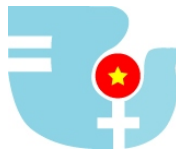




MPI



INTEGRATING THE CPRGS



INTO THE LOCAL SOCIO-ECONOMIC
DEVELOPMENT PLAN



Experiences from **TRA VINH**

COMPREHENSIVE POVERTY REDUCTION AND GROWTH STRATEGY
INTER-MINISTERIAL WORKING UNIT

INTEGRATING THE CPRGS INTO THE LOCAL
SOCIO-ECONOMIC DEVELOPMENT PLAN:

Experiences from
TRA VINH

Ha Noi - Viet Nam
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PREFACE

The Government of Viet Nam has articulated its development vision for the decade in the **Ten year Socio- Economic Development Strategy (SEDS - 2001-2010)**. This document endorsed at the Ninth Party Congress in 2001 lays out a path of transition towards a “market economy with socialist orientation” and expresses a strong commitment to growth, poverty reduction and social equity. The **Five years Plan** (2001 – 2005) and the **Comprehensive Poverty Reduction and Growth Strategy (CPRGS)**¹, furthermore, gives comprehensive lists of monitoring indicators of the macroeconomic performances and the social and institutional outcomes that the national goals are to achieve. The Prime Minister in May 2002 approved the CPRGS, named a Steering Committee, and encouraged local governments to take advantage of the greater autonomy given by the revised Budget Law to build local socio-economic plans that promote pro-poor development policies in accordance with the CPRGS goals.

The province of Tra Vinh has been the first province to initiate such a process with the support of the Ministry of Planning and Investment (MPI), the National and Provincial Committees For Advancement of Women (NCFAW and PCFAW), the United Nations Development Program (UNDP) and OXFAM Great Britain. Increasing awareness of the new management possibilities and decentralized accountabilities of the revised Budget Law as well as integrating the CPRGS pro-poor principles into the Tra Vinh socio-economic development plan was a very new experience for all the participants. By capturing and documenting the lessons and the new practices that emerged during this course of action, the document seeks to assist provincial leaders, local government units, consultants and donors, when engaged in the similar process, to select the type of approach and provide the type of support that will facilitate the design and implementation of more pro-poor principles into local socio-economic plans and budgets.²

¹ For the list of the Viet Nam Development Goals see CPRGS, Socialist Republic of Viet Nam, 2002.

² The Ministry of Planning and Investment has produced recommendations on how to mainstream CPRGS, as well as Viet Nam and Millennium Development Goals (VDG, MDG) into local socio economic plans. See “Guideline for developing the provincial socio-economic plan taking into account poverty reduction and growth” Official MPI Minister’s letter 2215 BKH/TH of April 14th, 2004. Some of the MPI recommendations are based on this pilot-tested work and inspired from the Tra Vinh experience.

LESSON 1.

Translating the CPRGS into provincial budget planning is a forward-looking exercise that must involve both Provincial and Central Government authorities. In the context of the decentralization processes launched under the revised State Budget Law, it prepares the provinces to take ownership for their development choices and tests new cooperation mechanisms between Provincial and Central Governments.

Under the revised State Budget Law provinces will increasingly have more autonomy in setting their own targets and in allocating local budgets. Provinces will also become more accountable for the plans they implement. For the process to develop, new cooperation mechanisms between central government and provinces must be developed, and provinces must show increasing economic management capacity. The integration of CPRGS is an occasion to test these new approaches and develop provincial economic planning capacity, while promoting pro-poor policies at local levels. The success of this approach will ensure that the recently launched decentralization process will not only foster local growth but will also enhance local poverty reduction actions.

The Tra Vinh authorities have been very proactive in this regard, and the Central Government has been also involved from the very beginning, in a positive and mutually beneficial collaboration and learning exercise. The Tra Vinh authorities were intent on strengthening the province's ownership of future pro-poor development choices, while the Central Government could get a sense of what actions (guidelines, capacity building and changes in procedures) are needed to allow the provinces in Viet Nam make the best use of the decentralization process whatever their current stage of socio-economic development and management capacity are. This close cooperation between the central government and the local authorities is crucial.

LESSON 2.

Local ownership of pro-poor development choices and budgeting decisions emerges from building a local consensus on and understanding of the poverty situation, selection of targets and appropriate policy measures needed. This consensus must be built upon different sources of information and local stakeholders' opinions and debate. Traditional data, reporting and planning procedures are not enough.

Implementing the revised Budget Law and mainstreaming pro-poor principles into the provincial socio-economic plan require innovative approaches and procedures. The Tra Vinh authorities observed that the past traditional practice relied very much on nationally determined approaches, where the local plan and budget choices were driven essentially by centrally designed policies on public investment and sectoral development. Under the new approach, the Tra Vinh authorities realized that prior to any other action a local consensus must be built around what the province's specific development status, needs and priorities are. Only when this local consensus is reached, can local development choices and budget options (such as public investment and sectoral expenditures) be determined.

