	Vice Head of a division
4	State Treasury	Nguyen Hong Lan	Vice Head of Accounting Department
5	State Treasury	Nguyen Hong Dai	Officer of External Office
6	Department of Personnel and Training	Nguyen Duy Bang	Head of Checking Division
7	Academy of Finance	Do Phi Hoai	Head of International Cooperation Division
8	General Department of Taxation	Nguyen Thi Kim Lien	Officer of Reforming Division
9	General Department of Taxation	Nguyen Thi Phuong Mai	Officer of Reforming Division
10	General Department of Taxation	Hoang Thi Thu Ha	Officer of Reforming Division
11	General Department of	Ho Ngoc Phan	Head of Reforming Division

No	Unit	Name of Participants	Position
	Customs		
12	General Department of Customs	Nguyen Viet Hong	Director of Center for Custom's Officers Training
13	Department of External Finance	Nguyen Lan Huong	Head of a division
14	Department of Price Management	Le Dieu Thuong	Officer
15	Department of International Cooperation	Nguyen Thi Huyen My	Officer
16	Department of International Cooperation	Nguyen Thuy Vinh	Head of the division
17	Department of International Cooperation	Nguyen Bao Thanh	Vice Head of Division of Project Management
18	Department of International Cooperation	Nguyen Anh Tuyet	Officer
19	Department of International Cooperation	Nguyen Da Linh	Officer

List of Participants for Group Discussion on 21 March 2008-PMU

No	Unit	Name of Participants	Project Participating
1	Department of Price Management	Le Dieu Thuong	Assistance to Development and Issuance of the Law on Management and Use of State Properties
2	Department of Financial Informatics and Statistics -Coordinator	Vu Anh Hong	The Financial Informatics and Statistics System in Vietnam
3	Academy of Finance-Center for Personnel Further Training-Coordinator	Nguyen Thi Thanh Ha	Strengthening the Training Capacity on Vietnam- France Public Finance
4	State Treasury	Hoang Trung Luong	Reforming Public financial management
5	Department of Accounting	Vu Duc Chinh	ETV2 Project-Component 4

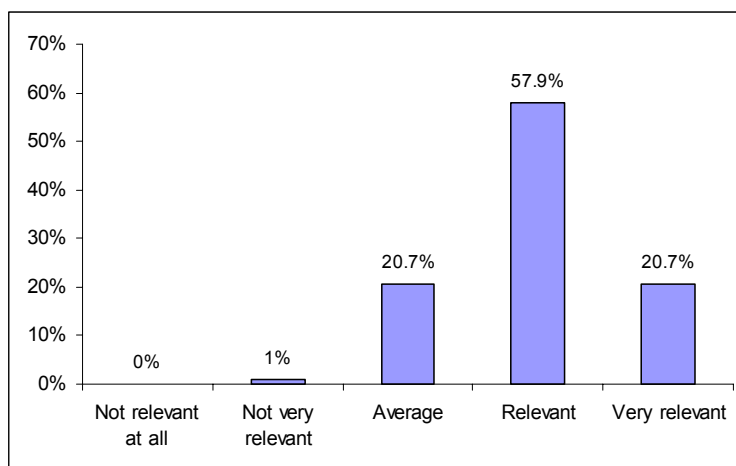
No	Unit	Name of Participants	Project Participating
	Regulations		
6	Academy of Finance- Vice Manager of Project	Nguyen Thi Minh Tam	Center for Training of Insurance of Vietnam
7	Department of International Cooperation	Tran Duc Trung	ETV2 Project
8	Coordinator	Huynh Phuong Nam	ETV2 Project-Component 1
9	Department of International Cooperation	Hoang Tiet Kiem	MDTF Fund
10	Department of External Finance	Nguyen Lan Huong	ODA-ADB Decentralization of Financial Management
11	Department of Corporate Finance	Vu Thi Hong Loan	Vice Head of a division
12	State Securities Commission of Vietnam	Nguyen Ngoc Canh	Capacity Building for the State Securities Commission of Vietnam
13	Coordinator	Nguyen Thanh Son	Project VIE 03/010
14	Department of International Cooperation	Nguyen Thuy Vinh	Head of the division
15	Department of International Cooperation	Nguyen Bao Thanh	Vice Head of Division of Project Management
16	Department of International Cooperation	Nguyen Anh Tuyet	Officer
17	Department of International Cooperation	Nguyen Da Linh	Officer

