

# **BEYOND NATIONAL TARGETS: IMPLEMENTING COMMUNE-LEVEL PLANNING REFORM, DELEGATION OF INVESTMENT DECISIONS, AND COMMUNITY EMPOWERMENT FOR POVERTY REDUCTION**

**SYNTHESIS REPORT OF SURVEYS IN LAO CAI,  
HOA BINH, NGHE AN, QUANG TRI, DAK NONG,  
NINH THUAN AND TRA VINH PROVINCES, VIETNAM**

Hanoi, January 2017

**PRO POOR  
POLICY  
MONITORING**







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# ABBREVIATIONS

<b>ABCD</b>	Asset-based community development
<b>ARD</b>	Agriculture and rural development
<b>CDF</b>	Commune/Community Development Fund
<b>CPC</b>	Commune People’s Committee
<b>DPI</b>	Department of Planning and Investment (at provincial level)
<b>Helvetas</b>	HELVETAS Swiss Inter cooperation
<b>IFAD</b>	International Fund for Agricultural Development
<b>M&amp;E</b>	Monitoring and evaluation
<b>MARD</b>	Ministry of Agriculture and Rural Development
<b>MOF</b>	Ministry of Finance
<b>MOLISA</b>	Ministry of Labour, Invalids and Social Affairs
<b>MOP-SEDP</b>	Market-oriented participatory socio-economic development planning
<b>MPI</b>	Ministry of Planning and Investment
<b>NMPRP-II</b>	The Second Northern Mountains Poverty Reduction Project for Vietnam
<b>NTP</b>	National Targeted Program
<b>NTP-NRD</b>	National Targeted Program on New Rural Development
<b>NTP-SRD</b>	National Targeted Program on Sustainable Poverty Reduction
<b>PPC</b>	Provincial People’s Committee
<b>Program 135</b>	Poverty Reduction and Socio-Economic Development Program for Communes with Extremely Difficult Circumstances in Ethnicity and Mountainous Regions
<b>Program 30a</b>	Support Program for Fast and Sustainable Poverty Reduction in 61 Poor Districts (now 64 Districts)
<b>Project 3EM</b>	Project for Sustainable Economic Empowerment of Ethnic Minorities in Dak Nong Province ( <i>funded by IFAD</i> )
<b>PSARD</b>	Public Service Provision Improvement Program in Agriculture and Rural Development (in Hoa Binh and Cao Bang provinces, funded by SDC)
<b>SDC</b>	Swiss Agency for Development and Cooperation
<b>SEDP</b>	Socio-economic development Plan
<b>Tam Nong</b>	Agriculture, farmers and rural areas
<b>TOT</b>	Training of Trainers
<b>WB</b>	World Bank





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# EXECUTIVE SUMMARY

Over the past three years (2014-2016), the reform of participatory commune-level planning (hereafter referred to as “commune-level planning reform”), delegation of investment decisions to the commune level, and community empowerment in carrying out small-scale and technically modest construction projects (hereafter referred to as “delegation and empowerment”) have achieved significant results in the seven provinces surveyed in this report. Commune-level planning reform has provided opportunities for bottom-up participation, which helps to identify investment priorities that are tailored to the needs of the people and the community, and improves the content and format of commune-level plans. Delegation and empowerment have proved to be able to increase investment efficiency, to promote the internal power of the community capacity and to enhance grassroots democracy, publicity and transparency of information, and accountability. There have been good practices in linking commune-level planning reform and delegation and empowerment in localities. These achievements are partially attributed to active technical and financial support from donor-funded projects.

To contribute to discussions of policies for sustainable poverty reduction, Oxfam has commissioned research into “participatory commune-level planning and delegation of finance management to the grassroots level” under the framework of the “**Pro-Poor Policy Monitoring Project for 2014-2016**”<sup>1</sup> funded by Irish Aid and SDC. This is the third annual report in a series of three iterative annual review reports on 15 rural communities in seven provinces nationwide, including Lao Cai, Hoa Binh, Nghe An, Quang Tri, Dak Nong, Ninh Thuan and Tra Vinh. The research was conducted from April to June 2016 by Ageless Consulting Company, with the support of local partners from monitoring checkpoints.

Since late 2016, commune-level planning reform, delegation and empowerment have been institutionalized at the national level through the mechanism of National Targeted Programs (NTPs) and

the associated process of commune-level socio-economic development planning (SEDP). Two NTPs are being implemented during the period 2016-20 on Sustainable Poverty Reduction (NTP-SPR) and New Rural Development (NTP-NRD). These programs are managed by the Ministry of Labour - Invalids and Social Affairs (MoLISA) and Ministry of Agriculture and Rural Development (MARD), respectively, with support from other relevant ministries. MoLISA and MARD have produced manuals on planning the implementation of the NTPs, based on experience in reforming commune-level planning. Commune resource forecasting will be significantly improved on the basis of medium-term public investment funds, decentralization mechanisms and clear allocation criteria in the NTPs.

The new context has opened the door for the large-scale application of commune-level planning, delegation and empowerment beyond the scope of each locality or project. The challenge for the 2016-2020 period is how to effectively implement the mechanisms of commune-level planning reform, delegation and empowerment at the national scale, especially through NTP implementation. The successes, limitations and lessons of commune-level planning reform, delegation and empowerment in the survey sites over the past three years offer some new answers to this question.

1. **Reforming commune-level planning is a continuous process.** The next stage of planning reform should integrate provincial, district and commune levels and coordinated with medium-term planning, which has yet to receive adequate attention.
- The commune level should apply only one participatory SEDP process. The SEDP should be the basis for investment decisions and the implementation of NTPs and other programs/projects.
  - Commune-level planning should be linked to district- and provincial-level planning, with the aims of facilitating the effective two-way connection and exchange of information between levels and increasing the feasibility of investment proposals in line with people’s diverse needs as well as the locality’s prioritized development goals, strategies and plans.
  - Implementing medium-term commune-level



planning helps to simplify annual planning, so that annual planning only needs to focus on identifying specific investments and reviewing issues arising during the year.

- Integrate market factors, gender equality, climate change adaption and disaster risk reduction into the planning process. Special attention must be given to budget allocation in a way that minimizes complex and difficult-to-implement tables and tools at the grassroots level.
2. Capacity building for all levels of officials and for the community is a core element in effective planning reform, delegation and empowerment. In the near future, all provinces should **increase capacity building mechanisms**.
    - Provinces should develop and implement comprehensive capacity building plans based on summarizing, linking and mobilizing available resources from the capacity building components of NTPs, provincial budgets and technical assistance from development partners, aiming to avoid overlapping, scattering and low resource utilization efficiency in each program or project.
    - Provinces should institutionalize and widely apply the training of trainers (TOT) method based on learning through a hands-on approach to develop skills. They also need to establish and maintain core groups (TOT groups) at provincial and district levels, allocate annual funds for districts to provide regular training and support to communes, and allocate additional annual funding to communes to implement planning reforms.
  3. In order for delegation and empowerment mechanisms to be applied nationwide, **the spending procedures issued by the Ministry of Finance (MoF) need to be further simplified**. A “management by results” approach should be applied for small projects within NTPs. Officials should consider new investment expenditure regulations based on cost estimates and acceptance of outputs, instead of only controlling input costs as at present.
  4. Commune-level planning reform, delegation and empowerment can only be effective when they are associated with a **substantive improvement in people’s participation** and a reduction of the gap between the voices of poor and vulnerable groups and others in the community.
    - Local authorities need to apply, replicate, and institutionalize delegation of investment packages in the form of commune/community development funds (CDFs) and the asset-based community development (ABCD) approach. People should be considered as the subject of the development process, and communities should have the right to decision making and self-management throughout the entire cycle of subprojects, contributing to integrated and equitable social development.
    - CDFs and the ABCD approach help to develop the skills and resources of the community and to promote the role of farmer groups and community institutions that are favourable to the poor and to disadvantaged groups, thus identifying community-based and community-driven development activities before submitting proposals for external support.
  5. The widespread implementation of commune-level planning reform, delegation and empowerment requires **adequate budget allocations and reforms to monitoring and evaluation methods**, including the promotion of community monitoring. In addition to the quantitative information collected under result-based frameworks, central and local agencies should focus on the collection and documentation of qualitative information on effective approaches, outstanding examples and good lessons to support communication and sharing of experiences in implementing commune-level planning reform, delegation and empowerment in the NTPs.
  6. Donor-funded projects have played an important role in planning reform, delegation and empowerment during the previous period. **Future donor projects could significantly increase their influence** by strengthening connections with State-run investment programs and by documenting and sharing lessons from donor-supported provinces to other provinces (particularly neighbouring provinces with similar conditions). With technical assistance, the new provinces could quickly learn from experience and apply the new mechanisms.







# 1. INTRODUCTION

## 1.1. BACKGROUND

Vietnam has achieved remarkable success in reducing poverty. However, many of the members of Vietnam's 53 ethnicity groups still face numerous difficulties in their livelihoods. According to the 2011-2015 income poverty line, the poverty rate in 2015 among ethnicity people was around 3.3 times higher than the national poverty rate.<sup>2</sup> According to the multidimensional poverty line for the period of 2016-2020, the poverty rate at the end of 2015 for 64 poor districts covered by Program 30a with large ethnicity populations was 50.43 percent, while the poverty rate for the country as a whole was 9.88 percent.<sup>3</sup> Poverty rates and causes vary between different ethnicity groups as well as between communities of the same ethnic group living in different locations.<sup>4</sup>

Recent studies and assessments of Vietnam's poverty reduction policies show that rudimentary allocation and delegation mechanisms pose a challenge for the allocation and use of poverty reduction resources. In addition, implementation approaches are not suitable to local conditions and to the needs of different groups.<sup>5</sup> To address the diverse causes of poverty and promote the internal strength and ownership of local authorities, communities and the poor for improving livelihoods, there is an urgent need to develop and implement policies on reforming commune-level planning, strengthening delegation of investment decision making to the commune level, and empowering poor women, men, and communities in the implementation of poverty reduction policies, projects and programs.

## 1.2. OBJECTIVES AND RESEARCH METHODOLOGIES

**The objective** of the study was to “analyse policy issues and effectiveness in reforming commune-level socio-economic development planning and delegation of financial management to the

*grassroots level, seeking to provide analysis and recommendations for the design and implementation of policies enable the voices of people and communities to be heard and their participation in poverty reduction efforts.”*

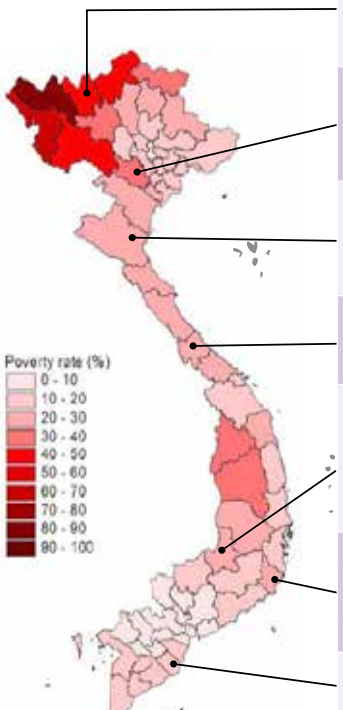
A participatory **qualitative research methodology** was applied in the fieldwork in order to investigate the opinions and perceptions of relevant stakeholders, best practices and models, and reports and data on reforming commune-level planning, delegation and community empowerment in implementing policies, projects and programs in the survey areas. Comparative analysis between different sites was also conducted using the information that was collected.

### Major research topics:

- What policy changes have occurred at local and central levels on commune-level planning reform and financial decentralization over the past three years (2014-2016)?
- What are the strengths and obstacles of commune-level planning reform and financial decentralization?
- What should be done to boost the institutionalization and enhance the efficiency of commune-level planning reform and financial decentralization for local development and sustainable poverty reduction?

**Survey sites:** The Pro-Poor Policy Monitoring Project does not aim to provide representative statistical data for the whole country, but rather to provide empirical evidence from a set of survey sites that is representative of poor districts and provinces nationwide. The survey sites were chosen based on this purpose. They represent the livelihoods and poverty conditions found in each of the selected provinces, while also reflecting the diversity of conditions in poor districts and provinces throughout the country. (Table 1).

Table 1. Network of survey sites<sup>6</sup>



Province	District	Commune	Major ethnic groups	Distance to district centre (km)	Under Program 135, Phase 3	Under Program 30a	Rate of poor households (%)		
							Late 2013	Late 2014	Late 2015
Lao Cai	Muong Khuong	La Pan Tan	H'Mong, Dao	32	Yes	Yes	55.7	48.59	77.62
		Ban Xen	Nung, Day, Tu Di	35	No	Yes	20.1	13.45	29.76
Hoa Binh	Da Bac	Tan Pheo	Tay, Dao, Muong	45	Yes	Yes*	53.0	46	72
		Hien Luong	Muong, Tay, Kinh	4	No	Yes*	33.0	26.7	43.74
Nghe An	Quy Chau	Chau Thang	Thai	10	Yes	Yes*	46.1	40.1	56.86
		Chau Hanh	Thai	1	Yes	Yes*	47	43	25
Quang Tri	Dakrong	Mo O	Kinh, Van Kieu	2	No	Yes	28.0	15.6	39.2
		Dakrong	Van Kieu	8	Yes	Yes	36.3	31.07	62
Dak Nong	Dak Glong	Dak Som	Ma, Kinh, H'mong	18	Yes	Yes*	67.1	61.19	69.99
		Quang Khe	Kinh, Ma	51	No	Yes*	42.0	35.7	54.65
Ninh Thuan	Bac Ai	Phuoc Dai	Raglai, Kinh	1	Yes	Yes	33.0	23.3	53.6
	Ninh Phuoc	Phuoc Hai	Cham, Kinh	15	No	No	12.5	10.57	18.49
	Ninh Hai	Vinh Hai	Kinh, Raglai	25	No	No	2.9	2.42	9.97
Tra Vinh	Cau Ke	Chau Dien	Khmer	5	No	No	25.3	11.53	11.92
		Tam Ngai	Khmer	8	No	No	5.1	4.12	3.47

Source: People's Committees in the 15 survey communes

(\*) Communes under disadvantaged districts that receive infrastructure development support equal to 70 percent of the support to poor districts listed in Program 30a (according to Decision 615/QĐ-TTg dated April 25, 2011 and Decision 293/QĐ-TTg dated February 5, 2013 by the Prime Minister).

Oxfam and its local partners<sup>7</sup> selected one district in each province for pro-poor policy monitoring and analysis. Two communes were selected in each district: one better-off commune located near the district centre, and one poorer commune located away from the district centre and with less favourable conditions. In each commune, one village with a high concentration of ethnic minorities was selected. The exception to this was Ninh Thuan province, where three districts were selected, but only one commune in each district. In total, **7 provinces, 9 districts, 15 communes and 15 villages** participated in the monitoring of rural poverty reduction policies. Among the 15 participating communes, seven communes are covered by Program 135, five communes are in poor districts covered by Program 30a, and six communes are in disadvantaged districts which enjoy the same policies as poor districts under Program 30a. Annex 1 describes basic characteristics of the 15 survey villages in 2016.

A **Core Group** was established in each province to participate in the Pro-Poor Policy Monitoring Project. This core group consists of five to seven members, including:

- Representatives from provincial-level agencies such as the Department of Labour, Invalids and Social Affairs, the Department of Planning and Investment, the Department of Agriculture and Rural Development, and the Ethnicity Council, and from district agencies.
- Representatives from Oxfam's local partners.

The core group is responsible for carrying out research in each of their respective survey sites. They are in control of the entire process, including planning, collection of information, and writing field reports. The core groups received training, capacity building and technical assistance from Ageless Consulting Company and from Oxfam program officers.



**Annual survey:** Oxfam's Pro-Poor Policy Monitoring Project conducts iterative annual surveys on a number of research topics. Annually, the core group returns to selected locations and conducts discussions with local officials working for different agencies and at different levels, as well as group discussions and in-depth interviews with local people who participated in the previous rounds. A number of outstanding cases who were interviewed in the first round in 2014 and the second round in 2015 were again interviewed in 2016 as part of the third round. As a result, the core group was able to compare changes in livelihoods as well as transformations in the implementation on commune-level planning reform and financial decentralization from year to year.

The third round of Poverty Reduction Policy Monitoring and Analysis was conducted between **April and June 2016**. The fieldwork lasted for seven days at each of the survey sites.

Information was collected using the following tools:

- Group discussions were conducted with representatives of provincial, district and commune authorities, with key informants, and with local people, in order to gain a better understanding of advantages and difficulties encountered in the implementation of poverty reduction policies at different levels of governance, and to collect people's feedback on service access and delivery. In total, there were **187** group discussions conducted with **689** local people and government officials. **441** people in the group discussions were male and **248** were female. **308** were from the Kinh ethnic group and **381** were from ethnicity groups. During group discussions, participants discussed key issues with facilitation provided by the researchers. A number of participatory visual tools were applied during these group discussions, such as timelines, problem trees, grading, listing and ranking.
- In-depth interviews were conducted with representatives of provincial, district and commune authorities, with key informants and with local people in order to better understand people's opportunities to access policies,

and the effectiveness of this access. In total, **177** in-depth interviews were conducted with local people and with government officials at provincial, district, and commune levels. **105** of the interviewees were male and **72** were female. **23** were from the Kinh ethnic group and **154** were from ethnicity groups. Repeat interviews were conducted among **76** outstanding cases from 2015, including **40** males and **36** females. **12** of these interviewees were from the Kinh ethnic group and **64** were from ethnicity groups. In-depth interviews were based on a list of open questions, and were often conducted at the interviewee's house together with direct observation of household conditions.

- Photographs: The research team took photographs of household living conditions, livelihood activities and facilities at the survey sites (asking for permission where necessary) with the aim of collecting additional visual information.
- A desk review of legal documents, reports, and statistics collected at the central and local levels was conducted to provide an overview of the different research topics.
- Consultations with ministries and sectors were conducted through conferences and workshops on reforming commune-level planning. Technical assistance was provided to MPI on amending the management regulations of the NTPs, and to the Ministry of Labour, Invalids and Social Affairs (MOLISA) and MARD on the preparation of a planning manual for the implementation of the NTPs.

The information collected through qualitative research methodologies was verified during information analysis and reporting through triangulation of different data sources, including local reports, group discussions, in-depth interviews, and observations by the research team.







## 2. REFORMING COMMUNE-LEVEL PLANNING

### 2.1. THE REALITY OF REFORMING COMMUNE-LEVEL PLANNING OVER THE PAST THREE YEARS (2014-2016)

#### 2.1.1. Policy framework for the reform of commune-level planning

*Participatory planning for the implementation of NTPs associated with commune-level socio-economic development planning attained a legal basis in late 2016.* The Prime Minister's Decision No. 41/2016/QĐ-TTg dated October 10, 2016 on promulgating the management regulations for the implementation of NTPs stipulates, for the first time, that: (i) planning for the implementation of NTPs must be associated with commune-level socio-economic planning; and (ii) the planning process for the implementation of NTPs must involve the government, mass organizations, beneficiaries and the community.

The Prime Minister's Decision No. 1722/2016/QĐ-TTg dated September 2, 2016 on approval of the NTP-SPR for the period 2016-2020 also stipulates the integration of five-yearly and annual planning for the implementation of the NTP-SPR with the overall five-yearly and annual socio-economic planning process at the commune level, with the participation of commune officials, local organizations, mass organizations and the community.

MPI's Circular No. 01/2017/TT-BKHDT dated February 14, 2017 on guiding the commune-level planning process for the implementation of NTPs provides specific regulations on the participation of local organizations and residential communities in the process of proposing and selecting investment projects to be included in the medium-term and annual commune-level investment plans.<sup>8</sup> On the basis of these newly-issued documents, MOLISA and MARD are developing two manuals guiding participatory planning for the implementation of NTPs associated with commune-level socio-economic planning. These manuals will provide a reference for provinces on the application of the new regulations.

*However, the legal framework for commune-level socio-economic planning itself has yet to be finalized.* Regulations on commune-level socio-economic planning have yet to be institutionalized through laws, decrees or circulars. So far, only the Ordinance on the Exercise of Democracy in Communes, Wards and Towns (the "Grassroots Democracy Ordinance", 2007)<sup>9</sup> has stipulated principles for people's participation in commune-level socio-economic development planning, stating that: (i) the socio-economic development plan is to be publicized to the people; (ii) the draft socio-economic development plan is to be commented on by the people prior to its approval by the designated agencies. The absence of general guidelines on commune-level socio-economic planning from central to commune levels leads to the following limitations and challenges:

- The reform of commune-level planning within each locality and each project remains limited. The main reason for this is that provinces without donor-funded projects lack the motivation and resources to reform commune-level planning.<sup>10</sup> A key challenge is the sharp decline in these localities from 2016 onwards in the number and funding levels of donor-funded projects on planning reform.
- Provinces have developed different commune-level planning processes based on the directions and priority focus of different donor-funded projects, leading to the waste of resources. In addition, recent donor-funded projects have focused on supporting the reform of commune-level socio-economic planning, and have not paid much attention to supporting the reform of planning for the implementation of NTPs in association with commune-level socio-economic development planning.<sup>11</sup>
- There is a risk that the quality of commune-level planning will deteriorate after the end of the donor-funded project.
- In Quang Tri and Nghe An provinces, following the completion of donor-funded projects

for planning reform, anticipated follow-up activities (such as the issuance of commune-level MSE manuals and district-level planning manuals) have not taken place. The cessation of project funding was also cited as one reason for the decline in the provision of support to the commune level from the district-level working group on planning. The DPI staff in these two provinces stated that it is very difficult for poor provinces that are dependent on the central budget to allocate adequate funds for training and guidance activities on commune-level planning in the absence of official regulations from the central level.

**2.1.2. Implementation of commune-level socio-economic planning reform in survey provinces over the past three years**

In recent years, commune-level socio-economic

planning reform has been conducted in 30 provinces across the country, including the seven survey provinces, with financial and technical support from donor-funded projects. The decentralization of project resources to the commune level has been an important driving force for the reform of planning (see Annex 2 for a description of the commune-level socio-economic development planning process).