APPENDIX 8: RESULTS OF THE QUESTIONNAIRE SURVEY

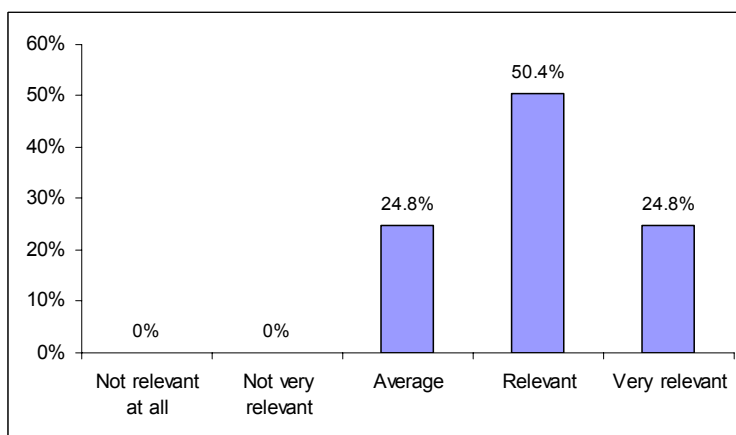
200 Questionnaires Released Out- 121 Questionnaires Returned

Part 1: Overall assessment of ODA programs and projects in MOF

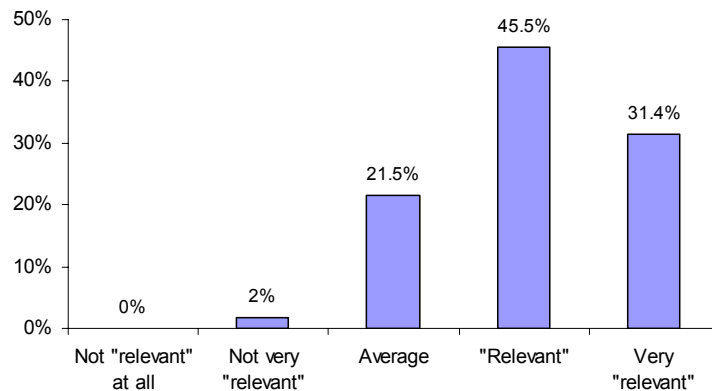
1. How do you evaluate the relevance of objectives and design of ODA programs and projects to tasks, strategy, objectives and priorities of financial sector?



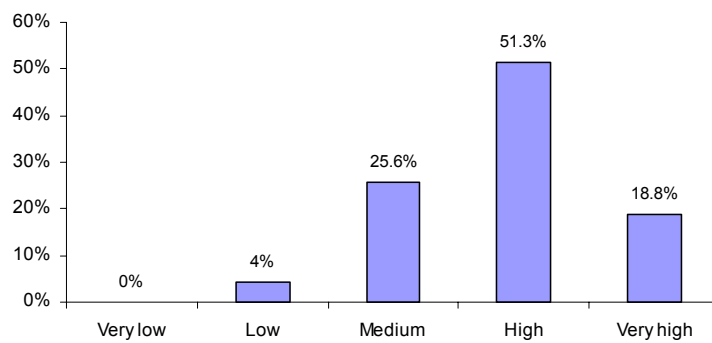
2. To what extent ODA programs and projects have been designed based on actual needs of MOF (need for support)?