***The replication and institutionalization of commune-level socio-economic planning in the seven survey provinces has undergone positive changes over the past three years.*** Table 2 shows that, by 2016, the PPC in four of the seven survey provinces, Hoa Binh, Quang Tri, Nghe An and Lao Cai, have issued official decisions on the annual participatory SEDP process; in the remaining three provinces, Ninh Thuan, Dak Nong and Tra Vinh, the PPC have issued a planning manual for applying the new methodology (revised several times), which is to be applied throughout the province in future.

**Table 2. Positive changes in reforming SEDP at the commune level in the seven survey provinces over the past three years (2014-2016)**

	2014	2016
Lao Cai	<p>Yet to be institutionalized</p> <p>Only piloting the planning reform in communes under NMPRP-II and Oxfam assistance</p> <p>Funding for planning reform mainly comes from donor-funded projects</p>	<p>Institutionalized in 2015<sup>12</sup></p> <p>Annual budget allocated for commune-level planning (from the district budget)</p>
Hoa Binh	<p>Already institutionalized in 2010<sup>13</sup></p> <p>Annual budget allocated for commune-level planning</p>	<p>Reform of commune-level planning maintained</p> <p>Stipulation of the integration of Program 135 planning and annual commune-level planning</p> <p>Five-year commune-level SEDP process issued in 2015<sup>14</sup></p> <p>Annual budget allocated for commune-level planning maintained</p>
Nghe An	<p>Institutionalized in 2014<sup>15</sup></p> <p>Budget yet to be allocated for commune-level planning</p>	<p>Reformed commune-level planning is being maintained</p> <p>Annual budget allocated for commune-level planning</p>
Quang Tri	<p>Institutionalized in 2011<sup>16</sup></p> <p>Annual budget allocated for commune-level planning</p>	<p>Reformed commune-level planning is being maintained</p> <p>Funding for planning work has been included in the commune’s regular budget expenditures</p>
Ninh Thuan	<p>Yet to be institutionalized</p> <p>Training and application of the process in communes under Tam Nong project region (IFAD)</p> <p>The budget for planning reform is mainly funded by the Tam Nong project (IFAD)</p>	<p>The commune-level planning process has been replicated throughout the entire province</p> <p>The budget for planning reform is mainly funded by the Tam Nong project (IFAD)</p> <p>To be institutionalized in future</p>



<b>Dak Nong</b>	<p>Yet to be institutionalized</p> <p>Training and application of the process in communes under the 3EM project region (IFAD)</p> <p>The budget for planning reform is mainly funded by the 3EM project (IFAD)</p>	<p>The commune-level planning process has been replicated throughout the entire province</p> <p>A revised commune-level planning manual has been issued</p> <p>The budget for planning reform is mainly funded by the 3EM project (IFAD)</p> <p>To be institutionalized in the future</p>
<b>Tra Vinh</b>	<p>Yet to be formally institutionalized, however a PCC document was issued to allow application of a commune-level planning manual throughout the province in 2012</p> <p>Annual budget allocated for commune-level planning (20 million VND per commune per year)</p>	<p>Yet to be officially institutionalized</p> <p>Reformed commune-level planning is being maintained throughout the province</p> <p>Continuing to amend the commune-level planning manual, integrating climate change adaptation into planning work</p> <p>Annual budget allocated for commune-level planning remained (20 million VND per commune per year)</p>

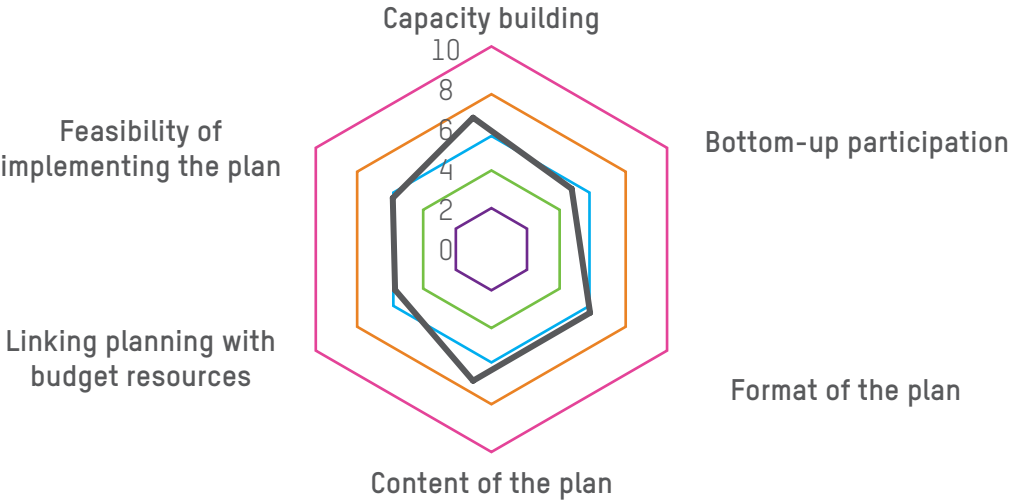
Source: Group discussion among DPI officials in the 7 survey provinces

2.2. EFFICIENCY OF REFORMING PARTICIPATORY COMMUNE-LEVEL PLANNING DURING THE 2014-2016 PERIOD

The effectiveness of reforming commune-level planning was measured according to the following six aspects: (i) capacity building for grassroots officials; (ii) the people’s bottom-up participation; (iii) the format of the plan; (iv) the

contents of the plan; (v) the linking of planning to budget resources; and (vi) the feasibility of implementing the new plan. The assessment of the effectiveness of the commune-level planning reform over the past three years (2014-2016) by the group of commune-level officials (which mainly includes the core members of the commune planning team) in 14 survey communes<sup>17</sup> indicates that improvements in the format and contents of the commune-level plan are rated the highest, while the linking of planning to budget resources and the feasibility of the plan are rated the lowest. (Figure 1).

Figure 1. Commune officials’ assessments of the effectiveness of commune-level planning reform over the past three years (2014 - 2016)



Source: Group discussions involving staff of the surveyed communes

### 2.2.1. Capacity building

In general, planning capabilities in the survey communes have improved over the past three years, but improvements have not been evenly distributed among the different locations. Capacity building for village core groups has remained limited, and efforts to regulate local capacity building activities have been lacking.

#### **Provinces have paid attention to implementing capacity building measures for planning reform.**

This is clearly manifested in a number of ways. Core groups have been formed and fine-tuned at the provincial and district levels. The planning process has been tested and piloted in several communes in order to draw lessons from

experience and make necessary modifications before wider replication. Planning has been embraced within the curricula of local schools and within capacity building programs for public servants at the provincial level. Funds have been provided for training by districts on planning activities, and additional regular funding has been allocated for the planning activities of the communes.

In some provinces in particular (Lao Cai, Dak Nong and Ninh Thuan), commune-level planning work has received strong support from community facilitators supported by donor-funded projects (Table 3). When capacity building measures for planning reform are institutionalized by the provincial level, they become highly sustainable.

**Table 3. Capacity building measures for commune-level planning work over the past three years (2014 - 2016)**

Capacity building measures	Lao Cai	Hoa Binh	Nghe An	Quang Tri	Dak Nong	Ninh Thuan	Tra Vinh
Establishing core groups on planning at the provincial and district levels to support the commune level on planning work	x	x	x	x	x	x	
Testing and piloting in a number of communes before widespread replication	x	x	x	x	x	x	x
Embracing planning within the curricula of local schools or in capacity building programs for province-level public servants		x	x	x	x	x	
Allocating regular funding for training activities on planning (for districts)		x					x 30 million VND/ district/ year
Allocating additional regular funding for planning activities (for communes)	x 2 million VND/ commune/ year VND200,000/ village/ year <sup>18</sup>	x 7 million VND/ commune/ year <sup>19</sup>	x needy mountainous communes: 7 million VND/ commune/ year; remaining communes: 6 million VND/ commune/ year <sup>20</sup>	x 5 million VND/ commune/ year <sup>21</sup>			x 20 million VND/ commune/ year <sup>22</sup>
Community facilitators directly support planning in project communes	x NMPRP II				x 3EM	x Tam Nong	

Source: Group discussions and in-depth interviews among officials of the survey provinces, districts and communes



***The TOT training method on reforming commune-level planning is considered to be the most effective.*** Most of the survey provinces have applied the TOT method with support from donor-funded projects. Hoa Binh province has taken the lead in applying the TOT method to enhance planning capacity at the commune level. Hoa Binh's success is attributed to: (i) Developing a staff of provincial-level source teachers

specialised in commune-level planning; (ii) Selecting and training district-level TOT core group members who are capable of teaching and supporting the commune level; (iii) Regular supervision from DPI officials, who draw out experiences and provide additional technical support for the district- and commune-level planning teams when necessary. (Box 1).

### **Box 1. Applying the TOT method for the reform of commune-level planning in Hoa Binh province**

In 2010, Hoa Binh became the first province in the country to institutionalize a participatory commune-level SEDP process. The province has successfully applied the TOT method in order to build planning capacity at the commune level with support from donor-funded projects (JICA, SDC, Helvetas, etc.).

***Hoa Binh developed a staff of province-level source teachers with teaching expertise prior to the institutionalization of the commune-level planning reform process.*** From the beginning of the implementation of commune-level planning, before it was yet institutionalized, the provincial DPI collaborated with the School of Economics and Technology and the Provincial Political School to send lecturers to participate in the planning core group at the provincial level (six from each school). This early participation provided these source lecturers with a better understanding of the planning process. They were able to apply this understanding in their teaching on planning, and it resulted in increased commitment from the lecturers and their schools after the conclusion of the project. After participating in this project, both schools embraced "Commune-level planning" within their curricula, helping their students—both current and potential commune officials—to develop a firm grasp of the participatory commune-level SEDP process.

***The province selected members of district-level TOT core groups.*** Five to seven officials were chosen from each district to participate in the district-level TOT core group. These selected officials were able to communicate well and were committed to supporting the communes within their districts on the reform of planning work. The TOT core group from each district participated in many training sessions on reforming commune-level planning and on soft skills (including PRA, facilitation, presentation, and report writing skills). During the term of the donor-funded projects, the district-level core group received financial support to provide guidance and conduct support activities for the commune level. Once the project ended, the members of the core group still continued supporting the communes when required, even though the project funds were no longer available.

***DPI officials provided supervision, drawing out experiences from the teaching activities of the source lecturers and providing technical support for the district and commune planning teams when necessary.*** Initially, training sessions for the district-level core group were supervised by DPI officials. During or after these classes, a discussion would be held between the DPI officials and the lecturers to draw out experiences. In parallel to the training activities, DPI officials also followed up the project core groups at the district and commune levels, supporting them during the implementation of the process.

*"The staff of source lecturers have very good teaching methods but still need in-depth support from DPI concerning the process. We visit districts and communes and share our phone numbers so that we can provide immediate support when they call. Both the source lecturers and the DPI officials have contributed to the current proficiency of districts and communes."*

(DPI male official, Hoa Binh)



**However, capacity building for village-level working groups remains very limited.** Most of the working groups in the survey villages are still very dependent on support from members of the commune-level working group and on the community facilitators from donor-funded projects. Only about 25 percent of the village-level planning working teams can directly guide villagers to discuss planning, and almost none of the village-level working groups can fill in the village-level planning forms themselves in accordance with the logic of connecting problems, causes, solutions and activities. This situation has not improved significantly over the past three years.

The assessment of the past three years indicates that the survey communes have not yet made good use of the annual conference on the implementation of commune planning to train and guide village leaders. The majority of the survey communes only organized a half-day conference. Some communes even included this conference in the regular CPC briefing meeting. The time allowed for the conference is only sufficient for dissemination of the commune's instruction documents and assigning planning tasks to the participants. No commune has applied the "on-the-job training" method in order to strengthen capacity at the village level (e.g. gathering the village working groups together in one village to demonstrate the planning process and to draw out experiences prior to replication across all villages in the commune). In other words, the TOT methodology has already been

implemented from the provincial level to the district and commune levels, but has yet to come to the village level which works directly with the people in the planning process.

*"We do not hold a separate meeting but integrate it in the commune's briefing meeting, during which the CPC chairman presents issues and assigns tasks to participants."*

(Staff of La Pan Tan commune, Muong Khuong district, Lao Cai)

**There is a shortage of resources to enhance capacity for communes that are not among focal communes of donor projects.** Staff of extended communes such as Tam Ngai (Tra Vinh), Hien Luong and Tan Pheo (Hoa Binh) gave a relatively low mark to the capacity building aspect of reforming commune-level planning. These communes do not receive support from the beginning stage of donor projects, so the planning capacity of members of the commune-level working group remains limited. Taking Ban Xen commune, Muong Khuong district (Lao Cai province) for example, although the province has already institutionalized the participatory commune-level planning process since early 2015, commune officials have yet to be trained on planning because it is an extended commune outside the NMPRP-II. In 2016, Muong Khuong district (Lao Cai) planned to allocate district



budget to provide training on planning for the extended communes; however, financial difficulties prevented the plan from being implemented, even until the survey time (June 2016).

***The need for retraining and regular training on planning has yet to receive adequate attention.***

Capacity building on planning is a continuous process, especially for mountainous and ethnicity communes where commune officials' capabilities remain weak. In late 2015 following the organization of Party congresses at the commune level, there were significant personnel changes. There have also been frequent personnel changes due to promotions, job transfers and dismissals. Statistics from the survey communes show that about 20 percent of the members of the commune-level working group on planning had changed after three years (2016 compared to 2014), with the level of change in some communes even reaching 50 percent, for example in La Pan Tan commune (Lao Cai). It is even more concerning to note that in the majority of communes, the CPC chairperson or vice chairperson in charge of the planning division (i.e. the head of the commune-level working group on planning) also changed during this period. With the exception of Hoa Binh and Tra Vinh provinces, the survey provinces had yet to allocate regular training budgets on planning for the district level. Moreover, key members of the working group on planning at the commune level in some survey areas (such the CPC chairperson or vice chairperson, officials responsible for statistics, and commune accountants) could not arrange their work in order to participate, sending others to the training classes on planning in their stead. This had a significant influence on the implementation of the new planning process at the commune level.

***There has been no coordination of capacity building activities at provincial and district levels.***

One challenge often noted by provincial and district officials is the small size of the regular budget for capacity building as a whole and for capacity building on planning in particular for grassroots officials and communities.<sup>23</sup> Nevertheless, the managing agencies of NTPs, projects and programs have not worked closely with each other to develop a joint and coordinated capacity building scheme at provincial and district levels, leading to overlaps in

the capacity building activities conducted by each agency, program or project as well as to limited efficiency in the use of resources. Staff from the survey communes said that, over the past three years, the communes had received information on many different training courses organized by different projects and programs, with no connection between these activities. Some courses were similar in terms of contents and participants, leading local officials and people to feel "too full" of training.

*"Based on a preliminary calculation, the commune receives dozens of training courses each year from the higher levels. For example, the agricultural department organized a training course on tea farming, so the commune selected the right participants as required. The agricultural extension station organized a training course on pig farming, so the commune again selected the right participants. The WB project (NMPRP-II) also featured a lot of training classes. If we don't pay careful attention, we will have no idea which project each training course belongs to. The commune is informed separately about each course by the party that is organizing it, and we don't see any link between them. I find it really wasteful. For example, combining the training courses under Program 30a, Program 135 and the WB project's training programs would help to reduce costs and to increase efficiency."*

(Staff of La Pan Tan commune, Muong Khuong district, Lao Cai)

*"In just one month, I received a lot of dispatches on different training courses. In the village, one household that was participating in training course for one week received an invitation to another training class scheduled the following week. Particularly during the period of disbursement, agencies tend to organize constant training programs to ensure progress. The training contents sometimes overlap with each other. When the commune questioned this, they explained that the courses come from different programs, and they told the commune to carry out the training activities in line with each dispatch."*

(Staff of Phuoc Dai commune, Bac Ai district, Ninh Thuan)

### 2.2.2. Bottom-up participation

Bottom-up participation at commune-level SEDP process over the past three years (2014–2016) was assessed as quite good by the staff of the surveyed communes. In general, people’s opportunity to participate and level of participation received relatively positive assessments, whereas the capacity and quality of participation still require significant improvements.

Staff at all levels and people in the survey areas said that ***the strongest point of the new planning process is that it provides opportunities for bottom-up participation.***

Instead of planning being made with the participation of only a small group of commune officials responsible for planning work, with many targets and contents imposed from the higher level as in the traditional method, the new approach gives villagers, departments and units in the commune the opportunity to propose their priorities to the commune working group on planning for integration into the commune plan. Through the implementation of this participatory process, village leaders and villagers recognized the benefits of planning reform, such as “hearing the people’s opinions”, “classifying needs by order of priority”, and “providing support that better serves the needs of the people”.

*“The strongest point of the new planning process is that it features bottom-up participation. The province also finds this method to be effective, and strongly supports the reforms.”*

(DPI staff, Lao Cai)

*“The new planning process doesn’t just allow us to participate in contributing opinions to the plan. Some departments also participate in the working group on planning, and take charge of collecting information from the villages. I find it more democratic than before.”*

(Staff of Hien Luong commune, Da Bac district, Hoa Binh)

*“This type of planning is good because it offers us the chance to raise the village’s issues*

*to the higher level. It was much more difficult to collect opinions previously, because there were no village meetings. I think this type of planning should be maintained.”*

(Member of the core group of Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

*“The people’s voices allow the commune to know what field needs to be supported and which village is in need of investment. In this way, the investment resources will be distributed adequately.”*

(Member of the core group of No. 7, Quang Khe commune, Dak Glong district, Dak Nong)

*“As the village’s proposals are approved by the people and included in the commune plan, the villagers will be willing to sacrifice their land and trees.”*

(A respected person in Phu Thieng village, Mo O commune, Dakrong district, Quang Tri)

***Generally, the level of people’s participation in meetings meets the requirements set out in the provincial guidance manuals.*** More than 50 percent of village households participating in village planning meetings in each of the three years at most of the survey sites, with the rate reaching 90 percent in some villages. In Dak Nong, survey villages have more than 50 households, so only 30 representative households were invited as stipulated. In Tra Vinh, it was difficult to bring all households together due to the large number of households in the survey villages (433 households in O Mich village, and 822 households in Ngoc Ho village). Therefore, the village meeting on planning only featured the participation of a small group of 20–30 people, including village leaders and representatives of some outstanding households in the village.

***The ratio of poor households attending village meetings on planning in each of the three years in the survey villages satisfied the requirements set out in the provincial guidance manuals,*** being equivalent to or even higher than the ratio of poor households in the village’s annual poverty assessment list. (Table 4).



*“We are economically poor but not poor in raising our voice. I attend all of the village meetings and share my opinions. The commune secretary’s house does not have enough room for us all, so people sit under the floor as well to listen. Anyone who wants to raise their voice is invited onto the*

*floor to make a statement, and everyone has the chance to speak at the meeting.”*

(Female, Thai ethnicity, 26, Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

**Table 4. The rate of poor households participating in village meetings on planning over the past three years (2014 - 2016)**

Province	District	Commune	Village	Rate of poor households (%)					
				Participating in the planning meeting in 2014	According to the late 2013 poverty assessment	Participating in the planning meeting 2015	According to the late 2014 poverty assessment	Participating in the planning meeting 2016	According to the late 2015 poverty assessment
Lao Cai	Muong Khuong	La Pan Tan	Tin Thang	53	55	51	51	55	54
		Ban Xen	Phang Tao	-	30	-	11	-	29
Hoa Binh	Da Bac	Tan Pheo	Bon	45	45	44	44	50	45
		Hien Luong	Dung	-	57	-	48	-	-
Nghe An	Quy Chau	Chau Thang	Xet 2	48	43	44	38	45	55
		Chau Hanh	Khe Han	NA	59	42	42	NA	65
Quang Tri	Dakrong	Mo O	Phu Thieng	61	25	50	25	61	44
		Dakrong	K’Lu	45	41	41	30	NA	57
Dak Nong	Dak Glong	Dak Som	Thon 3	48	45	60	49	50	31
		Quang Khe	Thon 7	20	60	30	55	30	52
Ninh Thuan	Bac Ai	Phuoc Dai	Ma Hoa	42	34	35	28	66	62
	Ninh Phuoc	Phuoc Hai	Thanh Tin	_24	12	-	8	_25	20
	Ninh Hai	Vinh Hai	Da Hang	28	36	40	29	74	71
Tra Vinh	Cau Ke	Chau Dien	O Mich	34	25	50	12	33	11
		Tam Ngai	Ngoc Ho	NA	7	20	6	27	6

Source: Officials of survey communes in 2014, 2015 and 2016

Most planning processes do not include women. Only one out of seven provinces surveyed requires at least one woman to take part in the commune-level working group on planning. Three out of seven provinces require at least one woman to participate in the village-level working group.

In reality, in most surveyed villages, the percentage of women participating in village meetings is relatively high. In some villages, women make up the majority of participants: in Ma Hoa village (Phuoc Dai commune, Bac Ai district, Ninh Thuan), women’s participation reached 70% over the past three years, while

in Dung village (Tan Pheo commune, Hoa Binh), women’s participation rates averaged 65% over the same period. However, there are still a number of villages with limited women’s participation in planning meetings such as K’Lu village (Dakrong commune, Quang Tri) – about 20%, Village 3 (Dak Som, Dak Nong) – about 30%, and Khe Han village (Chau Thang commune, Nghe An) – about 40%.

The quality of women’s participation in planning meetings significantly varied among surveyed sites. Kinh ethnic women and ethnicity women in lowland areas have more opportunity to socialise, as in the Nung and Tay ethnic groups in Phang

Tao village (Ban Xen commune, Lao Cai), Muong ethnicity in Dung village (Hien Luong commune, Hoa Binh), and Thai ethnic women in two survey sites in Nghe An. These women are quite confident in putting forward their own opinions. In contrast, ethnicity women in highland areas have less opportunity to engage in social exchanges, such as Hmong women in Tin Thang village (La Pan Tan commune, Lao Cai) and Van Kieu women in Phu Thieng village (Mo O commune, Quang Tri). When highland women attend planning meetings, they tend to be passive and do not share their opinion much.

*"Many women participate in meetings here. When the village leader puts forward an issue, we will not hesitate to share our opinion because we are all knowledgeable. In our village, men are not superior to women."*

(Male leader of Dung village, Hien Luong commune, Da Bac district, Hoa Binh)

*"We invite women to meetings and they even attend meetings on behalf of their husbands. However, they do not say anything and only smile. Their husbands tell them to go so that their household would have at least one person in attendance."*

(Male leader of Tin Thang village, La Pan Tan commune, Muong Khuong commune, Lao Cai)

Participatory planning creates opportunities to promote community empowerment in investment activities. The planning process in four of the seven survey provinces (Quang Tri, Lao Cai, Nghe An and Dak Nong) clearly distinguished between activities that could be done without external financial resources and activities that required external financial resources. In some survey villages, when people were informed about the mechanism "the state and the people work together" (based on what the state or the investor supports, what the people contribute, whether the community can organize the implementation by themselves or not, etc.), people and grassroots officials discussed measures to make use of available resources in the community to invest in a number of small projects.

*"When asking for a road, the village knew that it was impossible to ask for the entire cost of the road, and that the State would only support a certain amount of cement while the people would have to contribute the remaining amount."*

(Secretary of Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

However, **people in most of the survey villages still paid a lot of attention to "asking for state support" when participating in planning.** Most village core groups and interviewed households over the past three years still considered the village meeting on planning as a platform to "propose to the higher level" the needs of families and the village. People often evaluate the effectiveness of planning based on what support their village receives, so some people were less interested in this activity when the level of support did not meet their expectations.

*"The people in the village still participate actively in the planning meeting, but they are far less active than before. We have asked for a ditch for years but it has yet to be approved. The local cultural house has yet to be renovated. During the meeting, some households say that there is no need to make proposals because they will not be approved by the higher level. I think it is not effective."*

(Member of the core group of Bon village, Tan Pheo commune, Da Bac district, Hoa Binh)

*"Commune officials were present at the planning meeting, but we have not received any further information since then. The village has asked for a road project but has no idea whether or not the proposal has been approved."*

(Male, 60, Thai ethnicity, Khe Han village, Chau Hanh commune, Quy Chau district, Nghe An)

The grassroots officials and residents in the survey areas often attributed the low quality of participation by poor people in the planning process to inherent challenges and limitations, suggesting that they suffered from an inferiority complex, had limited understanding, were too busy earning a living, only cared about



the difficulties and specific needs of their families, were reluctant to raise opinions that were different from those of the officials, and were reluctant to identify contributions due to household economic constraints. There is also a risk that the opinions of the poor and of specific vulnerable groups will be outweighed by those of the group of officials and well-off households when “voting by majority” is applied.

In the survey sites over the past three years, **members of the commune and village working groups on planning have yet to be trained on the “ABCD” approach<sup>26</sup>** and also have yet to integrate the ABCD approach into the village-level planning process. As a result, there has not yet been facilitation to enhance the confidence, substantive participation, and voices of the poor and of vulnerable groups as well as the roles of farmer groups and community institutions in planning, in order to connect and reasonably mobilize the community’s internal resources together with outside resources for the implementation of community initiatives.

In addition, **inadequate implementation of the “consultation-feedback”<sup>27</sup> process adversely affects the transparency and accountability of the planning process.** Although the commune-level planning process in all survey provinces includes the “consultation-feedback” step, during the past three years only two survey communes in Nghe An province organized community consultations for the draft plan. After communes sent their plans to the district level, the district level, for various reasons, did not send feedback to the communes (the most important reason for this was that the district was not clear about the availability of resources for implementation of the commune plans), so the communes also did not publicize the draft plan or consult with the community and stakeholders. As the commune authorities did not carry out the “consultation-feedback” step, villagers lacked the opportunity to know whether their priorities had been included in the commune plan, and did not have an opportunity to raise their voice regarding the draft plan.

*“There was a meeting on planning, and afterwards the village head submitted the proposals to the*

*commune. People like us have no idea which proposals of the village have been included in the commune plan. We also do not know whether we will be informed by the commune level or not. Only when activities are actually implemented in the village can we know which ones have been included in the plan.”*

(A member of the core group of Bon village, Tan Pheo commune, Da Bac district, Hoa Binh)

*“There was a meeting on planning, and priorities were selected, but I do not remember anything now. The village plan was submitted to the commune, and there is nothing left in the village. I also have no idea whether the commune will include the village’s proposed activities in the commune plan or not.”*

(Tin Thang village leader, La Pan Tan commune, Muong Khuong district, Lao Cai)

### 2.2.3. Format of the plan

Over the past three years, the format of the commune plan has improved considerably. The majority of the survey communes gave a good assessment of the format of the plan based on the new methodology. In 2014, about half of the survey communes said they were unfamiliar with the new way of presenting the plan, and had filled out the forms incorrectly or incompletely. Delayed submission of the plan was quite common. By 2016, most of the survey communes were familiar with the new planning process, with few cases of filling out the forms incorrectly or incompletely, and half of the communes submitting their plan on schedule. On a larger scale, as informed by the provincial DPI staff, by 2016, most of the survey provinces had one third or more of all communes applying the standard planning process, reflecting investment from all sources and meeting the format requirements for a good plan as instructed in the provincial manual. Notably, 100 percent of the communes in Hoa Binh province were positively assessed as applying the standard planning process, while 80 percent of commune plans met the format requirements for a good plan as instructed in the provincial manual. (Table 5).

**Table 5. Commune-level planning activities as assessed by DPI officials, 2016**

Province	Rate of communes ensuring planning progress as stipulated (%)	Rate of communes performing standard planning process, reflecting investment from all sources (%)	Rate of communes meeting the format requirements for a good plan as instructed in the provincial manual (%)
Lao Cai	15	40	35
Hoa Binh	90	100	80
Nghe An	7	NA	10
Quang Tri	20	50	35
Dak Nong	20	NA	32
Ninh Thuan	NA	45	50
Tra Vinh	50	55	40

Source: Estimates of DPI staff in the seven survey provinces

*In localities where simple software has been applied (Hoa Binh, Quang Tri, Nghe An and Lao Cai), commune officials have become more comfortable with the process of synthesizing plans, and the logic between different parts of the plan has become more coherent.* Realizing the need to apply software in planning, in early 2016, Tra Vinh province carried out training on the use of a spreadsheets-based software application (Excel) to support the planning activities in 49 communes (including both project communes and those where the approach was replicated).

However, *throughout the process of piloting in some communes followed by institutionalization across the entire province, standardization of the format of the plan remains difficult.* For example, although Nghe An province officially institutionalized the process from early 2014 onwards, by 2016 very few of the ‘replication’ communes had met the format requirements for a good plan as set out in the provincial manual. Other provinces experienced similar challenges; the communes receiving positive evaluations of their planning progress, process and format had often been the initial pilot communes of projects and programs supporting planning reform.

*“We see a lot of differences in the format of the plan. It is quite good in the case of communes in Quy Chau district, but really bad in the case of communes in other districts. They are ‘replication’ communes, and we only expect them to go as far as they can in implementing the new approach. Nghe An is a big province, with nearly 500 communes,*

*so there are very few pilot communes within the entire province.”*

(DPI staff, Nghe An)

*“Now we can only assess progress within the scope of project communes. It remains very difficult to do so in the ‘replication’ communes. Project communes have economic and technical resources, so they are more competent and motivated than others. As for the ‘replication’ communes, it is a big success if they are able to get down to work. The issue of ensuring the progress, process and format of the plan has to be considered later on.”*

(DPI staff, Lao Cai)

*In some communes, two commune plans co-exist.* A small number of the survey communes regarded the participatory plan as “the plan to be submitted to the project”, in order to receive the project’s resources, while the traditional plan (in the form of a report “reviewing the year X and setting out tasks for the year X+1” of the CPC) was still considered the official plan to be submitted to the commune People’s Council.

*“The commune collects information from villages and local departments to include in the Tam Nong project plan for implementation in the following year. At the end of the year, the commune still submits the regular plan to the People’s Council as usual.”*

(Staff of Phuoc Hai commune, Ninh Phuoc district, Ninh Thuan)



#### 2.2.4. Content of the plans

Over the past three years, the content of plans in the survey communes has also improved significantly. Commune officials were quite consistent in assessing the effectiveness of improving the content of commune plans as being “fairly good” or better.

Local officials and people in the survey communes said that ***the priority activities identified in the commune plan reflected the needs of the people***. The priorities identified in the commune plans were synthesized from the priorities identified by each village, so they accurately reflected the local reality. Linking problems, causes, solutions and activities has improved compared to previous years. In the earlier years, communes focused on planning for the project and planning in order to ask for support, leading to the identification of solutions and activities that were often not associated with the analysis of problems and causes. As of now, this situation still exists but is less common than before.

*“The plan is for the people. The activities included in the plan are proposed by the people themselves, not by the commune.”*

(Staff of Chau Thang commune, Quy Chau district, Nghe An)

*“Village proposals are accepted and are included in the commune plan. The commune plan is the synthesis of the village proposals, so the people are very happy.”*

(Member of Ma Hoa village core group, Phuoc Dai commune, Bac Ai district, Ninh Thuan)

*“Previously, we included whatever activities we liked in the commune plan, but now we have to analyze the real situation in order to choose priority activities. In general, the activities in the commune plan are now closer to the real situation.”*

(Staff of Hien Luong commune, Da Bac district, Hoa Binh)

***However, cohesion between bottom-up and top-down aspects remains a big problem in the content of the plans of the survey communes***

***during the past three years.*** Commune officials in all survey communes said that it remains difficult to link specific proposals from the village level with the objectives, targets and development orientations of the commune and district. Communes often select priority activities based on the New Rural Development approach and local restructuring, whereas suggestions from the people are often focused on small-scale and scattered activities that aim to improve livelihoods and living conditions in their specific community over the short term.

Difficulties and limitations in handling the cohesion between bottom-up and top-down aspects in the content of the commune plans often stem from the three main reasons, as follows:

- Firstly, the relationship between bottom-up and top-down aspects can only be resolved effectively when the medium-term (5-year) planning is also implemented through a participatory approach. Once the mid-term plan has been formed based on the needs of the people, the annual planning can be simplified. Annual planning only needs to focus on specifying the investment roadmap and addressing issues that have arisen during the previous year. Annual planning at the commune level is very rushed (usually, there is only a period of around one month for completion, from the second week of May to the third week of June, after which communes have to submit the draft plan to the district level). This clearly demonstrates the significance of medium-term planning. However, over the past three years, most of the survey provinces (except for Hoa Binh) focused on reforming annual commune-level planning, but had yet to reform medium-term commune-level planning (including the establishment of plans and schemes).
- Secondly, during the “Preparation” step, most of the survey communes just announced the date and assigned the planning tasks. Little attention was paid to assessing and drawing out experiences from the planning process of the previous year, or to providing information about the commune’s common goals and directions in the coming year for villages to use as the foundation for their planning activities. In

fact, at the “Information gathering” stage, most districts had not yet provided information to direct the planning activities of the communes (mainly due to the unpredictability of resource availability).

- Thirdly, the planning process in all provinces includes the “commune-level planning meeting” step, which is an opportunity for commune leaders to hold discussions with representatives of the villages and departments in order to agree on solutions and activities that match both the needs of the people and the common goals and directions of the commune. However, the ability to run the discussion, to rank and score priorities, and to connect specific activities with the general objectives and orientations of commune leaders and the commune working group on planning remains limited, leading to confusion in integrating bottom-up and top-down aspects.

*“Everything is meant to be resolved during the meeting, but we face a dilemma. If we do not include the people’s proposals in the plan, it will be said that we don’t respect the people. So we still keep their proposals in the plan for gradual implementation over time.”*

(Staff of Tan Pheo commune, Da Bac district, Hoa Binh)

*“Planning according to the new methodology embraces the people’s opinions, but the people do not understand what the commune plan is for the coming period, and they just ask for what they lack. Finding the situation difficult to resolve, the commune asked the community facilitator [of the NMPRP-II project] for advice, but he himself did not know how to handle the issue. We had no other way than to balance the proposals of villages, trying to ensure that they were as close to the targets as possible. We still had to keep many proposals in order to avoid questions from the village level.”*

(Staff of La Pan Tan commune, Muong Khuong district, Lao Cai)

***The quality of information collected from villages and commune departments remains low, making it difficult to synthesize the contents of the commune plan.***

In Lao Cai, for example, according to the DPI, by 2016 about 50 percent of the 60 communes covered by the NMPRP-II project were assessed as being at the ‘good’ level in collecting information from villages and departments. With the remaining 50 percent of communes, information on many of the proposed activities is sketchy, and is mainly composed of proposals for the construction of infrastructure, with little mention of other fields, low general quality, and inadequate identification of the scale of the activity compared to the overall situation. In most of the survey communes, commune departments proposals were mainly based on the regular activities of their units, with a lack of strategic proposals aimed at sustainable poverty reduction and the application of the New Rural Development approach in the locality.

*“The proposals from many villages and commune departments are very general, and do not meet the requirements, making synthesis difficult. Afterwards, we have to do it again by ourselves.”*

(Staff of Department of Statistics, Tan Pheo commune, Da Bac district, Hoa Binh)

*“The village level is the weakest level in terms of applying information collection methodologies. Tables lack information, and recommendations are limited. The people are mostly interested in direct benefits. The problem still lies in their perceptions.”*

(Staff of Chau Thang commune, Quy Chau district, Nghe An)



### 2.2.5. Associating planning with resources

Over the past three years, linking planning with resources remained the weakest point in the reform of commune-level planning. Most of the survey communes assessed this aspect as being 'average' or 'below average'.

#### ***The predictability of resources for the commune level at the time of planning continued to be an inherent limitation over the past three years.***

The provision of information from the district level to the commune level about the scheduled resources is a step in the planning process. However, most of the survey localities had yet to implement this step because the provincial and district levels also found it difficult to forecast the resources that would be available. The commune level only receives information on annual resource allocations for the upcoming year at the end of the preceding year or at the beginning of the year in question. They have no information about resource allocations when planning work for the upcoming year is conducted during the middle of the previous year (except in the case of Program 135 funds, where there is a clear quota for each commune, and the case of the delegation of funding packages from donor projects).

*"At the time of planning, we were only aware of the Program 135 resources, and had no idea about other resources. In 2016, it was not until June that we were informed of the specific resources for that year. At present, we still have no idea of the resources for 2017."*

(Staff of Hien Luong commune, Da Bac district, Hoa Binh)

#### ***The medium-term public investment plan and clear capital allocation criteria and delegation mechanism in the NTPs for the 2016-2020 period are expected to help resolve difficulties in resource predictability for the communes.***

However, as of mid-2016, the survey communes not yet been clearly informed about the supporting resources for the commune in the period of 2016-2020. Due to a delay in issuing the NTP documents, the total medium-term investment capital had not yet been approved,

and the delegation mechanism and capital allocation criteria for the NTPs had not yet been developed. Therefore, resource predictability for the 2017 plan remains a significant problem, as in previous years. This issue is expected to be resolved in 2017 (for the 2018 plan) after policy documents related to NTPs at the central and local levels have been fully enacted and implemented.

#### ***Combining resources through commune-level planning remains very difficult.***

Staff at all levels in the survey areas realize the benefits of using the commune plan as a common foundation for combining resources from projects and programs. Over the past three years, efforts have been made to use the commune-level socio-economic development plan (SEDP) as a common foundation for planning activities for the implementation of programs or projects in a number of the survey areas. In Dakrong district (Quang Tri), for example, the commune-level SEDP has been stipulated as the common basis for planning the implementation of the production support component of Program 135, Program 30a and the NTP-NRD.<sup>28</sup> In Hoa Binh, the manual guiding the implementation of Program 135 issued by the PPC in May 2015,<sup>29</sup> stipulates that planning work for Program 135 is to be incorporated into the annual SEDP process at the commune level. However according to staff from the commune level, a lot of difficulties and challenges remain in taking further steps to combine resources to the project approach. (Box 2).

## Box 2. Difficulties in using the commune-level SEDP as a basis for integrating program and project resources

***Communes must have clear information about available resources at the time that plans are made.*** The commune staff said that in order to use the participatory plan to integrate resources and making planning for the implementation of programs or projects, the commune must be informed of the resources of programs or projects in the locality. However, this remains a big problem for the communes.

*"We need to be informed about the available resources. If not, it will be very tough for us to integrate them."*

(Staff of Tan Pheo commune, Da Bac district, Hoa Binh)

***The commune level should be appointed as the investor.*** Communes are only able to proactively allocate resources from different programs or projects to synchronously implement activities aiming to achieve the envisaged goal when they are appointed as the investor. Despite the policy having already been issued by the central level, the extent of decentralization of investments to the commune level actually depends on the will of the provincial and district levels.

*"We are only able to integrate resources when the commune is assigned as the investor. Take the power line project in Dong Minh village for instance. The district served as the investor of the lighting system along the main road, and then people in the village were responsible for the lighting system on secondary roads. If the district had assigned us as the investor, we would have combined the two components and the cost would have been much lower."*

(Staff of Chau Hanh commune, Quy Chau district, Nghe An)

***The payment and settlement formalities of projects and programs needs to be simplified.*** The biggest concern identified by commune officials in relation to combining resources is the difficult payment or settlement process at the Treasury for budget expenditures, because each program or project has its own procedural requirements. A specific guideline on unified and simple payment procedures is an important prerequisite for combining different funding sources.

*"Resource integration is good, but the biggest problem relates to settlement at the treasury. It is only when the procedures and investment dossiers are unified that we can carry out the integration of resources. As for the poverty reduction project, we wanted to integrate on-site resources, but we weren't able to do it because we didn't have permission to amend the project formalities."*

(Staff of La Pan Tan commune, Muong Khuong district, Lao Cai)

***The capabilities of the commune officials need to be enhanced.*** According to the staff of the survey communes, ensuring the capability of commune officials, in particular the owner of the bank account (i.e. the CPC chairperson) and the commune accountants in charge of financial management and estimation is an essential prerequisite for making the commune plan the common basis for integration of different resources. This requires more regular and effective capacity building activities on financial management for the commune level.

*"Resource integration requires calibration, and small errors may accumulate right from the planning step. This approach no longer just requires preliminary estimates; it requires specific estimates as*



*a clear basis for utilising different funding resources. I'm afraid that it is quite difficult in reality. It is rather difficult for my commune, and it may be very difficult for some other communes."*

(Staff of Chau Thang commune, Quy Chau district, Nghe An)

***Timely support from district-level specialised departments in charge of various projects and programs is needed.*** According to the staff of the survey communes, it is very important to have advice from the district-level specialised departments on which resources are appropriate for integration into each activity.

*"District-level specialised departments are very important because they help us to select the appropriate resources for each activity. For example, if I want to invest in a goat farming project, they will tell me whether I should use resources from Program 135 or Program 30a. In this way, it will be much easier to carry out the payment and settlement procedures."*

(Staff of Phuoc Dai commune, Bac Ai district, Ninh Thuan)

Since late 2016, after the policy on associating NTP planning with the commune-level SEDP was institutionalized, MOLISA and MARD have developed a planning manual for the implementation of the NTP-SPR and the NTP-NRD through an integrated approach. The manual is expected to be officially promulgated in the middle of 2017. This is a positive signal for the reform of commune-level planning in the direction of integration. The next issue that needs to be addressed is for local authorities to issue specific guidelines and to implement a capacity building plan for the grassroots level and the community on planning reform, so that there will be effective implementation of integrated planning of NTPs for the 2016-2020 period, facilitating cohesion between the resources from the NTPs and other projects and programs in the future.

**2.2.6. The feasibility of using the plan**

The feasibility of using the participatory commune plan (as measured by the rate of proposed activities that were actually fulfilled) is still a weak point of commune-level planning reform.

The majority of the survey communes assessed this aspect as being average or below average. However, there have been certain improvements over the past three years.

Over the past three years, ***the feasibility of the participatory commune plan, while still low, increased year by year in a number of the survey communes.*** According to Table 6, in 2015, half of the survey communes fulfilled 50 percent or more of the infrastructure activities outlined in the commune plan, compared to a figure of nearly 30 percent in 2013. Some communes, such as Hien Luong (Hoa Binh) and Chau Hanh (Nghe An), had a high rate of implementing proposed activities in 2015. According to the staff of these communes, there were two main reasons for the year-by-year increase in the feasibility of the commune plan: (i) the commune gained experience in resource prediction and did not propose an excessive number of activities, unlike in previous years; (ii) the plan met the urgent needs of the people, thus facilitating the mobilization of internal resources from the community to carry out the proposed activities.

**Table 6. The implementation rate of proposed infrastructure activities in the 2014, 2015 and 2016 commune plans**

Province	District	Commune	Implementation rate of proposed infrastructure activities in the 2013 plan (%)	Implementation rate of proposed infrastructure activities in the 2014 plan (%)	Implementation rate of proposed infrastructure activities in the 2015 plan (%)
Lao Cai	Muong Khuong	La Pan Tan	60	70	40 <sup>30</sup>
		Ban Xen	-	-	-
Hoa Binh	Da Bac	Tan Pheo	40	50	30
		Hien Luong	50	100	100
Nghe An	Quy Chau	Chau Thang	30	3	18
		Chau Hanh	40	50	90
Quang Tri	Dakrong	Mo O	10	10	10
		Dakrong	30	60	50
Dak Nong	Dak Glong	Dak Som	50	65	65
		Quang Khe	30	40	65
Ninh Thuan	Bac Ai	Phuoc Dai	10	10	16
	Ninh Phuoc	Phuoc Hai	-	-	55
	Ninh Hai	Vinh Hai	NA	NA	29
Tra Vinh	Cau Ke	Chau Dien	20	25	40
		Tam Ngai	NA	NA	60

Source: Estimated statistics of staff of the survey communes

**The participatory plan has become a management tool for the commune level.** Leaders of the survey communes in the four provinces that have already institutionalized the commune-level planning process (Lao Cai, Hoa Binh, Nghe An, Quang Tri) reported that they considered the participatory plan to be a tool for regulating the commune’s socio-economic activities. Thanks to the plan, they were able to grasp the needs of the people, thereby reducing the need to impose directions and to regulate activities. Because the proposed activities in the plan specified the scale, location, resources and people in charge, commune officials could be proactive in assigning tasks to stakeholders and found it easy to implement activities once funding sources were allocated. In these communes, the participatory commune plan was submitted to the People’s Council for approval, providing the People’s Council a basis to assess the operations of the commune authorities during the year of the plan. The plan targets assigned to the commune level were more feasible due to the two-way communications between the district

and the commune level in the planning process (unlike the previous approach where targets were imposed by the district).