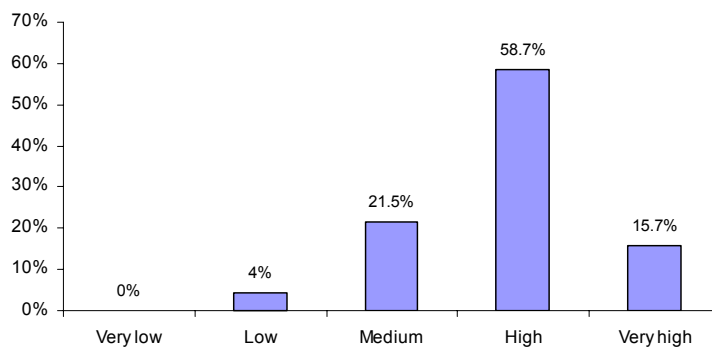
3. To what level ODA programs and projects in MOF suited with current capacity of MOF?



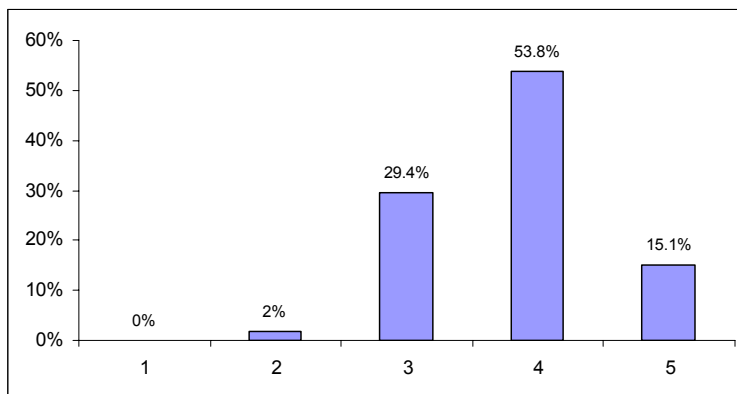
4. If you have ever participated in designing and management of ODA programs/projects, how do you perceive the role of your department?



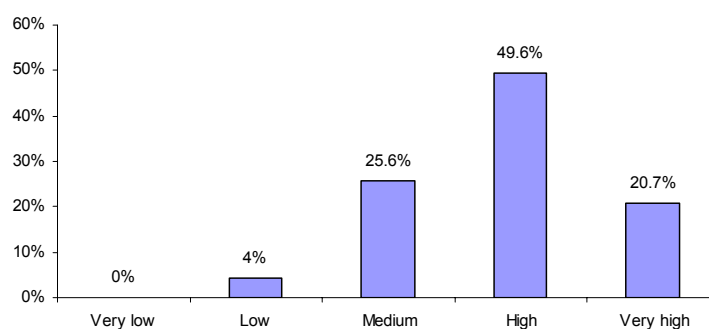
5. Please scale the effectiveness of ODA programs/projects in MOF for capacity development (including all institutional- accountability- power, management skills, incentives system)



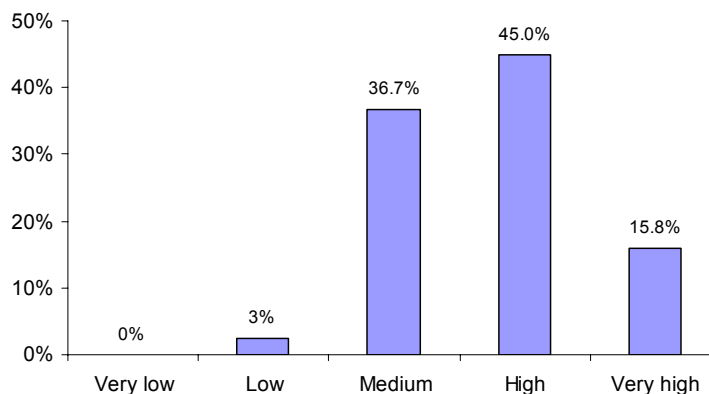
6. Please describe how you perceive the supplementary of different aid modalities in building up capacity for MOF?
7. If having to score, how you score the contribution of ODA for the capacity development in MOF?