*“Previously, we just considered the targets assigned by the district and compiled the implementation plan by ourselves. Now, the people can raise their voices, so the activities in the plan are closer to their needs.”*

(Staff of La Pan Tan commune, Muong Khuong district, Lao Cai)

*“Planning makes us proactive and provides us with directions to follow during the implementation process. When there are programs or projects, we can select the activities already set out in the plan, without having to conduct further meetings with the people, because the people have already proposed these activities during the planning meetings.”*

(Chairman of Chau Thang commune, Quy Chau district, Nghe An)



*"The People's Council makes assessments based on the plan that was submitted. The plan also makes it easier for us to explain the situation to the council."*

(Chairman of Tan Pheo commune, Da Bac district, Hoa Binh)

***The feasibility of many commune plans is not high due to the large number and scope of proposed activities, which far exceeds the available resources.*** This also arises from the fact that grassroots officials and people still have a mind-set of "asking and giving" during the planning process. Approximately 40 percent of survey communes' 2016 plans included more than 60 proposed activities. The plans of a number of communes proposed a very large funding amount, for example La Pan Tan commune in Lao Cai province (10 billion VND), Hien Luong commune in Hoa Binh province (24 billion VND),<sup>31</sup> and Tan Pheo commune in Hoa Binh province (38 billion VND). In the context of the current general difficulties in balancing the state budget, these communes will find it very difficult to implement their proposed plans fully.

*"It will be remarkable if we are able to plan that we have envisaged, as it will require many investment resources. If these are not available, the plan will only be partially implemented. The basic problem is the commune does not have sufficient resources to implement the plan."*

(Staff of Tan Pheo commune, Da Bac district, Hoa Binh)

*"The plan sets out a lot of activities, but only a few of them can be implemented due to a lack of resources. Poor provinces wait for resources from the central level, poor districts wait for resources from the province level, and poor communes wait for resources from the district level."*

(Staff of Mo O commune, Dakrong district, Quang Tri)

***Most of the surveyed communes still focus on proposing infrastructure projects that require large amounts of capital, and do not pay sufficient attention to proposing other activities for which capital mobilization and implementation will be easier; as a result, the feasibility of their plans is low.*** In the surveyed communes'

plans, infrastructure construction activities still account for an overwhelming proportion of the proposed activities. For example, in the 2015 plan of Tan Pheo commune (Hoa Binh), 31 of the 48 proposed activities involved the construction or repair of infrastructure works. Apart from this, there were just 11 regular activities of departments and mass organizations and six activities related to production support and livelihoods diversification.

*"The commune plan focuses mainly on requesting support for infrastructure projects, while little attention is paid to agricultural promotion and production support activities."*

(Staff of Hien Luong commune, Da Bac district, Hoa Binh)

*"Infrastructure works must be given top priority in the commune plan. Facilities are lacking because the people are still poor. In 2015, priority was given to five activities, including construction of four infrastructure facilities and one vocational training class."*

(Male, Thai ethnicity, Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

***The lack of coordination between commune-level planning and district-level planning decreases the feasibility of participatory commune-level plans.*** With the exception of Hoa Binh, Lao Cai and Quang Tri, the surveyed provinces had yet to implement district-level planning reform coordinated with commune-level planning reform. Therefore, the incorporation of the commune plan into the district plan and the provision of feedback from the district level to the commune level remained very weak. Planning of public services and planning by district-level departments was conducted according to the old approach, reducing the feasibility of the commune plan. The urgency of the annual planning process is also an important reason why the commune plan has not yet been integrated into the district plan (on July 15 each year, the district has to send the first draft of their plan to the provincial level; at that time, many communes have not yet sent their commune plans to the district, and the evaluation and incorporation of the commune plan into the district plan have not been completed yet).

## 2.3. LESSONS FROM THE IMPLEMENTATION OF REFORMS TO PARTICIPATORY COMMUNE-LEVEL PLANNING

From the analysis of the status and efficiency of commune-level planning reforms in the surveyed areas over the past three years, some key lessons for the implementation of reforms to commune-level planning in the coming time can be identified.

### ***Guiding implementation after institutionalization.***

Commune-level planning using a participatory approach, oriented towards linking the planning for the implementation of NTPs with the commune-level SEDP, has been institutionalized at the central level since the end of 2016. Based on the central level regulations, PPCs play an important role in providing specific guidance on commune-level planning in line with local conditions, emphasizing integrated planning oriented toward applying the commune-level SEDP as the common basis for prioritising investment decisions for relevant projects and programs.

***Reforms to coordinated planning at provincial, district and commune levels*** helps to balance bottom-up proposals from local people and priorities related to common objectives, strategic orientations, plans and development projects. The first important task is to reform district level planning, clearly defining the following steps: provision of information from the district level agencies on the orientation of commune planning, followed by appraisal and synthesis of the proposals of the communes into the district plan, while also providing feedback to the communes for completing the commune-level plans. A realistic timeline for the district- and commune-level planning processes will help to ensure sufficient time for carrying out the drafting, evaluation, synthesis and provision of feedback for the plans.

Reforms to five-year planning using a participatory approach (as implemented by Hoa Binh province since 2015) can help basically resolve the issue

of bottom-up and top-down harmonization. On the basis of the prepared five-year plan based on the community proposal, the annual planning will be simplified, focusing only on specifying the investment roadmap and identifying problems arising during the year.

### ***Strengthening the commitment of local leaders to planning reform work.***

The commitment from leaders at all levels (provincial, district and commune) towards planning reform is very important for achieving effectiveness. In localities with good implementation of commune-level planning reform, such commitments are reflected through specific actions, such as the PPC submitting plans for approval to the Provincial People's Council on allocating a regular budget for planning reform, and the direct involvement of the Commune and District People's Committee chairpersons being directly involved in planning work as the heads of relevant working groups on planning.

### ***Completing the process or manual for planning.***

Finalizing the process or manual for planning requires a continuous process of testing, running trials, learning and drawing lessons through practice. The surveyed provinces have applied an iterative approach to revise their process or manual for commune-level planning prior to official promulgation and province-wide application. The final process or manual for commune-level planning has been simplified to make it easy to implement and to adapt the approach to the institutional capacity of communes facing particular difficulties and communes in ethnicity areas. Incorporating market factors, gender equality, disaster risk reduction, and climate change adaptation into planning is very important, but this will be difficult for local officials and citizens to implement if it makes the planning process more complicated by adding additional tools and tables.

The manuals guiding implementation of the NTPs during the 2016-2020 period have been drafted by MOLISA and MARD following a simple and feasible approach, providing a summary of the experience of reforming commune-level planning in provinces throughout the country to date, providing a solid basis for local authorities

to issue specific guidelines and to implement reforms to commune-level planning in their respective localities.

**Ensuring predictable resources for the commune level.** Basing planning on the resources that will be available is the most important factor in increasing the feasibility of the plans. Provision by the central level of advance information on medium-term and annual resource allocations, and the development by the provincial level of a clear delegation mechanism and allocation criteria will create the opportunity for communes to predict their annual allocated capital.

**Capacity building.** In the surveyed areas, it took around three years (i.e. three planning periods) for the group of commune officials to have relatively good skills in planning, especially in mountainous communes that are facing special difficulties. As a result, provincial authorities should issue official decisions to institutionalize capacity building support on planning as a solid basis for continuously maintaining capacity building processes (including repeated training, and enhanced training) and avoiding the risk of a decline in planning quality after project funds end. The training of trainers (TOT) method, and developing new skills through a “learning by doing” approach have proven effective for capacity building on the reform of commune-level planning.

- The provincial-level core group on the planning process was most effective when the mobilized trainers from provincial training facilities (i.e. political schools, vocational training schools, colleges, and universities in the province), providing the basis for the development of a subject on commune-level school-based planning at schools for current and potential local officials.
- Capacity building for the village level has been the biggest challenge in the past three years. Apart from the objective reasons for the limited capacity of village leaders, there has also been a challenge based on the unsuitable implementation approach. Annual commune-level planning meetings have not been used by commune-level planning working teams as a

way to train and guide key members of village level planning working teams on the planning process and format. The method of “running trials and using a hands-on approach prior to large-scale replication” used for village-level capacity building (i.e. gathering village-level working teams together at a common location within the commune to implement pilot activities, then identifying lessons and replicating the models in other villages within these communes) was not widely applied.

- It is important to resolve budget difficulties for capacity building on the reform of commune-level planning by developing a unified, uniform provincial-level capacity building plan for a three- to five-year period, under the direction of the provincial-level Steering Committee for NTPs and hosted by the local Department of Planning and Investment. Resources can be mobilized from a variety of sources, including provincial budgets, and NTP and other project budgets, including the budgets of donor-funded projects. A considerable part of this budget should be devoted to the formation and maintenance of core groups (TOT groups) on planning at the provincial, district and commune levels, on funding training on planning for the district level, and on supplementing the regular budget for commune planning.

**Promoting the internal resources of the community, and promoting the role of community-based organizations.** In the majority of the survey villages, the planning process is frequently seen by local officials as being a means to “make proposals to the higher level for the provision of support.” The reason for this is that localities have not integrated the “asset-based community development” (ABCD) approach into the planning reform. The proper application of the ABCD approach will assist in tapping into the skills and resources of the community, while concurrently promoting the role of farmers’ groups and community institutions, thereby identifying asset-based community and community-led internal development activities prior to making proposals for external support. Accordingly, the provincial-level chairing agencies of the NTPs play an important role in developing guidelines for the application of the ABCD approach in the



NTPs, together with training, testing, piloting, learning and replicating the ABCD approach in local village-level communities.

***Strengthening monitoring and evaluation.***

Monitoring and evaluation on the planning format is not only concerned with compliance with the process, but more importantly with summarizing and documenting good practices, lessons learned and community initiatives on commune-level planning reform. The People's Committees and NTP Steering Committees at provincial and district levels should allocate adequate budgets for monitoring and evaluation of commune-level planning reform, and based on this monitoring and evaluation should organize conferences, workshops, field trips, and mechanisms for making practical recommendation to recognize and encourage good examples, promoting learning and sharing of experiences on commune-level planning reform.

***Sharing experiences on commune-level planning reform.*** In recent years, some provinces have actively implemented commune-level reforms

with technical and financial support from donor-funded projects. The organization of field visits and learning experiences on commune-level planning in these provinces plays an important role in introducing planning reform to further provinces. In the coming time, donor-funded projects may continue to significantly increase their scope of impact by helping to summarize, document and share experiences in provinces that have institutionalized the commune-level planning process. These lessons can be shared with provinces that have not yet reformed their commune-level planning, and which lack project funding for commune planning reform.

***Using computers to summarize planning information.***

Computerisation, including the use of spreadsheets, significantly reduces the workload for the commune-level working groups responsible for planning, through assistance on summarizing information. This improves the format and content of the commune-level plan and also facilitates the drafting, appraisal, synthesis and response to the plan from the district level.



# 3. DELEGATION OF INVESTMENT DECISION MAKING TO THE COMMUNE LEVEL AND COMMUNITY EMPOWERMENT IN IMPLEMENTING POVERTY REDUCTION PROJECTS AND PROGRAMS

## 3.1. THE ACTUAL SITUATION OF DELEGATION OF INVESTMENT DECISION MAKING TO THE COMMUNE LEVEL AND COMMUNITY EMPOWERMENT OVER THE PAST THREE YEARS (2014-2016)

### *3.1.1. The policy framework for delegation of investment decisions to the commune level and community empowerment*

#### At the central level

During the 2012-2015 period, the policy of delegating communes to become investors and to assign the implementation of works and projects to communities was clearly stated in the documentation of some large programs such as Program 30a, Program 135, and the NTP-NRD. In particular, the NTP-NRD has set out a ***specific investment mechanism applicable to projects with investment capital of less than three billion VND, requiring simple techniques.***<sup>32</sup> In such projects, the commune is the investor, simple estimates are conducted with appraisal and approval by the communes, and local people and communities are assigned to carry out the work by themselves.

*However, the specific investment mechanism in the NTP-NRD has encountered difficulties and obstacles related to process and procedures for*

#### *project implementation:*

- Decree No. 15/2013/ND-CP provides regulations for verification of technical design by specialized agencies. Many works with simple techniques and small-scale capital were still sent to the specialized departments for verification of the design, requiring more time and costs for the commune level.
- There is no specific guidance on simplification of the payment procedure, especially for public construction works carried out with State budget support in the form of construction materials.
- According to Circular No. 28/2012/TT-BTC,<sup>33</sup> voluntary donations in cash must be remitted to the Treasury, causing difficulties for the commune and village level when making payments for small and simple works under specialized mechanisms (for example, where donations are collected from local people over a prolonged period, or where contributions come from different sources).



- According to Decree No. 207/2013/ND-CP, the contract advance payment guarantee is compulsory (the guarantee amount must be equivalent to the advance payment amount). However, the commune has no legal status, so there is no advance guarantee from the banks, and the commune does not dare to stand as the guarantor. Due to the difficulty in making the advance payment, the commune usually buys on credit from suppliers, making the payment after the project is implemented and the procedures for the release of the funds have been completed. It is only since Decree No. 37/2015/ND-CP came into force that it has been regulated that “it is not compulsory to guarantee the advance payment of contracts for construction contracts with a contract value of less than or equal to one billion VND and a construction contract in the form of self-implementation, including the form of community self-implementation under the NTPs.”
- The application of specific investment mechanisms in the NTP-NRD also encountered difficulties and conflicts following the promulgation of new laws. For the 2014 Construction Law, all projects (except for individual housing projects) need to formulate a construction investment project dossier or a combined economic and technical report. The steps, procedures and competence for appraisal and approval of designs and projects under Decree No. 59/2015/ND-CP on the management of construction investment projects are much more complicated than the specific mechanisms under the NTP-NRD. Under the 2014 Public Investment Law, all projects (even small or very small projects) under the NTPs must be sent to MPI and MOF to assess the funding sources and the ability to raise counterpart funds. Under the 2013 Law on Bidding, some localities are confused during the implementation of regulations on the selection of the form of direct contracting or bidding, the approval of the bidding plans and the selection of valid tenderers for bidding packages assigned for implementation by the community according to specific implementation mechanisms.

During 2016-2020, ***the Government will further expand the specific investment mechanisms in the NTPs (including the NTP-SPR and the NTP-NRD) according to Decree No. 161/2016/ND-CP dated December 2, 2016 on the specific mechanisms for managing construction investments in some projects belonging to the NTPs.*** Decree 161/2016/ND-CP addresses some of the abovementioned difficulties and problems, such as: (i) assigning the PPC to appraise the capital sources and ability to raise counterpart capital for the list of projects applying specific investment mechanisms; (ii) assigning the CPC to appraise and approve the construction document for the works; (iii) clearly defining the form of selecting communities, mass organizations or groups of construction workers; and (iv) assigning the PPC to specify the management and payment of State budget support in the form of construction materials. The upgrading of these regulations to the level of a government decree helps to confirm the validity of the specific provisions on specialized investment mechanisms compared to the general provisions related to investment management set out in other decrees.

#### **At the provincial level**

***During the past three years, some provinces have actively used their central budget allocations to delegate investment packages to the commune level.*** Following the success in the implementation of the CDF in the PSARD project (ending in December 2015), the People’s Council of Hoa Binh Province issued Resolution No. 114/2015/NQ-HDND allocating development funding directly to more than 90 communes, with an average funding amount of 200 million VND per commune per year in the 2016-2020 period (Box 3). At the end of 2014, Lao Cai Province adopted a policy to allocate additional delegated resources to the commune level, with the commune playing the role of investor and making self-investment decisions based on participatory planning in 13 communes in Si Ma Cai District, with the rate of two billion VND per commune per year during the 2015-2020 period (Resolution No. 22-NQ/TU dated November 11, 2014 of the Standing Committee of the Provincial Party Committee of Lao Cai).



### Box 3. Direct delegation of Hoa Binh's development budget to the commune level

Over the past five years, Hoa Binh has successfully implemented the CDF under the PSARD project, through a mechanism in which communes are the real investors and communities or groups of workers carry out construction works based on participatory planning, with a public and transparent implementation process. The proportion of provincial counterpart funds for the CDF has significantly increased over time (from 29 percent in 2011 to 74 percent in 2015).

Following the success of the CDF, Hoa Binh People's Council issued Resolution No. 114/2015/NQ-HDND dated July 3, 2015 stipulating that the average support for the commune development budget would be 200 million VND per commune per year during the 2016-2020 period. Support will be provided to the commune development budgets of around 90 communes that are not eligible for delegated funding from Program 135 or the NMPRP II Project.

In early 2016, the PPC issued a document guiding the implementation of Resolution 114. The two criteria to be applied for allocating the commune development budget are the number of villages in each commune and the level of compliance with the procedures of the participatory planning approach. The assigned communes make their own grading according to these criteria, then the district level People's Committee reviews the commune grading and submits it to the provincial Department of Planning and Investment for appraisal.<sup>34</sup> The commune development budget has been officially allocated to these communes from the 2016 budget year onwards. The commune development budget is used in accordance with the principle previously applied in the CDF: the communes are investors and assign construction works to local communities or groups of workers.

In order to overcome the complicated basic construction and settlement procedures, *some provinces have issued documents to simplify and unify procedures in order to create the conditions for communes to become investors and for communities at the village level to carry out the construction works*. Lao Cai Province issued Decision 28/2013/QĐ-UBND to unify the mechanisms and procedures for rural road

construction from all capital sources, including Program 135, Program 30a, the NTP-NRD, and the provincial budget (Box 4). In 2016, Dak Nong province promulgated Resolution No. 29/2015/NQ-HDND,<sup>35</sup> unifying the mechanism for basic construction to be applied in the construction works assigned to local communities from all capital sources for the canal solidification and rural transport development program.

### Box 4. Unification of mechanisms and procedures for rural road construction in Lao Cai

Lao Cai PPC issued Decision No. 28/2013/QĐ-UBND dated July 30, 2013 promulgating regulations on investment in construction of rural roads in Lao Cai Province. These regulations apply to **all sources of investment** for opening new roads and upgrading existing roads at the commune level (including roads from communes to villages and inter-village roads, village axis routes, the main inner-field axis, and laneway routes). Decision 28 includes four highlights:

- **The mechanism of "the State and the people joining hands"**. Depending on the type of road and on the location (i.e. the assessment of the level of difficulty in the circumstances of the commune or village), different levels of support will be provided from the State budget.
- **The State providing procedural assistance**. The making of the combined economic and technical report and the design will be assigned to the Department of the Economy and Infrastructure (or the Urban Management Department) at the district or city level.

- **Appraisal and approval of the combined economic and technical report is carried out by the district or commune level, based on the scale of the project and the capacity of commune level.** The People's Committee at the district (or city) level decides on the investment and approves the combined economic and technical report for the rural road works. In cases where the commune is capable of making the investment decision and appraising and approving the combined economic and technical report, the district (or city) guides the commune to implement State-funded projects up to a maximum amount of three billion VND.
- **Encouraging self-implementation by communities at the village level.** Decision 28 provides four options: (i) assigning communities at the village level (direct program beneficiaries) to carry out the work by themselves; (ii) selecting groups of workers and individuals in the communes capable of carrying out the works; (iii) in cases where the local community or the group of workers is not able to perform all of the work, the investor calls for donations and support from organizations, individuals and enterprises to carry out the work; and (iv) selection of contractors through bidding. In particular, Decision 28 encourages the assignment of the village level to implement the construction works.

However, the above cases are only the individual initiatives of specific localities, and there is no official mechanism in the legal documents on the delegation of investment packages to the commune and village levels. The delegation and empowerment mechanisms and the associated procedures vary greatly between different State-funded projects and programs.

### **3.1.2. Implementation of delegation of investment decision making to the commune level and community empowerment in the survey areas**

***In the NTP-SPR, delegation of resource from provincial to district level is quite strong and has gradually increased over the period from 2014 to 2015<sup>36</sup>.*** In 2014, only about 75 percent of total resources for NTP-SPR were allocated to the district level in provinces like Lao Cai and Nghe An, but in 2015 this increased to around 96 or 97 percent. In 2015, between 96 and 99 percent of total resources were allocated to the district level in the survey provinces.

***The rate of budget allocation from the district level to the commune level is limited, but during 2014 and 2015 it increased slightly*** (Annex 3). In the survey districts covered by Program 30a and the districts with a high poverty rate that were eligible for similar investment mechanisms for infrastructure development, all the capital sources for investment in 2014 were managed

by the district level. In 2015, Muong Khuong district (Lao Cai) delegated 25 percent of the Program 30a investment capital to the commune level, and Bac Ai district (Ninh Thuan) delegated 1.6 percent. Two of the districts covered by Program 30a allocated part of the budget for the component on production supports to the commune level in 2015, namely Muong Khuong in Lao Cai (30 percent), and Bac Ai in Ninh Thuan (70 percent). On the other hand, Dakrong District in Quang Tri has not delegated the role of investor to any communes within the district.

Within Program 135, the proportion of infrastructure development funding allocated to the commune level as investor varies widely among the survey districts. There is a high delegation rate in some districts, including Quy Chau (Nghe An), Dak Glong (Dak Nong) and Cau Ke (Tra Vinh). In these locations, 80 to 100 percent of the funds have been delegated in both 2014 and 2015. Other districts had a delegation rate of 30 percent or lower, including Da Bac (Hoa Binh), Dakrong (Quang Tri) and Bac Ai (Ninh Thuan). For the Program 135 component on maintenance and upgrading of infrastructure works, most provinces have delegated 100 percent to the commune level. The Program 135 component on production supports has mostly had a high rate of delegation to the commune level, with the exception of two districts, Da Bac (Hoa Binh) and Quy Chau (Nghe An), where the delegation rate is only around 30 percent.

In the survey areas, *local communities or groups of workers have only rarely been assigned to implement construction works under the NTP-SPR over the past three years*. Even for those works where the investment has been delegated to the commune, the selection of contractors is still popular.

Unlike the NTP-SPR, *in the NTP-NRD, the mechanism for assigning the commune level as investor has been implemented quite well in the past three years*. All of the survey provinces assigned the commune level as investor for NTP-NRD works with investment capital of less than three billion VND. However, in the survey provinces, *assigning the community or group of workers to be responsible for construction work in the NTP-NRD was only implemented widely in some localities (e.g. in Lao Cai and Nghe An provinces) in the form of “the State supplies cement, the local people contribute labour”*. The majority of other provinces applied the method of hiring contractors with a commitment to use local labour. In reality, however, the level of implementation of this commitment by the contractor varied between different projects and different locations.

*In donor-funded projects* such as PSARD (Hoa Binh) and MNPRP-II (Lao Cai, Hoa Binh), the form of “assigning the community or local group of workers to carry out construction work” was quite popular. Some projects implemented with IFAD funding such as 3EM (Dak Nong) and Tam Nong (Ninh Thuan) mainly apply the form of “hiring contractors that use local labour.”

## 3.2. EFFECTIVENESS OF DELEGATION OF INVESTMENT DECISIONS TO THE COMMUNE LEVEL AND COMMUNITY EMPOWERMENT DURING THE PAST 3 YEARS (2014-2016)

### 3.2.1. Strong points

#### *Promoting participation from the bottom up*

The level of participation by local people

was assessed through a listing-and-ranking exercise, identifying the relevant “step on the participation ladder”<sup>37</sup> for a total of 141 projects on infrastructure development, production supports and livelihoods diversification implemented over the past three years (2014-2016) in the 15 survey communes. This was carried out by commune and village level officials. The results show that most of the works and projects or models implemented in the survey areas fall into the middle range of the six participatory steps, at the level of “making decisions together” and “taking action together”. The number of works and projects or models at the two top levels of “delegation” and “empowerment” is still low. (Figure 2).

*According to grassroots officials and local people in the surveyed areas, the activities for which the commune level is assigned as investor actually have the positive participation of people, at the level of “making decisions together” or higher*. These activities include the infrastructure works under the NTP-NRD, the activities of the donor-funded projects (PSARD, 3EM, Tam Nong, and MNPRP-II), and some activities under Program 135.

*“When we assign the commune level as investor, we get the people’s opinions from planning through to implementation. If issues arise, we can always solve them immediately, with harmony between the ideas of the authorities and the opinions of the people, gaining consensus from local residents, which makes it is easy to mobilize people’s contributions when they are needed.”*

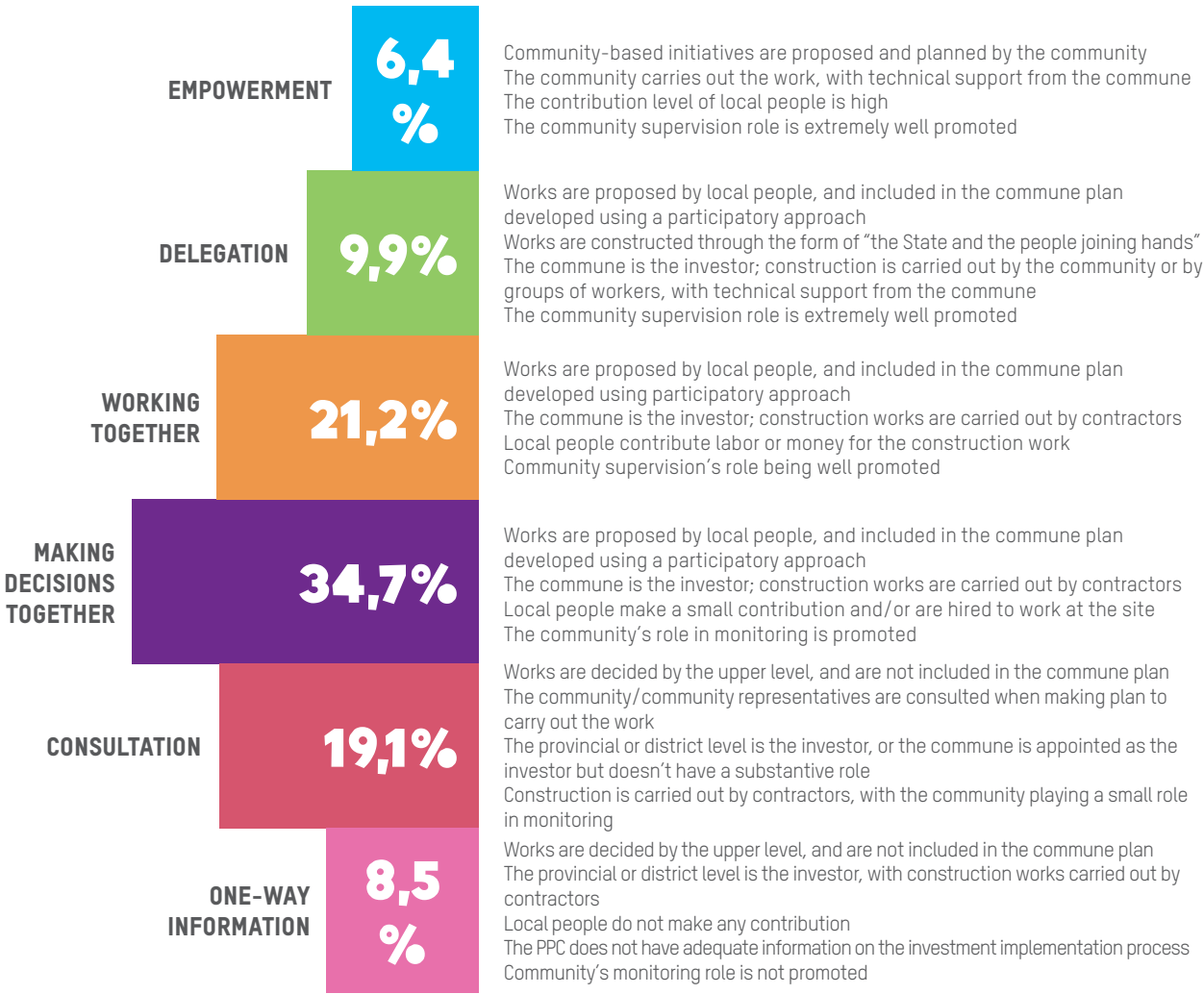
(Commune official in Chau Hanh commune, Quy Chau district, Nghe An)

*“The position of the investor is different and much more active. For example, we can be sure about the capital amount allocated to our commune under the Poverty Reduction Project and the size of a project or model. From the village-level planning process onwards, local people are involved in giving their ideas. We record everything, and implement accordingly. Probably the district level might take longer time to consider a project, and the district is not as close to local people as we are.”*

(Commune official in La Pan Tan commune, Muong Khuong district, Lao Cai)



Figure 2. The “rungs on the participation ladder” and works and projects conducted over the past three years (2014 - 2016) in the survey communes



*The construction works assigned to the community are always assessed by grassroots officials and local people as being on the highest rungs of the participation ladder, at the level of either “delegation” or “empowerment”.* These include, for example, the works under the NTP-NRD in the form of “the State and the people working together” in some survey communes, the CDF projects in Tan Pheo commune (Hoa Binh), community initiatives such as the lighting project in Chau Hanh commune (Nghe An), and the construction of an embankment for wells and inter-village roads in Dung village of Hien Luong commune (Hoa Binh). (Box 5).

*“Construction of the well embankment in Residential Area 1 was prioritized by the local people as an essential work, because without the embankment, the water resources were not ensured, so the head of the village and the Party Secretary of the local Party Committee gathered people together*

*to propose ideas. We contributed money and hired builders to carry out the construction work, while local people contributed additional labour for the work. We thought for ourselves and took action by ourselves in all matters.”*

(Muong woman, 50 years old, Dung village, Hien Luong commune, Da Bac district, Hoa Binh)

*“Local people in the village learned from an initiative applied in the town, and contributed money to build a line of lights to ensure security. Now when going out in the evening, we have no fear of thieves, and parents at home are also assured about their children’s safety when they go to evening classes. We generated electricity and managed the line by ourselves; the annual costs are shared equally between all households.”*

(Thai man, Dong Minh village, Chau Hanh commune, Quy Chau district, Nghe An)

### Box 5. Local contributions to infrastructure improvements in upland La Pan Tan Commune

Infrastructure in the highland commune of La Pan Tan (Muong Khuong District, Lao Cai Province) still faces difficulties, especially with regard to the electricity supply and transportation roads.

Without waiting for support from the State budget, some villages in the commune were able to connect to the grid, and have made roads by themselves. In March 2014, representatives from Sa San village actively requested EVN Lao Cai to connect them to the electricity grid in Ban Cam commune and Phong Hai town (Bao Thang District), located about five to six kilometres from the village. Over 70 households in the village (divided into two residential areas) contributed about eight million VND plus six working days each. The head of the village assigned households to cut trees to make electricity poles, to dig holes to sink the poles, and to pull electric wires connecting the two residential clusters with the power station. Due to the difficult mountainous terrain, it was very difficult to connect to the electricity supply. According to commune officials, “if our local men were not healthy enough, they couldn’t participate in the work.”

*“On the day the line was finished, the local people organized a small party with pork and invited communal officials to join. Looking at the work of the local people, I was moved to tears. They did extraordinary things. With only their bare hands, and amidst unstable living conditions, they constructed a few kilometres of electricity line.”*

(Official at La Pan Tan commune, Muong Khuong district, Lao Cai)

Following the spirit of Sa San Village, by the end of 2015, two villages of Sin Chai A (21 households in one residential area) and Sin Chai B (75 households divided into three residential areas) were able to connect to the electricity grid.

To improve roads, at the end of 2015, people in Muong Lum village (50 households) and Cu Ti Chai village (70 households) made their own concrete road from Muong Lum village to Ban Cam commune (Bao Thang district). This is the route that local people use to travel to the market and to visit to the doctor, however, it previously had many inclines, making it easy for people to slip and leading to frequent accidents. During the construction, La Pan Tan Commune officials supported the local people to estimate the amount of work and the related costs. They grasped the direction, opened the route, bought cement, collected and transported gravel to the location, and mixed and poured the concrete by themselves. After four months, the two villages completed a road measuring over three kilometres long and one metre wide. In total, each household contributed more than four million VND and more than 30 working days.

*“It is much easier to go from Muong Lum village to Ban Cam now. We had to do that work to make it easier to go to Ban Cam and Phong Hai or to Lao Cai. We are still poor and busy but we are willing to do things that benefit us.”*

(Male, Hmong ethnicity, Muong Lum village, La Pan Tan commune, Muong Khuong district, Lao Cai)

Even in extremely difficult areas (communes facing extremely difficult circumstances, and districts under Program 30a), disadvantaged people can contribute labour and materials to carry out works that serve the urgent needs of the local people. In Quang Tri, for example, while some provincial and district officials were concerned that “the poor have nothing to contribute,” local communities

had evidence showing that there was active participation from local people when works were selected in accordance with their urgent needs. In the case of Ku Pua Village (Dakrong Commune, Dakrong District), for example, the Van Kieu people contributed labour, with support from donors, to complete a bridge and a road stretching nearly one kilometre within a period of just one month. (Box 6).

**Box 6. People in disadvantaged communities are willing to participate in the implementation of projects if they receive support**

After the media reported that people from Ku Pua hamlet in Dakrong commune of Dakrong district, Quang Tri province had to rely on a 20-year-old cable to cross a stream,<sup>38</sup> in 2016, the hamlet received donations from benefactors to build a bridge and nearly one kilometre of road with labour contributed by the local people. This example shows that if urgent demands in poor localities receive support (in terms of materials and techniques), then local people are ready to contribute their labour to carry out projects.

The former situation:



The situation at present:



Support from the benefactors included 100 percent of the cost of the construction materials, with a total value of 100 million VND, and remuneration for 2 technicians during the construction process. The local people contributed 100 percent of the labour for common works. The head of the hamlet assigned 30 labourers per day. Construction work lasted for 20 days. With 100 million VND, local people completed the work, including a bridge and a concrete road of nearly one kilometre.

During the construction process, the commune was the investor. Commune officials contributed two million VND each and mobilized local people and officials to donate rice, ducks, and chickens to the construction team to encourage them. The district helped the commune in appraising the design of the bridge spanning over the stream and the concrete road. When asked about the ability of the local people to participate in the form of “the State and the people joining hands”, Dakrong commune officials said: “when there is a response to the needs of local people, with the State providing support in the form of materials and techniques, the local people are ready to contribute.”



**Delegation and assigning construction work to the community is always interrelated with SEDP reforms using a participatory approach.** Most of activities in the surveyed communes are highly participatory (from the “making decisions together” rung upwards), through a participatory planning process, providing opportunities for local people to put forward ideas and to select preferred options. Conversely, delegation of investments and the assignment of construction works to the community also increase people’s motivation to participate in the planning process.

*“Having funding allocated from the Poverty Reduction Project makes us feel confident when we are planning. The project delivers money throughout the implementation period, so we know how much budget there is for commune development this year, and how much remains for next year. Based on this, when the villages make proposals, it is easier for us to respond to them on which proposal is feasible, and which one is not.”*

(Official at La Pan Tan commune, Muong Khuong district, Lao Cai)

*“For several years, we have been informed in advance about the funding allocated under the Tam Nong project. Though the funding is still small, it encourages us in our planning activities. We feel embarrassed when we face the local people if the plan has been made but there is no money to carry it out.”*

(Official at Phuoc Dai commune, Bac Ai district, Ninh Thuan)

### **Helping to strengthen democracy, public information, transparency and accountability**

Most of the CDF activities within the framework of donor-funded projects in the survey sites **provide for a minimum percentage of CDF funding to be allocated for carrying out activities at the village level**,<sup>39</sup> thus ensuring direct democracy in the village. Local people are actually involved, following the principles of grassroots democracy: “people need, people know, people discuss, people contribute, people do, people inspect, and people gain.” CDF works are open and transparent with regard to financial issues through the organization of village meetings in which local people can discuss and decide on the contribution method and the construction timeframe. The implementation of the CDF has made it compulsory for information to

be transparent and publicly available, so that local people reach consensus on contributing to and joining the construction work.

**Implementing works with the commune as investor and the construction carried out by the community helps to increase the responsibility and reputation of commune and village leaders.** In the opinion of staff of most of the surveyed communes, when the commune really plays the role of investor, commune officials will be closer to the project than for projects where the district or province is the investor, while their accountability toward the upper level and to the villages and the local people will increase. Being an investor is also a process of solving practical exercises, which gradually helps to improve the financial management capacity and technical capacity of the communal staff. In works that are constructed by the community using funding from CDF resources, the prestige of the commune officials is enhanced. As they are confident to promise that local people will have the ability to implement the project, the local people trust them. For village leaders, the process of holding democratic discussions and organizing construction and monitoring activities with local people helps them to increase their prestige, making it easier for them to receive positive responses from local people when they launch other activities in the village.

*“When making this concrete road, the Party Secretary of the local Party committee, the Head of the local Fatherland Front committee and I were responsible for all tasks. We did it for the sake of the local people. They felt our enthusiasm, so they placed more trust in us. They agreed with all of the plans I launched because I did the right thing.”*

(Xet 2 village leader, Chau Thang commune, Quy Chau district, Nghe An)

*“Commune-based investment projects help to increase the responsibility of commune officials. The commune will be more closely involved in sending officials to carry out regular supervise and to coordinate with the village’s inspectorate on supervision of the works in the area. In some simple projects such as making concrete roads, commune officials also provide technical instruction for local people to supervise the proper pouring of concrete to meet the required standard.”*

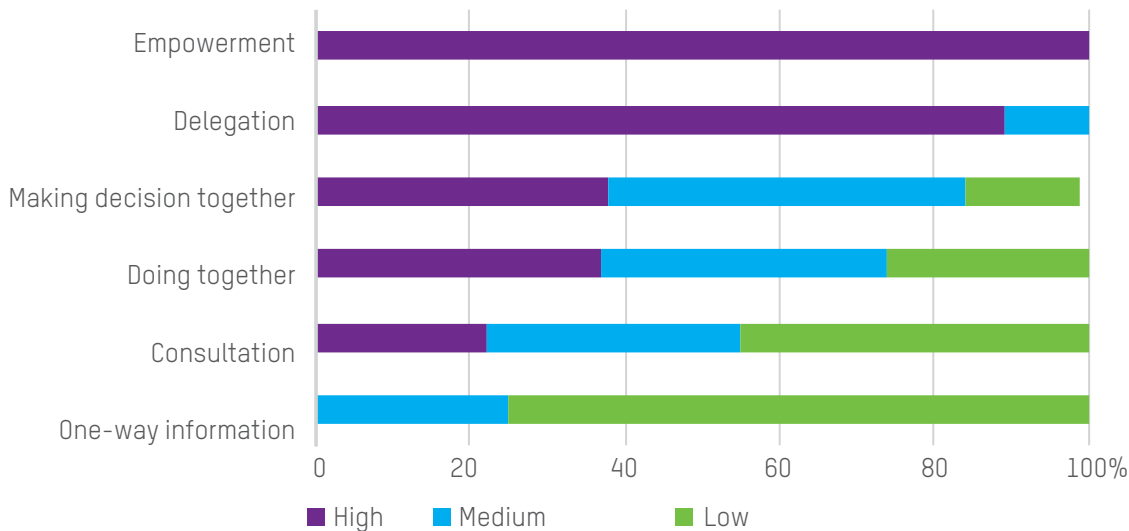
(Official at Chau Dien commune, Cau Ke district, Tra Vinh)

Enhancing investment efficiency

In the surveyed areas, for infrastructure construction works in the last three years<sup>40</sup>, the level of delegation and participation of local people is proportional to the level of cost savings. 100 percent of the works at the highest participatory level of “empowerment” and nearly

90 percent of the projects at the second highest participatory level of “delegation” were assessed by grassroots officials and local people as having a high level of cost savings. Meanwhile, 100 percent of the works at the lowest participatory level of “one-way information” were evaluated as having medium or low cost savings levels. (Figure 3 and Box 7).

Figure 3. The cost savings levels of construction works for infrastructure development in the survey areas over the past three years (2014 - 2016), classified on the “participation ladder”



Source: Group discussions with commune officials and hamlet core group members in the survey areas

Box 7. Contributions from local people for the construction of roads in Xet 2 Village, Chau Thang Commune (Quy Chau District, Nghe An) under the NTP-NRD

Contributing money and workdays to clean up and widen roads to production sites and to renovate local roads has become an annual activity of the Thai people in Xet 2 Village (Chau Thang commune, Quy Chau district, Nghe An). During the 2013-2014 period, the village mobilized people’s contributions to cover the cost of renting bulldozers to extend the village’s internal roads by more than one kilometre. In the planning meeting in 2015, local people proposed that the next step would be to concrete part of the newly-extended section (of around 500-600 metres in length).

As proposed by the village, in early 2015 the commune allocated 71 tons of cement to the village, equivalent to the whole volume of cement required to make the concrete road. The Secretary of the local Party committee and the village head mobilized local people to contribute additional money to buy more than four tons of cement, as well as money to buy sand and gravel and to cover the cost of renting concrete mixers. Each household in the village contributed a total of one million VND, divided into three contribution periods. People in the village also contributed labour to construct the work by themselves.

Local households were divided into small groups, with each group of ten households undertaking the construction of 50 metres of road. Including the time for excavation and cement loading, each household contributed about five workdays. Households who did not participate had to pay 150,000 VND per day. During the construction process, the community supervision board (composed of the Secretary of the local Party Committee, the Village Head, the President of the local Fatherland Front Committee, and representatives from the mass organizations) assigned officials to supervise the operations of each team. If a team did not fulfil the technical requirements, they were forced to redo their work.

Each three-metre section required one concrete mixing, and the supervisors were there to see how the concrete was mixed. If concrete did not meet the requirements, the team had to mix it again. When the work was completed, the supervisory board checked again. If the work did not satisfy the requirements that had been set, the team would have to redo their work again. But in fact, all the teams did well.”

(Secretary of Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

By July 2015, Xet 2 Village completed a concrete road measuring 527 metres long, 2.5 metres wide, and 16 centimetres thick.

The total cost per kilometre of the concrete road (including the costs for cement, gravel, labour and other spending) was about 530 million VND. According to officials of Chau Thang Commune, this cost is 35-40 percent cheaper than the cost of similar works carried out in the commune. According to the community monitoring board and commune officials, the quality of concrete road carried out by the village is very good.

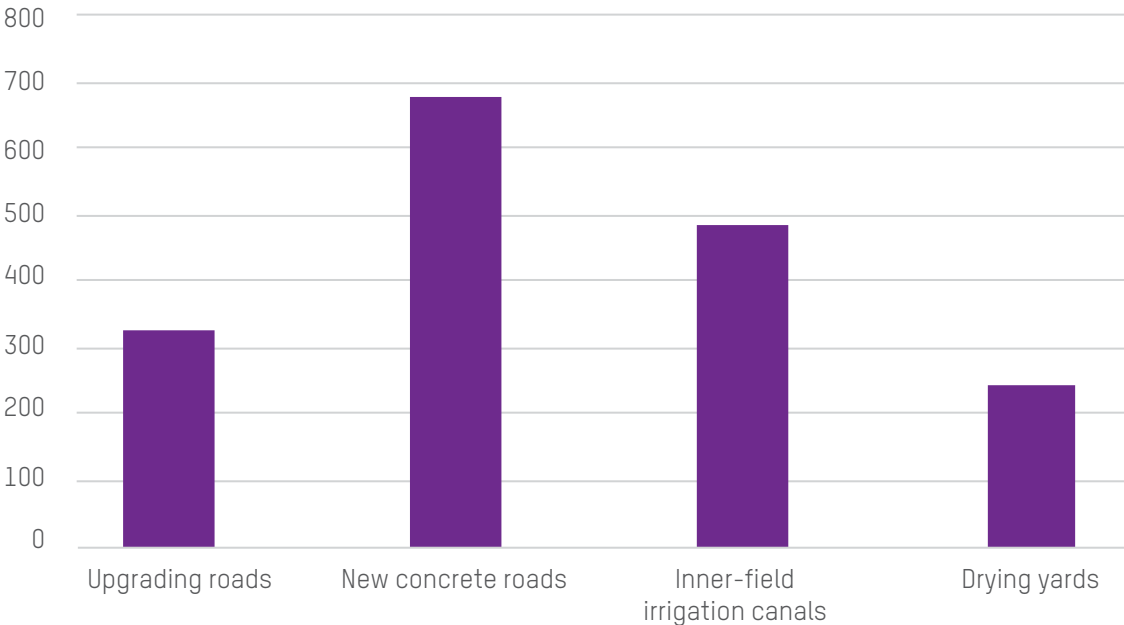
“The road is beautiful and cheap, as it was constructed by local people. The cheapest construction cost for one kilometre of road carried out by contractors is from 800-900 million VND, but as the road was constructed by local people, there was around 35-40 percent cheaper.”