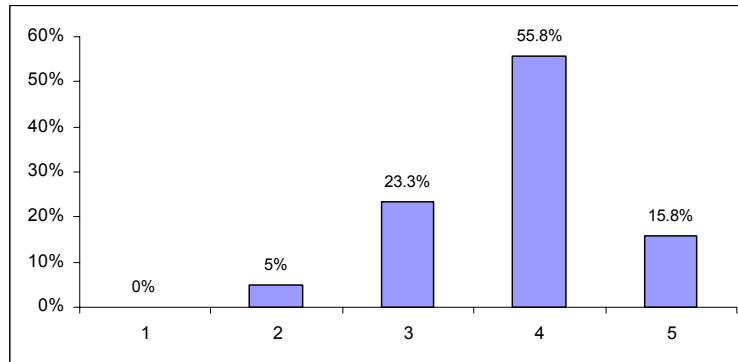
8. How do you assess the coordination of ODA projects and programs in MOF?



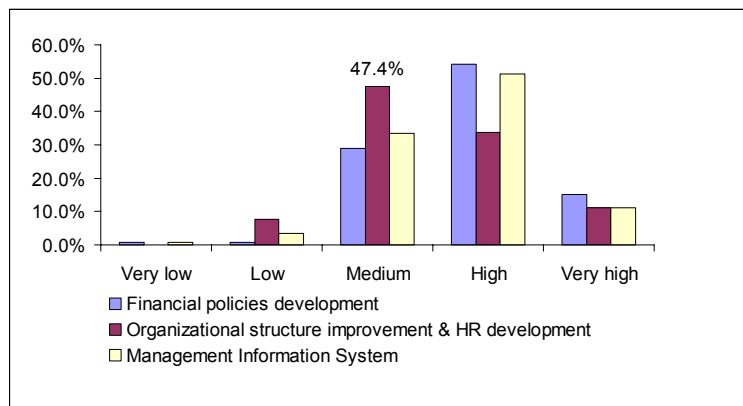
9. Given the proposition that "Inputs for ODA projects have been efficiently managed and utilized for achieving the same level of outputs", how would you rate the efficiency in the use of ODA funding?



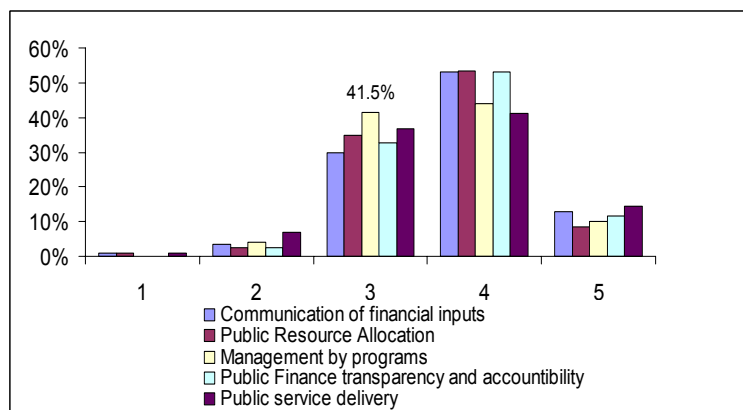
10. How do you think about the contribution of 03 strategic objectives (policies, organizational and capacity development, and management information system) towards the reform in 05 aspects of Communication of financial inputs, Public Resource Allocation, Management by programs, Public Finance transparency and accountability and Public service delivery?



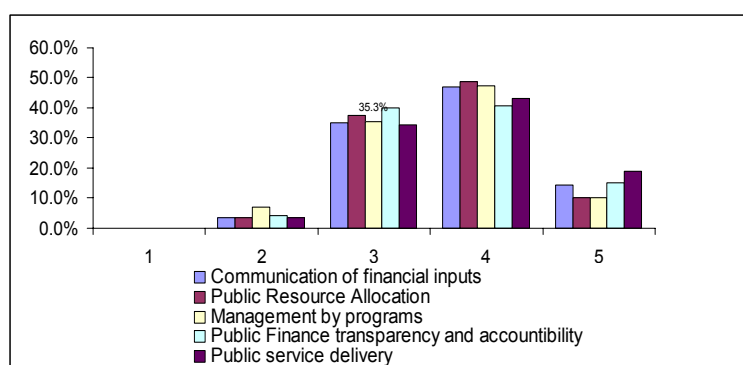
11. Please give the mark for the achievement of each of the following expected results:



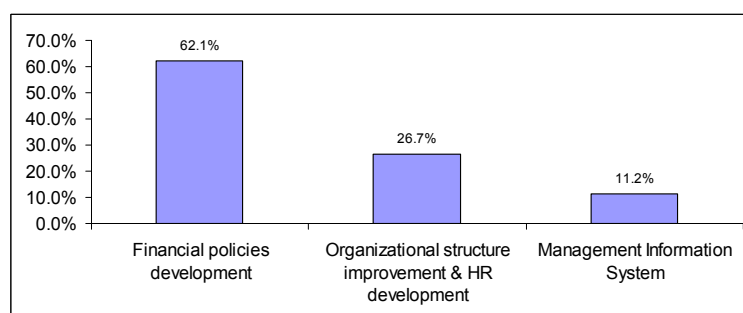
12. Please give the mark the improvement for each of the following aspects over the last 7 years:



13. Please rate the contribution of ODA to the improvement of each of the following aspects?



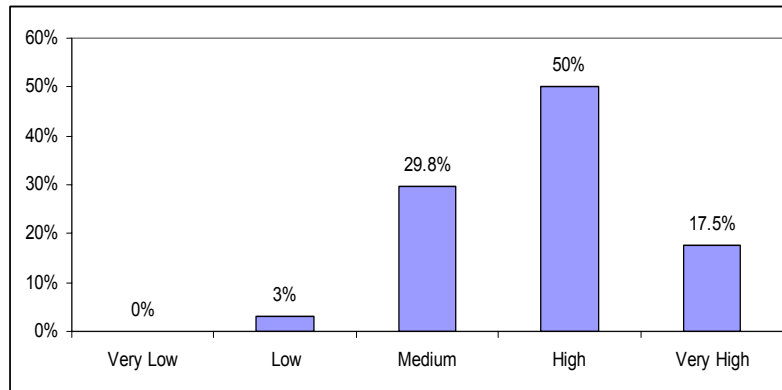
14. Which of the following 3 strategic objectives have been most effective for the modernization of the public financial management?



15. Which of the following professional areas have been more effective for the modernization of the public financial management?

	1	2	3
State budget management reform	71%	18%	11%
Tax policy and administration	43%	46%	12%
Customs duties reform	15%	39%	46%
SOEs monitoring and supervision reform	9%	52%	39%
National debt management reform	3%	48%	48%
Public assets and national reserve management reform	42%	8%	50%
Prices control reform	0%	46%	54%
Capital Market Development	13%	13%	74%

16. Do you think MOF has been supportive and encouraging you to use the skills and knowledge as well as the results of ODA projects? If yes, please describe the incentives systems?
17. How do you perceive the effectiveness of ODA in MOF for the organizational learning and development (including organizational reform and human resource development) to maintain and further the positive change in management?



Part II. Assessment of Projects with Experience

Informants use a table listing of 57 projects with 8 columns for marking their answers.

The results of the answers to this part are mixed and not significant for the diversity of the answers. The only remark is that the level of popularity of the project, and hence, the knowledge of informants regarding the projects are proportionate with the size of the project, i.e. the budget and scope of work. The most popular ones seem to be MDTF (WB), ETV2 (EU) and PFMRP (WB, DFID).

APPENDIX 9: AGENDA OF WORK

Date	Functional Management Unit
12-Mar-08	General Department of Taxation-MoF General Department of Customs-MoF
13-Mar-08	Department of External Finance-MoF Department of State Budget-MoF State Treasury-MoF
14-Mar-08	State Securities Commission of Vietnam Department of Corporate Finance-MoF Department of Price Management-MoF
17-Mar-08	Department of Public Assets Management-MoF Department of Tax Policy-MoF
18-Mar-08	The donor (World Bank) 1st Group discussion
19-Mar-08	Department of Banking and Financial Institutions-MoF Department of Personnel and Training-MoF Department of Financial Administration-MoF International Cooperation Department- MoF
21-Mar-08	Japanese donor + JICA 2nd Group discussion
24-Mar-08	General Department of Customs-MoF
25-Mar-08	JICA and ICD Donor