(An official from Chau Thang commune, Quy Chau district, Nghe An)

**The actual implementation of the CDF under the PSARD Project in Hoa Binh province has shown that works delegated to the community for direct construction have a low investment rate.** Based on the final settlement of the CDF projects in 2013, the PSARD project management board and the staff

of the provincial Department of Finance assessed that the CDF projects achieve savings of around 30 percent of the total cost compared to works constructed under the normal basic construction procedures. (Figure 4).

**Figure 4. Average cost of CDF projects in Hoa Binh in 2013 (thousand VND)**



Source: CDF settlement data in 87 communes in 2013 (Hoa Binh PSARD Project Management Board).

Note:

- The average cost includes both CDF support and local people’s contributions.
- The unit for “Upgrading roads”, “New concrete roads” and “Intra-field irrigation canals” is one metre in length; the unit for a “Drying yard” is one square metre.
- Basic construction model:
  - Upgrading roads: ensuring a width of 4.5 to five metres
  - New concrete roads: 3.5 metres wide by 0.18 metres thick; Grade of concrete: M200 (or M250 for some special works)
  - Intra-field irrigation canals: Concrete at the bottom of canals: 0.85 metres by 0.15 metres; canal dimensions: 0.4



metres by 0.4 metres; Thickness (for two walls): two metres by 0.2 metres; concrete type for the canal bottom: M200; concrete type for wall building and plastering: M75 or M100. - Drying yards: thickness from 0.07 to 0.1 metres

In the opinion of grassroots officials and local people, the two main reasons leading to cost-savings in works with a high rate of participation are: (i) delegation to the community or the group of construction workers helps to cut a range of expenses such as the cost of hiring consultants and contractors, as well as basic construction costs like the design survey, making or appraising the combined technical and economic report, preparation of bidding documents, monitoring costs, and the costs for construction machines, construction camps, insurance, auditing, enterprise nominal interest rate, and prevention of loss; and (ii) promoting the role of community supervision helps to minimise material losses.

*"I see that delegating construction to local people to carry out the work by themselves reduces costs by at least a quarter compared to hiring a constructor. Unlike projects carried out by constructors, which include the cost of directing construction and providing workers, when works are carried out by local people the local people undertake these tasks by themselves."*

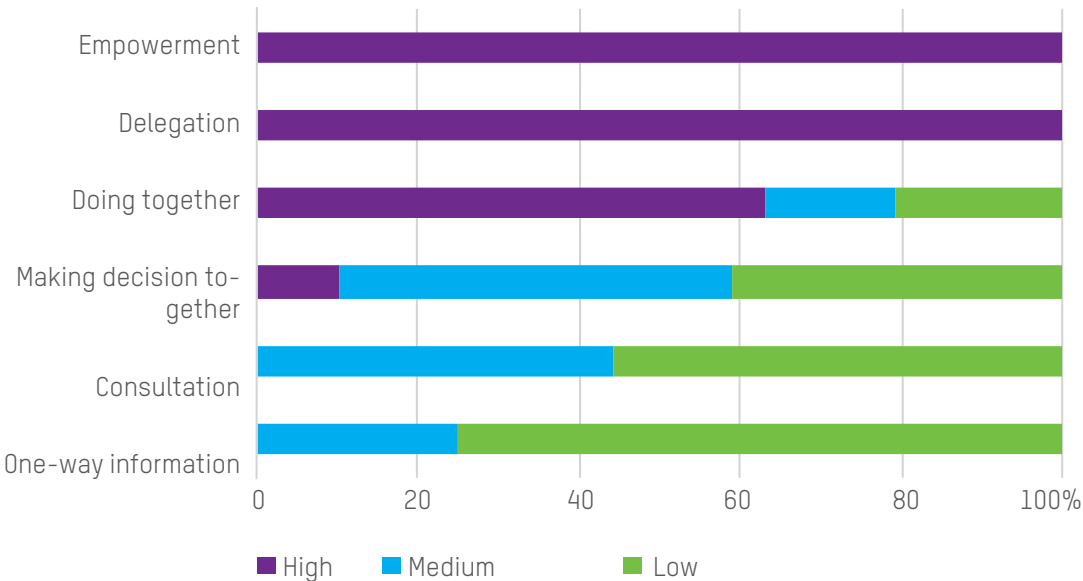
(Official at Chau Thang commune, Quy Chau district, Nghe An)

*"The landfill project in Phon Village was completed without the supervision of the head of the village. The project was designed by a consulting firm, and then the construction work was carried out by a contractor. The project cost more than 600 million VND. If our commune was given the right to carry out this project using our own workers and labourers, we could definitely complete the project while making an additional parking lot worth 200 million VND at the same time."*

(Official at Tan Pheo commune, Da Bac district, Hoa Binh)

**Increasing people's participation in the construction of works facilitates the mobilization of voluntary contributions from the local people.** Figure 5 shows that 100 percent of the works under the top two levels of "empowerment" and "delegation" have a high level of contributions from the local people. In contrast, the level of people's contribution in all of the works under the two lowest levels of "consultation" and "one-way information" are rated as medium or low.

**Figure 5. Levels of people's contribution to infrastructure development works in the survey areas over the past three years (2014 - 2016), according to their rung on the "participatory ladder"**



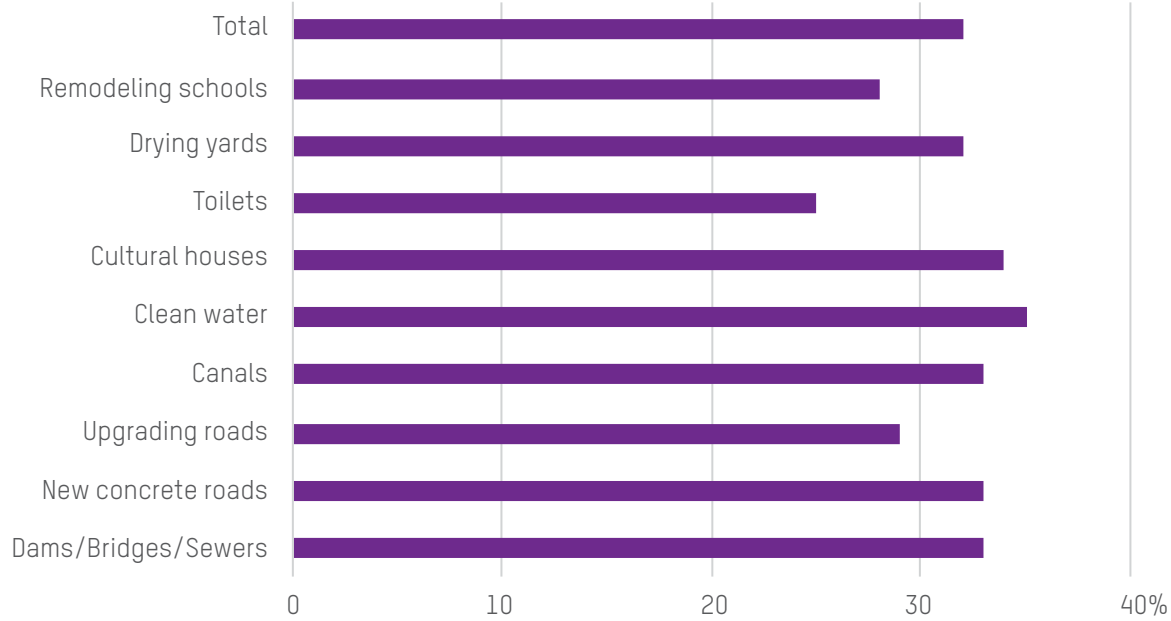
Source: Group discussions of commune officials and hamlet core groups in the survey areas

The situation in the survey areas during the past three years shows that, *when there are reasonable mechanisms (delegation of investment packages for small and simple works meeting the most urgent needs of the community, transparent implementation process, people being informed, democratic discussions, and supervision from*

*start to finish), people are willing to contribute to the construction of the works.*

In Hoa Binh province, where more than 1,700 CDF facilities implemented under the PSARD Project during the 2011-2015 period, the typical counterpart contribution level from local people for each project averaged 32 percent. (Figure 6).

**Figure 6. The rate of contributions compared to the total value of the final settlement of CDF works under PSARD Project during the 2011-2015 period (%)**

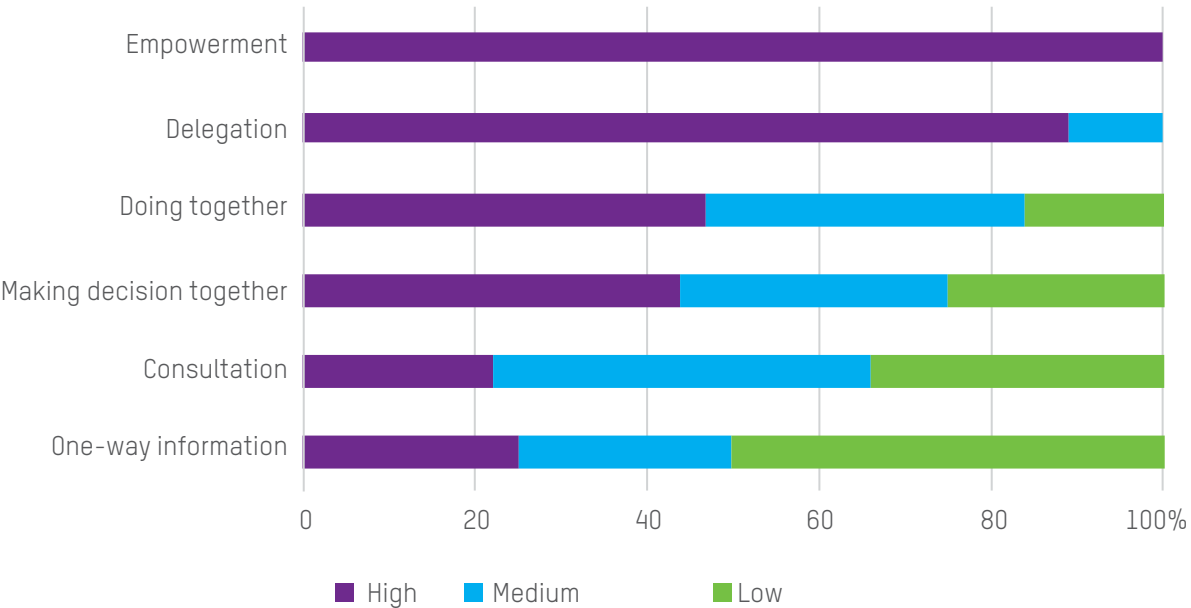


Source: Hoa Binh PSARD Project Management Board, 2015

*Highly participatory construction activities are often rated by grassroots officials and locals as being of higher quality than those with lower participatory levels.* Figure 7 shows that the percentage of projects rated as being of high

quality increases as the project moves up the rungs of the “participatory ladder”, being lowest for the “one-way information” category and highest for the “empowerment” category.

Figure 7. Quality of infrastructure development works in the survey areas over the past three years (2014 - 2016), according to their rung on the “participation ladder”



Source: Group discussions of commune officials and hamlet core groups in the survey areas

**Effective community monitoring is an important factor in ensuring the quality of construction works at the high rungs of the “participation ladder”.** During the implementation of works constructed by the community or by local groups of workers, community monitoring boards are regularly present at the sites, and if there is any activity that does not meet the technical requirements, the board will require the community or group of workers to immediately redo their work. In contrast, when works are carried out by contractors, the community monitoring boards often do not have the necessary information and do not follow the construction process closely. Often, their recommendations are not respected or resolved in a timely way.

*“In works where the commune is the investor and the community carries out the construction work, the monitoring boards do not complain. Villages assign their own local supervisors throughout the construction process. If any worker does the wrong thing, he must redo his work. However, in projects where the district plays the role of the investor, the commune cannot undertake effective supervision.”*

(Official at Chau Hanh commune, Quy Chau district, Nghe An)

After a project is completed, local people in the village have high sense of responsibility for the works that they constructed by themselves, so the durability of these works is often higher than those carried out by contractors. In many villages, people build barriers to prevent large and heavy motor vehicles from entering concrete roads, and they allocate workers and material resources to carry out timely repairs and maintenance activities.

*“After the construction was completed, the village erected a barrier at the beginning of the road to prevent people from walking on it before it was dry. When constructing the road, they did not erect a column to block big vehicles, however heavy vehicles are not allowed to use the road. Those who damage the road must pay compensation to the village for the cost of repairs.”*

(A local person in Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

**Poor people participate actively in community constructed projects**

According to village and commune officials, **the involvement of the poor is very high in infrastructure development constructions**



**where the commune is the investor and the construction is carried out by the community or by a group of workers.** Some poor households that were interviewed said that their role was similar to other households when participating in the common activities of the community, so they always try to do their best to carry out the work assigned by the head of the village or the group leader.

*"Whatever we do, the poor and the rich all do it together, however the poor are more enthusiastic because they have more time."*

(Member of core group, Phang Tao village, Ban Xen commune, Muong Khuong district, Lao Cai)

*"I receive support from others when I face difficulties, but when constructing the road, we are the same. We all join hands to do the work. For example, while one group loads cement, another group washes sand. We contribute equally in our common work."*

(A poor person in Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

**Small-scale works are suitable to the participation of the poor.** Under the investment form of "the State and the people working together" (as applied in the NTP-NRD), it is advantageous for the poor to contribute their labour instead of contributing money. Under the form of community construction (as applied in the CDF in Hoa Binh, for example), the small scale of the work is suitable with the contribution capacity of the poor. However, in large-scale projects, people's contribution requirements are high, and poor households have to work out new ways to manage to fulfil their obligations.

*"We have to contribute one million VND and some workdays to construct the road. My family only relies on collecting firewood and we are classified as a household facing difficult circumstances. However, as the whole village has to make a contribution, we will also do our best."*

(A Thai woman from a poor household, Thai ethnicity, Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

*"Only two residential areas benefit from fixing the*

*suspension bridge of Bon Village using the CDF funds. Other areas do not enjoy the benefit as they do not use the suspension bridge. The CDF only covers small projects. For bigger ones, we have to seek other sources."*

(Official in Tan Pheo commune, Da Bac district, Hoa Binh)

### 3.2.2. Shortcomings

**A low level of participation in activities where the upper level is the investor or the commune level is the investor but doesn't play a substantive role**

In the surveyed areas, where the upper level is the investor or the commune level is the investor but doesn't play a substantive role (i.e. the commune level only signs the documents), people are short of information and only have the role of passive beneficiaries. Even the CPC is not well informed about the activities by the upper level. (Box 8).

*"Saying that local people do not know anything is not true. We also know how to build a ditch, and we know what is reasonable and what is not. But the upper level automatically carried out the construction without asking the village, so we did not know how to monitor the work. Now the ditch has been finished but we cannot operate it. What a wasteful investment!"*

(A local person in Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

### Box 8. A landfill was constructed but has not yet been used

In early 2016, Tan Pheo Commune (Da Bac District, Hoa Binh) was assigned to be the investor of a public landfill site in Phon Village worth 600 million VND. The district level officially announced this investment to the commune leaders in December 2015. It had not previously been included in the commune's plan.

*"In the commune's plan, we did not recommend the landfill because we did not consider that it was necessary. But they still assigned it to us, and we received the investment. They wanted to push us to fulfil environmental sanitation criteria."*

(Official at Tan Pheo commune, Da Bac district, Hoa Binh)

Because this project was not based on bottom-up demand, the local people were just passive beneficiaries, so even though the commune was assigned as an investor, it was not the real investor, and was largely dependent on an external design, consultants and contractors. During the investment process, the role of the community monitoring board was very limited. As of mid-2016, after the landfill works had been checked and taken over by the commune for several months, almost no local people in the commune were using this landfill. Only a few households living near the site dumped their garbage there. One local person living in Bon Village, three kilometres away from the landfill, said:

*"We know there is a landfill, but we still dump garbage into our gardens or on our hills. Nobody provided a vehicle to take the bags of garbage there. They did not ask local people when deciding on the construction works. If we were asked, we would have requested a small vehicle to collect the garbage from each village and to transport it to the landfill. The transport costs would be covered by the local households."*

### Assigning the commune level as investor requires commitment from the local leaders

Since the implementation of Phase 2 of Program 135 (2006–2010), some provinces have strongly delegated investments to the commune level (in Ninh Thuan, for example, 70 percent of communes have been assigned as investors). But more recently, although the capacity of officials in communes facing extremely difficult circumstances has been raised, the delegation rate to the commune level has decreased. One important reason is that the local leaders (especially at the district level) are not brave and determined enough to implement delegation.

*"For poor communes, the district allocations are different: sometimes they receive much more, sometimes they receive less, and sometimes they don't receive any allocation at all... Regarding infrastructure development projects, the reason given for not having any delegation to the commune level was that it was dependent on the will of the local leaders. During Phase 2 of Program 135, 70 percent of the communes were assigned as infrastructure development*

*investors, right? Why can't they do the same now, when capacity at the commune level capacity is much higher than it was at that time? We raised this question, and the answer from the districts was that they feared that they will "lose their staff" (e.g. the staff may be fined if they do bad jobs) if they assign the work to communes with weak capacity. We guarantee that 100% of communes are capable of playing the role of investor for simple projects with limited budgets."*

(Officer from Ninh Thuan Department for Ethnicity Affairs)

*"The decision of whether or not to delegate should be made at the district level as they review local ability, and the upper level like us cannot decide. In fact, the policies and practices encourage delegation to the local level, but it is difficult for us to make the delegation decision if local leaders are not willing for investments to be delegated."*

(Officer from Hoa Binh Department for Ethnicity Affairs)

***Conflicts among basic construction procedures, balance sheet records and capacity of commune level in serving as investors***

There is a close relationship between basic construction procedures, balance sheet records, and the capacity of the commune level to serve as the investor: when the procedures become more complex, concerns about the capacity of the commune level to serve as the investor increase.

The basic construction procedures, and the dossiers for final payment and settlement of State budget resources in works delegated to the commune level have not yet been simplified and brought together into a coherent approach. Commune officials have difficulties in grasping and implementing many “relevant State regulations” on the appraisal of the investment policy, evaluation of capital, completion of project files, organization of bidding, quality management for the contracted works, and the financial procedures required for the Treasury. The mechanism for final payment and settlement still emphasizes the control of compliance through regulations on expenditures for inputs rather than “output-based” management for small and simple structures funded by the NTPs.

Therefore, for the works where the commune level has been assigned as the investor, the common situation is that the commune is not actually the real investor. Many communes, despite having been assigned the role of investor, still rely heavily on consultants, or contractors, or on the district level to assist them in completing the required documentation. In the above-mentioned cases, the role of commune level is just “signing” to legalize the records.

The slow progress of capital transfer and the pressure to complete the balance of payments at the end of the year has also negatively affected delegation of construction works to the community level. In Quang Khe Commune (Dak Nong), for instance, there was a project where discussions were held in the village, and local people had decided to carry out the construction work by themselves. They prepared their own plans in order to be ready when the capital was provided, however to keep pace with progress of construction and completion of final settlement procedures at the end of the year, the contractor construction method was selected by the commune instead of the method prioritized through the community construction. (Box 9).

**Box 9. Assigning works to contractors to ensure construction progress**

The road traffic project in Village 7 of Quang Khe Commune (Dak Glong, Dak Nong) is more than 400 metres long and had a total investment of 1.2 billion VND from the NRD Project in 2016. Initially, commune officials and village residents agreed to mobilise labour at the construction site. Therefore, the village leaders organized meetings, held discussions, and reached consensus on the contribution to be made by each household. As the construction time requested by the commune coincided with the harvesting of the seasonal crop, the village suggested that the commune delay the commencement of construction by ten days, and the commune officials agreed to this. But when the village was about to commence construction, the commune sent a contractor to carry out the work from the beginning to the end. The commune officials explained that they gave the construction right to the contractor in order to keep pace with the schedule, but local people were still not satisfied, because they had to contribute money to the contractor instead of contributing labour to do the work by themselves as they had planned.

*“The meeting and discussion were finished, and the number of workdays to be contributed by each household had been set, the money to cover the rent of concrete mixers and formworks had been put aside, and the schedule for local households to carry out their work was set. People were ready to begin work, but the commune did not let us work. They brought in a contractor to cover our work and forced people to donate money instead... Where could we get so much money? We are only capable of donating money to rent machines and contributing labour for construction.”*

(Villager, Village 7, Quang Khe commune, Dak Glong district, Dak Nong)



The commune asked the hamlet to mobilize contributions from the local people, in order to ensure the required contribution rate (about 200 million VND, out of a total budget of 1.2 billion VND for the project). Currently, each household was only able to contribute 200,000 VND, resulting in a total contribution of about 36 million VND (less than 20 percent of the required contribution of 200 million VND). Village 7 leaders said that if the local people of the village were to carry out the construction work by themselves, they would easily contribute the full number of workdays, which is equivalent to requiring a money contribution in accordance with the prescribed rate. Moreover, with the funding level as indicated above, people can take a much longer road and yet still meet the NRD criteria.

*"If they allowed us to do the work, it might take much longer, however the quality would be more secure. Because 100 percent of money that is required is for the cost of materials, we contribute labour. The workers here are redundant; they could even build houses. Our only requirement is that we must be directly involved in such construction projects..."*

(A member of village 7 core group, Quang Khe commune, Dak Glong district, Dak Nong)

Low budgets and inadequate capacity building methods for grassroots officials adversely affect delegation and empowerment. In fact, in most of the survey sites, commune officials had little chance to attend intensive training courses on project management and basic construction procedures. Because the district level has not supported the commune level to become the real investor and to develop the necessary skills through a hands-on approach (without doing the work for them), this also makes the capacity of the commune officials only improve very slowly.

*"Training on basic construction has not been provided to the commune. The district only helped with capacity building on accounting, but only one person from the commune attended a three-day class. The commune has repeatedly submitted proposals for the district level to organize a training class on basic construction, but there has not yet been any class. This is a very important issue for the commune."*

(Official at Vinh Hai commune, Ninh Hai district, Ninh Thuan)

*"The district gives us the construction work and even 'presents' us with the contractor. We are the investor, but we just sign documents, while the contractor and the district cover the construction work from A to Z. As such, how can we improve."*

(Official from Tan Pheo commune, Da Bac district, Hoa Binh)

#### **Low cost monitoring and ineffective community supervision of outsourced contractor works**

The overall feeling of the Labour, Invalids and Social Affairs officials in the survey areas is that they "have no money for monitoring and evaluation". In Dak Glong district (Dak Nong), every year the ethnicity support programs and projects (Program 135, Decision 755, etc.) only spend 25 million VND per year for monitoring activities. According to officials from the district Ethnicity Affairs Office, this amount is too small for the district to monitor the performance of all of the communes and villages with ethnic residents. Therefore, when being asked about accountability, the monitoring and evaluation mechanism for communes, and the mechanism for rewarding and punishing people, most of the provincial and district agencies considered them necessary but many opinions were also raised about the cost of implementation.

*"It is difficult for the district to provide support to the commune due to the limits to human resources and the budget. The funding package for commune operations has already allocated, and cannot extend to cover regular support for the commune as well."*

(Officer from Dak Glong district Office of Ethnicity Affairs, Dak Nong)

*"Strengthening inspection, monitoring and evaluation are essential, but at the current time, when the locality is facing difficulties, it is hard to get further funding."*

(Officer from Hoa Binh Department for Ethnicity Affairs)

In the survey areas, monitoring by the communities and the local people has not been effective for

works constructed by contractors. The village representative (the head of the village) is on the supervisory board but rarely takes action. Members of the community monitoring board do not receive any training or capacity building on community supervision in relation to the work to be carried out by the contractor. Often, the supervisory board is not informed about the construction process in order for them to arrange supervision. The voice of the supervisory board lacks weight, their reflections to the investor about the unreasonable during the construction process is not recorded in time.

*"There are community supervision boards with the participation of commune officials as well as village representatives from the villages where the project is taking place. For small works, the villages cover almost all of the work of the community supervision board, with one or two members from the commune playing minor roles. In works assigned to the village or to groups of workers, supervision can be fulfilled well, but it is impossible to ensure effective supervision in works carried out by the contractors. They just do their work without informing the local community so we do not know what needs to be monitored. Even the CPC, which has the role of the investor, only sign documents here to fulfil their duty, so the supervision board has nothing to do."*

(Official in Tan Pheo commune, Da Bac district, Hoa Binh)

*"We just assign our members to supervise the works carried out by the village. We do not dare to supervise the works carried out by contractors. For the village construction works, when we told the local people to redo their work, they obeyed. Meanwhile, the constructors did not even inform us when they carried out their work. They made ditches according to their own ideas and preferences. The ditches are wide, but they lack sufficient drainage capacity, leading to overflowing. We have suggested replacing the drainage tubes but there has been no change."*

(Member of the community monitoring board in Xet 2 village, Chau Thang commune, Quy Chau district, Nghe An)

### **Limited implementation of the policy of "creating public employment"**

A number of officials at all levels and local

people in the survey areas said that for people in disadvantaged areas with less employment opportunities, the policy of "the commune having the projects, the people having jobs and income" (i.e. the public employment creation policy) should be promoted for outsourced contractor works, in addition to the form of "the State and the people joining hands" for works delegated to the beneficiary community for construction.

However, the commitment of the contractor to use local labour and the actual implementation of that commitment are still limited. The commune level plays a minor role in urging contractors to implement public employment policies. Contractors often just employ local workers for a short period of time as they bring along their key salaried workers from other localities.

*"When working for a contractor, local workers only carry out simple tasks such as road cleaning, mixing mortar and preparing brick, and they only receive a low salary. The key workers are brought in from elsewhere."*

(Ma Hoa village Leader, Phuoc Dai commune, Bac Ai district, Ninh Thuan)

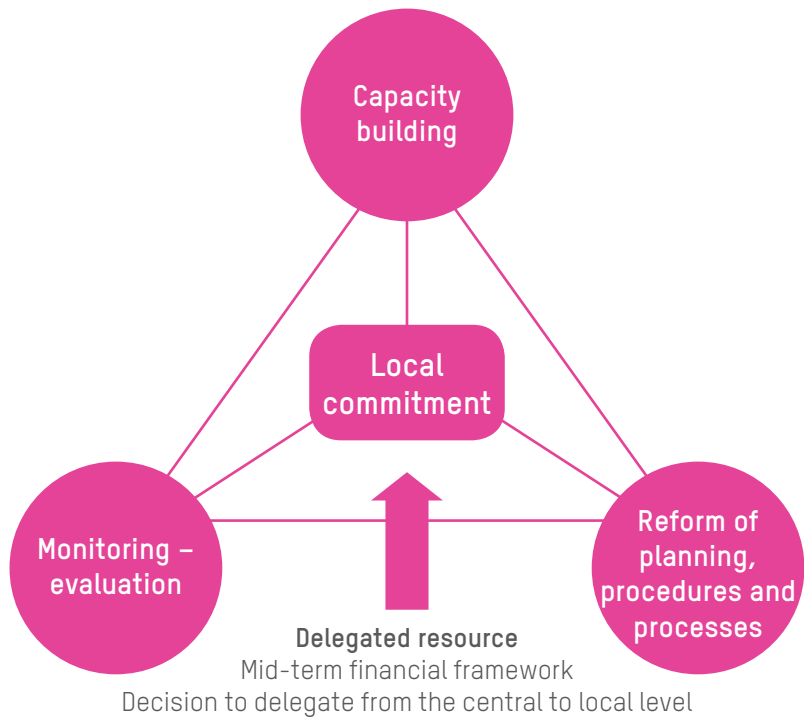
## **3.3. LESSONS FROM THE DELEGATION OF INVESTMENT DECISIONS TO THE COMMUNE LEVEL AND COMMUNITY EMPOWERMENT**

The lessons that have been learned on delegation and empowerment in the survey areas in the past three years show that ***coherent measures need to be applied in order to implement the policy on delegation of investments to the commune level and community empowerment in the implementation of poverty reduction projects and works in the coming period.*** The required solutions are: (i) Ensuring the delegation of predictable investments to the commune level, based on a clear medium-term financial framework and delegation mechanism and allocation criteria; (ii) A high commitment from local leaders to delegation and empowerment; (iii) Planning reforms using a participatory approach, so that works and projects really fit with the needs of the local people; (iv) Simplification of basic construction procedures

and balance sheets for small and simple works; (v) Capacity building on investment management and financial management for grassroots officials,

using TOT and hands-on methodologies; and (vi) Strengthening monitoring and evaluation, with a focus on community monitoring. (Figure 8).

**Figure 8. Synchronous solutions for delegation of investments to the commune level and empowering communities to effectively implement projects**



***Specifically defining a minimum percentage of NTP investment budgets that is to be delegated to the commune level and assigned to communities for implementation under each different investment regime.*** The general policy is to promote delegation to the commune level and to encourage the community to carry out construction works, but in reality this depends on the commitment at the provincial level to allocating funds to the commune level. Therefore, it is necessary to have specific mechanisms for localities to promote delegation. For example, Cao Bang Province has issued a priority policy that at least 30 percent of the development investment expenditures in Phase 3 of Program 135 (2012-2015) will be assigned to groups of workers or to communities for the construction of small-scale and simple works.<sup>42</sup>

***Applying the mechanism of providing a delegated investment package to the commune level in the form of a Commune/Community Development Fund (CDF).*** Delegating a package of financing to the commune in the form of a CDF has proved effective in many localities. Works that apply the highly participatory

levels of “delegation” and “empowerment” have demonstrated high investment efficiency, promoting the internal strength of the community and enhancing grassroots democracy, publicity and transparency of information, and accountability. Lessons from Hoa Binh show that the organic relationship between the CDF and commune-level planning reform is the key to the success of the CDF.

For the village level, the ABCD approach considers local people and communities to be the main organs, which need to be autonomous throughout the whole life cycle of a development subproject, covering the steps of identifying needs, defining priorities, planning, and making local counterpart contributions, implementation by the community, and monitoring by the community. The implementation mechanism for the NRD Fund (being piloted in the NRD program during the 2016-2020 period) is a good opportunity to apply lessons from the CDF and ABCD<sup>43</sup> to strengthen the delegation of investments to the commune and promoting community ownership in the implementation of projects.



***Continuing to simplify procedures for investment, basic construction and settlements.*** The specific investment mechanism in the NTPs as specified in Decree 161/2016/ND-CP has provided simple definitions of the required procedures and documentation for basic construction of small-scale works with simple techniques, assigning the PPCs to define the procedures on management and final settlement for the form of State budget support by covering construction materials. However, there are still barriers to the implementation of these investment procedures, basic construction and settlement records that still need to be overcome so that the mechanism for delegation to the commune level as investor and community empowerment can be widely deployed in the coming time.

***Capacity building for the commune level on basic construction and financial management.*** For the successful implementation of the CDF component in Hoa Binh province, the PSARD Project thoroughly applied measures for capacity building for the commune level on financial management using the TOT method. The Department of Finance is responsible to establish the CDF working group at the provincial level, headed by a leader of the department, and then to conduct training for the district staff and to guide them on CDF implementation. Districts within the province also set up district level CDF working groups, with core personnel coming from the financial staff of the District Finance and Planning Division. These officials are responsible for providing training and guidance using a “hands-on” approach at the commune level on budgeting, settlement, collection and disbursement. Regular exchanges between the CDF working groups at the district level has helped improve the capacity of the commune accountants through the years involved in the projects.

Some projects, including NMPRP-II (Lao Cai), Tam Nong (Ninh Thuan), and 3EM (Dak Nong), sent project staff to support a “hands-on” approach in the communes during the implementation of investments from different funding sources. This support has significantly helped communes on the implementation of activities under the projects, especially in communes with limited capacity to play the role of investor and weak financial management capacity. However, the unceasing support from project staff can lead to dependence of the beneficiary communes, leading to slow capacity development.

***Monitoring and evaluation.*** Funded projects have extensive experience in monitoring and evaluation, based on a measurable results framework (focusing on output indicators), satisfactory fund allocations for monitoring and evaluation, the provision of adequate training for local partners on monitoring and evaluation, promoting a community monitoring mechanism, and having a reward and punishment regime based on the results of monitoring and evaluation. These experiences should be shared widely so that other localities can learn from them and apply them in the delegation of investment decision making to the commune level and assigning communities to carry out works and projects in NTPs in the coming time.







## 4. RECOMMENDATIONS

Based on the successes, limitations and lessons from commune-level planning reform, delegation and empowerment in the survey areas during the past three years, some recommendations for effective implementation of the NTPs and other projects and programs during the 2016–2020 period can be made, as follows:

### AT THE CENTRAL LEVEL:

1. ***MPI should issue overall guidance on commune-level SEDP using participatory methods.*** Some remarks on this guidance on commune-level planning (in the form of a Circular and/or Handbook) are as follows:
  - At the commune level, only one process for SEDP should be applied, using participatory approach. This should serve as the basis for making investment decisions and developing plans for the implementation of the NTP-SPR, the NTP-NRD and other projects in the same locality, serving the different management requirements.
  - Planning at provincial, district and commune levels should be comprehensively reformed. The planning process at the commune level should be linked with the planning procedures at the district and provincial levels in order to increase the feasibility of investment proposals based on the diverse needs of the people and in line with local priorities, targets and general development strategies and planning. An effective process for two-way information sharing between the different levels should be established (focusing on the steps of “providing information on overall directions” and “evaluation and feedback” from the upper to lower levels), which will help the plans to be more synchronous and more feasible.
  - Providing guidance on participatory mid-term commune-level planning, linked to the mid-term financial framework. Based on this, annual planning can be simplified, and will mainly focus on determining the specific investment schedule and reviewing issues that arise in relation to the coming year.
  - Integrate market factors, gender equality, climate change adaptation and disaster risk reduction into the planning process. Special attention must be given to budget allocation in a way that minimizes complex and difficult-to-implement tables and tools at the grassroots level.
2. ***Ministries responsible for managing the NTPs should issue guidance to the provinces on the development of a systematic approach to capacity building for the implementation of the NTPs.***
  - The provincial projects on capacity building for the implementation of the NTPs should be holistic, coordinating the capital sources of the NTPs and other projects in the area (including donor-funded projects), avoid overlapping and scattered activities that cause budget waste.
  - The approach to capacity building should be reformed, applying the method of training in parallel with practice to develop skills, using the TOT method. A pool of trainers (the TOT core group) should be established and fostered at the provincial and district levels through a pilot process; this pool of trainers should then train commune and village leaders and community representatives for large-scale replication of the model. Information sharing and the exchange of experiences among localities should be strengthened through activities such as conferences, seminars, and field trips.
  - An appropriate budget for capacity building should be allocated in the non-business funding package of the NTPs. (Typically, funding for capacity building and monitoring and evaluation within projects and programs accounts for at least ten percent of the total budget). In particular, it is necessary to provide annual budget allocations for the district level to carry out capacity building (including regular, repeated and improved capacity building) for commune and village leaders and community representatives.
3. ***Ministries responsible for managing the NTPs should promulgate guidance on the monitoring and evaluation (M&E) of NTP implementation.***
  - A results framework should be developed, including a set of SMART indicators (i.e. indicators that are specific, measurable,



achievable, results-oriented, and time-bound), with a focus on performance indicators for outputs. Indicators on “planning reforms”, “the application of specific simplified investment mechanisms”, “delegation to the commune level and community empowerment”, and “public employment creation” should be included in the M&E indicator set at the central, provincial, district and commune levels.

- Guidelines should be provided for the satisfactory allocation of M&E funds to the provincial, district and commune levels (along with the funding for capacity building outlined in Recommendation 2 above).
  - Supplementary Qualitative information on effective methods, typical examples and good lessons learned for communication work and experience sharing in implementing commune-level planning reform, delegation and empowerment in NTPs among provinces should be collected and documented.
4. ***The MOF should issue guidance on final payment and settlement procedures for the NTPs under an “output-based management” approach.*** Accordingly, the MOF should coordinate with ministries managing the NTPs to study and promulgate guidelines on simplified payment and settlement procedures for small-scale works with simple techniques, applying special simplified mechanisms in the NTPs under the mechanism of “expenditure of investment packages according to cost estimates and acceptance of outputs”, instead of only focusing on the mechanism of controlling compliance with the current regulations on expenditures on inputs.

## AT THE PROVINCIAL LEVEL:

5. ***The Departments of Planning and Investment and relevant departments responsible for managing NTPs should advise the PPCs on the synchronous implementation of solutions to promote reforms to commune-level planning, delegation, empowerment, capacity building, and M&E of NTP implementation during the 2016–2020 period*** (within the competence of the PPCs, in line with the contents stated in Recommendations 1, 2, 3 and 4 for the central

level above). The provincial level should pay attention to the following issues:

- Developing and implementing a master plan for capacity building at the provincial level (under the direction of the NTP Steering Committee, chaired by the Department of Planning and Investment) on the basis of summarising, linking and mobilising the available resources for capacity building from the capacity building components of the NTPs, provincial budgets, and technical assistance from development partners in the province.
- Institutionalization and large-scale application of the TOT method, based on learning through practice in order to develop skills. Establishing and maintaining a pool of trainers or TOT core trainers at provincial and district levels, including the mobilization by the provincial level of lecturers from provincial schools (provincial political schools and colleges and universities within the province).
- Allocating appropriate budget for capacity building and M&E (including community monitoring) in the recurrent budget package of NTPs allocated to the provinces. Providing an additional regular annual budget for the commune level to implement reforms to planning with a participatory approach. Allocating annual budget allocations for districts to carry out capacity building activities (including regular, repeated and improved capacity building) for commune and village leaders and community representatives. Regularly summarizing and drawing out lessons and applying a practical rewarding mechanism for districts and communes with good implementation of the new mechanisms in the NTPs.
- Reforming the planning process at the district and provincial levels to be consistent with planning reforms at the commune level, so that it will be possible to provide the commune level directional information, then evaluate the draft commune plans, respond to the commune level and integrate activities proposed by the commune into the public service investment and delivery programs of the provincial and district authorities.

- Computerizing commune-level planning, using simplified software (spreadsheets) to reduce the workload in relation to summarizing commune-level plans and to facilitate evaluation and feedback of plans between the different levels.

## AT THE COMMUNITY LEVEL:

6. *Provinces and districts should apply, replicate and moving towards institutionalization of the delegation mechanism for investment packages with the form of a commune/community development fund (CDF) and the ABCD approach.* Some noteworthy remarks on applying CDF and ABCD approach are as follows:

- There should be capacity building and delegation of decision-making and autonomy to communities at the village level throughout the whole cycle of development subprojects (covering resource analysis, defining development opportunities, ranking priorities, planning, implementation and monitoring) oriented towards inclusive and equitable social development.
- The application of the CDF mechanism and the ABCD approach should be integrated with the participatory planning process in order to

help to develop the skills and resources of the community and to promote the role of farmer groups and community institutions that benefit the poor and disadvantaged groups, identifying ABCD and community-led development activities before submitting proposals for external support.

## FOR DEVELOPMENT PARTNERS:

- Donor-funded projects and programs should summarize and document lessons from the provinces where projects and programs have already been implemented, in order to share these lessons and provide technical assistance to new provinces (particularly for neighbouring localities with similar conditions) to help them to quickly learn and apply the new mechanisms for commune-level planning reform, delegation and empowerment.
- Connectivity among donor-funded projects and programs and between them and the State invested programs should be strengthened, integrating technical assistance and capacity building activities into an integrated development plan chaired by the provincial level.









# ANNEXES

Annex 1. Some characteristics of the 15 villages in the Pro-poor Policy Monitoring Project

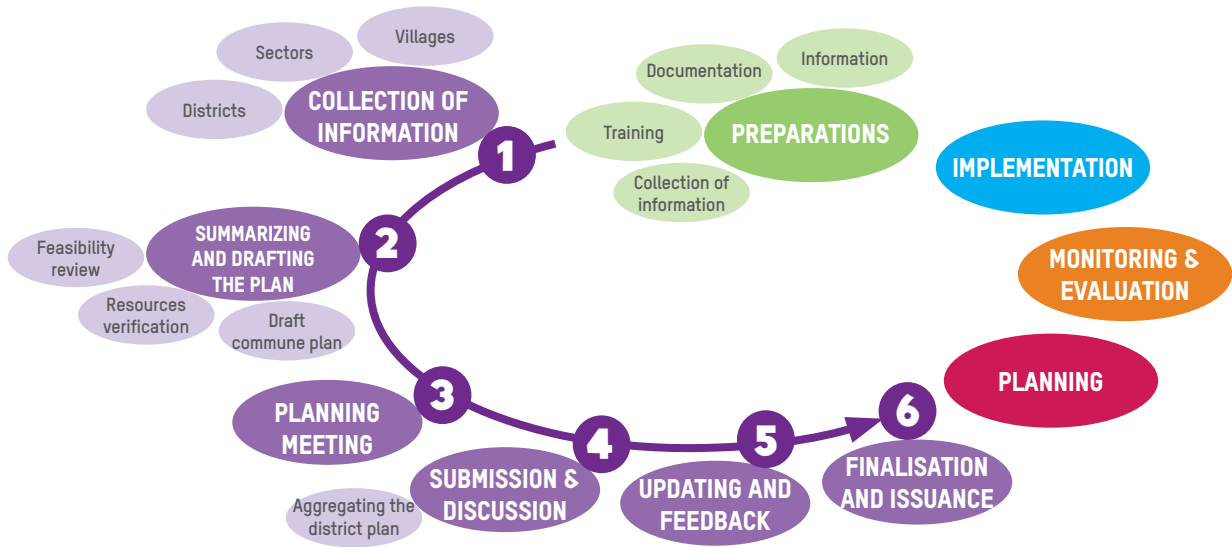
Province	Lao Cai		Hoa Binh		Nghe An		Quang Tri		Dak Nong		Ninh Thuan		Tra Vinh	
District	Muong Khuong		Da Bac		Quy Chau		Dakrong		Dak Glong		Bac Ai	Ninh Phuoc	Ninh Hai	Cau Ke
Commune	La Pan Tan	Ban Xen	Tan Pheo	Hien Luong	Chau Thang	Chau Hanh	Mo 0	Dakrong	Quang Khe	Dak Som	Phuoc Dai	Phuoc Hai	Vinh Hai	Tam Ngai
Village	Tin Thang	Phang Tao	Bon	Dung	Xet 2	Khe Han	Phu Thieng	K'Lu	Thon 7	Thon 3	Ma Hoa	Thanh Tin	Da Hang	Ngoc Ho
Under the second phase of Program 135	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Topography	Mountain	Mountain	Mountain	Low Mountain	Mountain	Mountain	Valley	Valley	Highlands	Highlands	Delta	Delta	Delta	Delta
Number of households	50	86	78	50	118	64	98	137	188	186	200	967	73	453
Main ethnic group	Mong (100%)	Day (25%), Nung (75%)	Dao Muong (90%), Muong, Tay	Muong (85%), Tay, Dao, Kinh	Thai (100%)	Thai (97%) Kinh (3%)	Van Kieu (97%)	Van Kieu (96%)	Kinh, Ma	Ma, Kinh, Tay, Muong	Raglay (95%), Kinh (5%)	Cham (100%)	Raglai (96%), Kinh (4%)	Khmer (99%) Khmer (63%)
Distance to the commune centre (km)	1.7	1	6	3.5	2	6	0.5	2	5	0.5	2	3	3	3
Distance to the nearest all weather road (km)	0	0	0	3	0	0	0	0	0	0	0	0	0	0
Distance to the nearest clinic (km)	3	1	6	3.5	3	7	2	3	5	0.3	2	3	3	3
Distance to the nearest primary school (km)	1.7	1	2	0	2	3	0.5	2	4	0.3	0.5	0.1	0	3
Distance to the nearest lower secondary school (km)	3	1	6	3.5	2	6	2	2	5	0.3	1	3	3	3
Distance to the nearest secondary school (km)	3	1.2	11	9	13	6	4	10	5	20	1	10	37	6
Distance to the nearest market (km)	4	1	6	9	4	6	4	10	4	20	2	0	3	6

Province	Lao Cai	Hoa Binh	Nghe An	Quang Tri	Dak Nong	Ninh Thuan	Tra Vinh
Main sources of income	Corn, rice	Rice, corn, cassava	Rice, working away from home	Rice, cassava, peanuts	Rice, corn, cassava	Corn, beans, rice, working away from home	Rice, working away from home
	Corn, tea, animal husbandry	Corn, cassava, aqua culture, forestry	Rice, forest, animal husbandry		Coffee	Rice, working away from home	Rice, Dairy and Beef production contract work
Poverty rate by the end of 2013 (%)	55	30	43	59	41	45	36
Poverty rate by the end of 2014 (%)	51.02	10.46	37.74	41.97	29.5	54.92	28.67
Poverty rate by the end of 2015 under the new multi-dimensional poverty rate (%)	54	29.4	54.6	65.1	56.49	31.37	70.51
% of households with electricity (*)	100	100	100	100	100	100	100
% of households with tap water (*)	100 (running water)	60	50	0	84	30	56
% of households with hygienic latrines (*)	10	86	90	100	88	23	41
% of households with a TV set (*)	40	35	90	100	88	100	90
% of households with motorbikes (*)	70	93	60	95	91	100	41
% of households with telephones (*)	60	100	100	100	93	100	100
Production area per capita (m²)	N/A	2,213.3 (corn, cassava, rice)	9,034.3 (sugar cane, cassava, rice)	10,502 (corn, cassava, rice)	740 (rice, corn, cassava)	2,188 (coffee)	1829.5 (rice, vegetable)
% of households with sales in the past year (*)	100	100	100	95	100	100	90
% of households with remittance in the past year	0	13	17	3	4	10	22
							</

Source: Village information cards collected by Oxfam and partners, 2016

Annex 2. Introduction to the annual participatory socio-economic development planning (SEDP) process

1. Steps in commune-level socio-economic development planning (SEDP)



The annual commune-level SEDP process includes these basic steps:

- **Preparations:** Preparing the resources, information and human resources for planning: Establishing teams or finalizing planning teams at different levels, training for planning teams, evaluating the previous year’s planning process, collecting information and basic data, and meeting to disseminate information on the planning process.
- **Step 1** (the first week of May to the first week of June): **Collecting information:** Villages and commune agencies propose their priority activities. The district authority provides guidance on planning to communes.
- **Step 2** (the fourth week of May to the second week of June): **Summarizing and drafting the plan:** Summarizing information, reviewing feasibility and verifying resources for the proposed activities, and establishing the plan for the NTPs and the socio-economic development plans at different levels.
- **Step 3** (the second week of June): **Planning meeting:** Commune-level planning meeting with the participation of stakeholders to get

feedback on the draft plan, and to select solutions and priority activities.

- **Step 4** (the third week of June to November): **Submission and discussion of plan:** Submitting the plan to the superior, and aggregating the commune, district and provincial plans.
- **Step 5:** (November and December): **Updating and feedback on the plan:** Agencies at the upper level provide feedback to the lower level, and update and provide feedback to communities and related agencies.
- **Step 6** (December): **Finalization and issuance of the plans:** Finalization, approval and issuance of the plans for implementation.

2. Principles for the reform of commune-level SEDP

The principles for the reform of commune-level SEDP are:

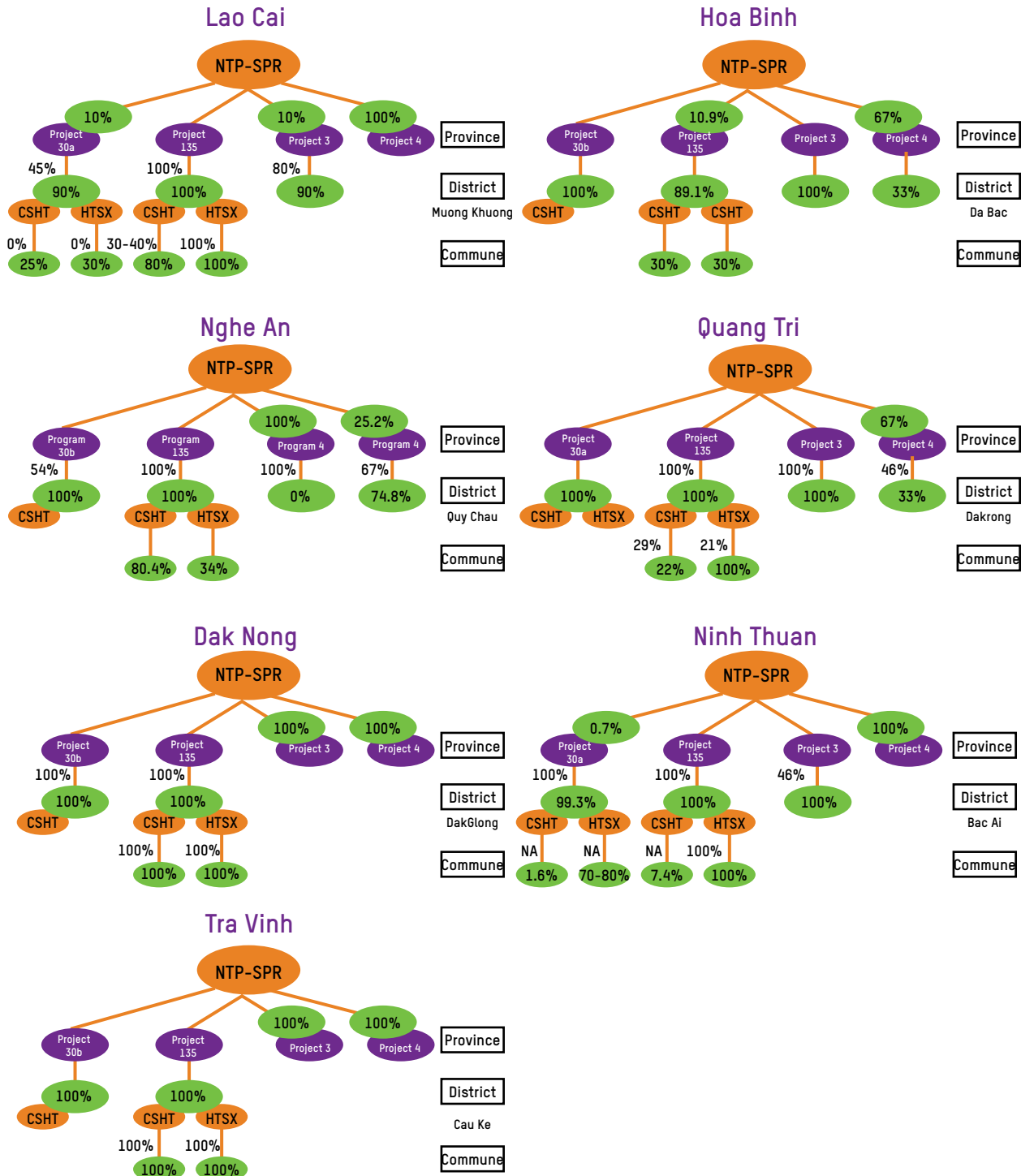
- **Participatory planning:** commune-level SEDP must have the participation of the authorities, mass organizations, beneficiaries and the community. The participation of the poor, women and vulnerable groups in the planning process must be ensured.



- **Integrated planning:** There should only be one provincial planning process to produce various planning products serving different management purposes (such as the SEDP and the implementation plans for the NTP-SRD and the NTP-NRD). Information on markets, gender equality, disaster risk reduction and climate change adaptation should also be included in the planning process.
- **Multi-level planning:** Connectivity between the provincial, district, and commune levels should be ensured during the planning process. Lower level plans should provide the basis for upper level plans. The upper level should provide guidance, evaluation and feedback to the lower level.
- **Results-based planning:** Planning should conform to the SEDP, the implementation plans for the NTPs, and the local restructuring plan approved by the relevant authorities. Local plans should be based on the definition of objectives or tasks for the planning year, followed by the selection of solutions and priority activities to achieve these objectives or tasks.
- **Resource-based planning:** Planning should be based on the availability of resources, in line clear identification of resources to be mobilized from the central and local levels as well as reasonable resource mobilization from the community and other legal sources, and the identification of the implementation mechanism for each task or activity in the plan.
- **Integration of planning with M&E:** The plan should include the responsibilities of different stakeholders and criteria for the measurement of outcomes. Each objective should be monitored and evaluated based on specified data, information resources, data collection frequency, and reporting templates.



Annex 3: The rate of decentralization in the NTP-SPR in the seven survey provinces, 2014-2015



Notes:

- CSHT = Infrastructure; HTSX = Production support .
- The rate of decentralization from the provincial level to the district level is based on the statistics provided in provincial decisions on budget allocations at the beginning of each year (2014 and 2015), and does not include additional allocation figures.
- The rate of decentralization from the district level to the commune-level in Nghe An, Quang Tri and Dak Nong is based on provincial allocation decisions, while the rate in the remaining provinces is based on the specific or estimated statistics supplied by officials from district departments and committees (the Department of Finance and Planning, the Committee for Ethnicity Affairs, and the Department of Agriculture and Rural Development).
- For Hoa Binh province only, all decentralization statistics (from provincial to district level, and from district to commune level) are provided by officials of provincial-level and district-level departments and committees.
- The numbers within the ovals are the budget decentralization rates in 2015, while those outside the ovals are the budget decentralization rates in 2014.







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# REFERENCES

1. Oxfam in Vietnam's Pro Poor Policy Monitoring and Analysis Project aims to improve the quality of Pro Poor Policies in Vietnam by providing the government with quality qualitative research that makes achievable recommendations for change. We work in partnership with government agencies to research how pro poor policy is implemented and what impact it has on people's lives. Our research is conducted annually in nine provinces and cities in Vietnam. The voices and stories of local communities we collect are used to produce a series of comprehensive reports, organize policy meetings and dialogues, and other advocacy work with national and local government agencies, development partners and the media to advocate for stronger, more sustainable pro poor policies.
2. General Statistics Office report dated September 29, 2016, on "Key findings from the survey on the socio-economic situation of 53 ethnic groups in 2015"
3. Decision No. 1095/QĐ-LĐTBXH dated August 22, 2016 approving results of surveying and reviewing poor and near-poor households in 2015 according to the new multi-dimensional poverty standards for the 2016-2020 period.
4. World Bank, 2012, Well Begun, Not Yet Done: Vietnam's remarkable progress on poverty reduction and the emerging challenges, Washington DC; Oxfam and AAV, 2012, Integrated Monitoring Report of Participatory Poverty Monitoring in Rural Vietnam (2007-2011), Hanoi.
5. National Assembly Standing Committee, 2014, Report No. 660/BC-UBTVQH13 on the result of monitoring of "The implementation of policies and laws on poverty reduction in the 2005-2012 period"; Oxfam, 2014, Review and Analysis of Poverty reduction policies: Background report for the "Pro-Poor Policy Monitoring and Analysis Project" by Oxfam between 2014-2016; Thanh H.X. and associates, 2013, Mid-term report of some poverty reduction policies to implement the sustainable poverty reduction national target program 2012-2015 and the Government's Decree No. 80/ND-CP.
6. The map used in this Table is the "2012 Poverty Map", using VHLSS 2012 data. The darker the colour, the higher the poverty rate. Source: World Bank, 2012, Well Begun, Not Yet Done: Vietnam's remarkable progress on poverty reduction and the emerging challenges, Washington DC.
7. Oxfam has established the partnership with the key government led agency in each province for this project, Lao Cai Province with Department of Agricultural and Rural Development, Hoa Binh Province with Department of Labors, Invalids and Social Affairs, Nghe An Province with Department of Foreign Home Affairs, Quang Tri Province with Department of Labors, Invalids and Social Affairs, Daknong Province with Department of Labors, Invalids and Social Affairs, Ninh Thuan Province with Department of Planning and Investment and Tra Vinh Province with Provincial Office of Poverty Reduction.
8. Please note that the circular guiding the implementation of NTPs by MPI is just a part of the planning for the implementation of NTPs, as it relates to the investment budget, not the regular expenditures of the NTPs.
9. Ordinance No. 34/2007./PL-UBTVQH11 on 5/4/2017 of the Standing Committee of National Assembly on Exercise of democracy in communes, wards and townships.
10. At present, there are about 30 provinces throughout the country carrying out annual commune-level planning, with 12 provinces having institutionalised and applied the commune-level participatory planning process on a provincial scale. No province has yet institutionalised the commune-level planning without support from a donor-funded project.
11. By mid 2016, with the exception of Hoa Binh's regulations to integrate Program 135 with annual commune-level planning, none of the survey provinces has integrated the NTPs and annual commune-level planning.
12. Decision No. 1131/QĐ-UBND dated April 25, 2015 of the Lao Cai Provincial People's Committee



- on issuing the planning reform process for the annual socio-economic development plan at all levels in Lao Cai province.
13. Decision 10/2010/QĐ-UBND dated June 15, 2010 of the Hoa Binh Provincial People's Committee on the procedures to establish, instruct, implement and supervise the annual socio-economic development plan of communes, wards and towns in Hoa Binh province.
  14. Decision No. 2275/QĐ-UBND dated 30/12/2014 of the Hoa Binh Provincial People's Committee on the issuance of the Handbook directing the 5-year socio-economic development planning at the commune level
  15. Decision No. 811/QĐ-UBND dated July 03, 2014 of Nghe An Provincial People's Committee on Promulgating the Decision on the formulation, implementation and monitoring the of the annual socio-economic development plan of communes, wards and towns in Nghe An province.
  16. Decision No. 12/2011/QĐ-UBND dated June 1, 2011 of Quang Tri Provincial People's Committee promulgating process of building, implementing and monitoring evaluation of the annual socio-economic development plan of communes, wards and towns in Quang Tri province.
  17. Among the 15 survey communes, Ban Xen commune (Muong Khuong district, Lao Cai) is yet to apply the new planning method as of mid-2016 (since Lao Cai only decided to institutionalize commune-level planning in 2015, and therefore new planning methods have not yet been replicated to communes outside those supported by the WB and Oxfam)
  18. According to Official Document No. 1594/UBND/TH dated April 15, 2016 of the Lao Cai Provincial People's Committee and Official Document No. 622 dated 20/4/2016 of the Lao Cai Department of Planning and Investment.
  19. Official document No. 1307/UBND-TCTN of the Hoa Binh Provincial People's Committee on increasing the expenditures for communes, wards and town for socio-economic development planning.
  20. In 2015, Nghe An has a separate budget line for participatory planning in the annual commune budget. The mountainous, disadvantaged communes receive seven million VND per year, and others receive six million VND per year according to Decision No. 811/QĐ-UBND dated July 03, 2014 of Nghe An Provincial People's Committee on Promulgating the Decision on the formulation, implementation and monitoring the of the annual socio-economic development plan of communes, wards and towns in Nghe An province.
  21. Decision No. 12/2011/QĐ-UBND dated June 1, 2011 of Quang Tri Provincial People's Committee promulgating process of building, implementing and monitoring evaluation of the annual socio-economic development plan of communes, wards and towns in Quang Tri province, and Decision No. 28/2013/QĐ-UBND on promulgating regulations for establishment, implementation, supervision and evaluation of the annual socio-economic development plans of districts, towns and cities in Quang Tri province. However, since the 2015 fiscal year, Quang Tri province no longer separate the budget for commune socio-economic development planning (five million VND per year) and combine such funding to the overall regular commune expenditure.
  22. The province has included this to the Provincial People's Council resolution on budget for regular expenditures for district and commune's planning tasks (such as Resolution 15/2013/NQ-HĐND on socio-economic development plan for 2014).
  23. In the sustainable poverty reduction NTP, the budget for capacity building was 4.5 percent of total budget for Project 2 (Program 135) and 1.1 percent (together with Supervision-Evaluation in Project 5) of the total budget for the Program. In the national target program, capacity building is one task of various expenditure of the budget for regular expenditure. Meanwhile, in the experience of donors, the budget for capacity building and M&E often accounts for 10-20 percent of the total project budget.
  24. Phuong Hai commune is not a project under the Tam Nong program. It has started the new commune-level planning process since the 2015 plan.

25. For the two planning rounds for 2015 and 2016, Thanh Tin village, Phuoc Hai commune (Ninh Phuoc district, Ninh Thuan province) did not organise a village meeting to collect information for commune-level planning, and the commune-level planning team consulted with village leaders in a commune meeting.
26. The Asset-Based Community Development (ABCD) is a strategy or an approach for sustainable community development. The core of ABCD is that a community can own its development process by identifying, connecting and mobilizing local assets. ABCD pays attention to individual potentials and strengths in the community (such as groups, teams, clubs, and official and non official community institutions) and then connects them with external resources to implement community initiatives. ABCD is considered as "inside out" development, rather than "outside in" development, which focuses on externally proposed initiatives and projects. For more information, please go to <https://resources.depaul.edu/abcd-institute/Pages/default.aspx>. The ABCD approach was first introduced in Vietnam in 2006 and has gradually been applied in more localities.
27. The commune socio-economic development planning includes a step called "providing feedback on the content of the plan to communities and related stakeholders", which is often carried out in November or December in order to inform local people in the villages and related stakeholders (offices, units, schools, clinics, cooperatives, enterprises, projects, etc.) on the content of the plan, and to identify and receive comments from the local people before submitting the plan for official approval. Depending on the situation, the commune team for commune-level planning chooses a suitable feedback method, such as: i) Direct feedback, where members of the commune-level planning team go the field and cooperate with the leaders of organizations and with village chiefs to organise meetings on the plan, focusing on the content related to that organization and/or village; ii) Indirect feedback, where the content of the plan is publicised through loudspeakers, public notice boards, village communal houses, or through sending the draft commune-level plan together to village chiefs and local organizations in the commune, with a form for providing feedback.
28. Decision 2740/QĐ-UBND dated 28/12/2012 of the Dakrong District on the Issuance of Procedures for Development, Appraisal, Approval and Implementation of Annual Agriculture production support under Program 135, 30a and the NTP-NRD in Dakrong district.
29. Decision No. 806/QĐ-UBND dated 05/14/2015 by Hoa Binh Provincial People's Committee approving the Handbook on guiding implementation of Program 135 (under the national targeted program on sustainable poverty reduction during the 2012-2015 and 2016-2020 periods), materials for commune use.
30. In 2013 and 2014, La Pan Tan considered the local plan, developed under the new method, as the plan for the NMPRT Project II, so all activities under this plan are oriented toward using resources from this project. Since 2015, the new commune-level plan has been considered as a common plan for the whole commune, submitted to the PPC for approval, and the activities in this plan are oriented toward using other resources from outside of the project. Therefore, the completion rate of this plan is lower than in previous years.
31. Hien Luong is a commune in Hoa Binh province that is under the national targeted program. In 2015, the commune proposed 17 billion VND of investment, and completed 100 percent of this investment. In 2016, the commune proposed 24 billion VND of investment, however it was difficult to reach the same amount of allocation due of budget constraints.
32. Decision No. 498/QĐ-TTg of the Prime Minister: Additional investment mechanism for the NTP-NRD during the 2010-2020 period; Circular No. 03/2013/TT-BKHDT guiding the implementation of Decision No. 498/QĐ-TTg on the additional investment mechanism for the NTP-NRD during the 2010-2020 period.
33. Circular No. 28/2012/TT-BTC dated February 24, 2012 stipulating the regulations on the

management of the investment funds from the commune/ward/town budget.

34. Official Dispatch No. 1342/UBND-TCTM dated October 21, 2015 by the Hoa Binh Provincial People's Committee guiding the implementation of norms for commune development planning.

35. Resolution No. 29/2015/NQ-HDND dated December 10, 2015 by the Dak Nong People's Council on Regulation on Resource structure for Solidifying Canals and Rural Transport Program for the 2016-2020 period.

36. Because of a delay in the provision of funding for the NTP in 2016, no data on budget allocations to district and commune level were available at the time that the survey was conducted (April-June 2016).

37. The Participation ladder is understood as:

- "One-way information": Community is informed about the activity
- "Consultation": Community is asked for opinion
- "Joint Decision": Community can discuss and decide
- "Joint Action": Community has a strong voice in decision making and contribute its part in implementation.
- "Designation": Community proposes, implement and supervise
- "Empowerment": Community is fully empowered, is funded, and plan, implement and supervise.

38. For reference: <http://www.daikynguyenvn.com/viet-nam/cheo-leo-vuot-song-tren-hai-soi-cap-20-nam-tuoi.html>

39. The CDF (PSARD-Hoa Binh) regulates that 80 percent of the CDF fund (after management fee) is allocated to the village; The Community Development Fund (Tam Nong-Ninh Thuan) regulates that 50 percent of budget is allocated to the village; Community Infrastructure Development Fund (3EM-Dak Nong) regulates that 70 percent of CDF budget is allocated to the village.

40. Among 87 infrastructure construction activities consulted for people's opinions, seven construction activities were categorised as "Designation", accounting for 10.3 percent; 19 were categorised as "Joint Action", accounting for 21.8 percent; 39 were categorised as "Joint Decision", accounting for 44.8 percent; nine were categorised as "Consultation", accounting for 10.3 percent; and 4 were categorised as "One-Way Information", accounting for 4.6 percent.

41. Helvetas. 2014. Community Development Fund impact evaluation Report, under PSARD program in Hoa Binh.

42. The Cao Bang Ethnic Committee has advised the provincial people's committee to issue Decision No. 11/2014/QĐ-UBND dated May 30, 2014, on the implementation of Program 135 on support to infrastructure, production to disadvantaged, border and former revolutionary communes, and specially disadvantaged villages in Cao Bang province for the 2012-2015 period, and the 2016-2020 period. Two noteworthy new points are: (i) integrating the planning of Program 135 into the annual socio-economic development planning, and (ii) localities allocate at least 30 percent of annual budget for simple infrastructure with small scale and valued under 500 million VND for communities and local groups to implement.

43. CDF has been applied in many donor-funded projects in different areas, such as: PSARD in Cao bang, PORIS in Nghe An, NMPRP 1st and 2nd phases in the northern mountainous provinces, and IFAD funded projects. The ABCD approach has been applied successfully in the PCM project, funded by SDC: <http://www.cmm.com.vn/vi/Trangchu/mid/29453A92/> and also in many other smaller projects funded by different NGOs.

44. Please address comments to Hoang Lan Huong, Advocacy and Campaign Officer, Oxfam, Tel. +844 3945 4362, Extension 713, email: [hoanglan@oxfam.org](mailto:hoanglan@oxfam.org)



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