The Tra Vinh authorities decided, therefore to engender among the participants a common understanding of existing poverty and the socio-economic development needs of the province³. A Task Force was established and sectoral departments were explicitly asked to formulate specific analysis. Besides representatives of all the technical departments, the Task Force included members from the People's Council, the People's Committee, and local mass-organizations. Different types of statistical information were collected and large open consultations of all stakeholders were organized. This included members of poor households (through the Participatory Poverty Assessments and grassroots consultations), and members of grass-roots organizations and local political bodies at provincial, district and commune levels (through workshops).

³ Refer "Report on Analysis of Current Status and Development Objectives of the Tra Vinh Province" The People's Committee of Tra Vinh Province, November 2003.

Measuring the Viet Nam and Millennium Development Goals at local level, and comparing province's comparative progress toward the social economic indicators to those of similar provinces is a most effective way to increase participant's awareness of their own province's development needs.

LESSON 3.

Facilitators helped the Task Force participants rank the province according to a set of social and economic indicators, which included the Millennium Development Goals and other socio-economic targets. For this purpose, different types of information and data were collected and analyzed: national and regional statistics, administrative reports, Participatory Poverty Assessment records, etc. The comparisons of Tra Vinh to other provinces helped the participants realize better in which sectors and development areas the province was lagging behind. Local participants, furthermore, recognized the need to prioritize some specific targets at local levels.

This approach contrasts with the traditional approach of local planning that measured province progress through internally reported data and set local targets in relation to national averages. The new approach, however, requires considerable effort in data collection and analysis (see lesson 4). Interpreting all the information and comparing the provinces development status to the other provinces of the Mekong Delta was also a time consuming process. Continued technical assistance as well as the design of a common methodology, would make the task easier as well as more sustainable.

The General Statistical Office (GSO) must be actively involved in supplying information and sharing its expertise in data collection and analysis with experts and officials at the local level. When new data needs to be produced, GSO should provide guidelines so locally produced statistics are comparable. More generally, information and data should be widely disseminated among and accessed by all concerned stakeholders.

LESSON 4.

"The CPRGS Task Force can see that data problem is the biggest barrier to the whole process" (report on Analysis of current status and development objectives 2005-2010 of the Tra Vinh Province, 2003). Part of the problem is that many⁴ CPRGS targets still lack monitoring indicators and supportive data even at national levels. The Tra Vinh's authorities lack of easy access to GSO statistics was another important obstacle. Finally, reconciling figures obtained from different sources (GSO, local surveys, and internal reporting) and where definitions have changed overtime (such as the indicators of poverty) was also difficult. Besides providing easy access to the information, the support of GSO is crucial to help define and measure new indicators at national and local levels.

GSO in coordination with Provincial Statistical Office (PSO) should put in place a common methodology and provide advice on how to produce standard local

statistics. In the case of Tra Vinh, the existing statistics could not be used to monitor many of the CPRGS targets, while indicators regarding the development of other CPRGS targets were only available at aggregate level or were not comparable overtime. The Tra Vinh Task Force participants, for example, observed that the lack of local data to monitor the child mortality rate, the rate of mothers who received prenatal care, and those who have delivered with the assistance of a trained health care professional. Urban unemployment, rural underemployment and poverty rates do not have reliable figures and hence are unknown at the district and commune levels. GSO should also provide technical support to the provinces and make sure that all line-ministries and provinces use the same methodology so regional data is comparable. The need therefore for GSO technical support to help local data analysts overcome such data gaps and methodological obstacles is key.

⁴ According to Tra Vinh Task Force participants up to 30 percent of the CPRGS targets.

LESSON 5.

Active participation of the poor directly or through grass-root organizations helps better identify the real causes of poverty, provides valuable feedback on community expectations and assessment of government services, and contributes to formulate innovative pro-poor initiatives.

National household surveys capture little information about the characteristics and the way of life of the vulnerable groups in Tra Vinh province (for instance, the landless or the Khmer population⁵). The Participatory Poverty Assessments organized with the support of Oxfam Great Britain and UNDP helped fill this knowledge gap and provide an avenue to listening to the voice of the poor. Moreover, a better understanding was achieved of the reasons that lead households to fall into poverty, or prevent poor people from escaping poverty. Some feedback also provided a better sense of the ground reality behind the official figures⁶. The meetings and the survey organized by the provincial Farmers' and Women' Unions with the support of Oxfam Grand Britain in four

poor communes also enabled feedback on the people's expectations regarding government actions.

The Tra Vinh CPRGS Action Plan⁷ reflects these results, and includes specific development strategies that target the landless and the Khmer minorities.⁸ The inclusion of issues that would probably not have been included without such local participation has demonstrated the effectiveness of bottom-up planning principles. However, in order to be an integral part of the planning process, this type of participatory exercise has to be systematized. Local authorities expect that central government will provide guidelines, and that donors' agencies will supply technical assistance to support this.

LESSON 6.

Coordinated government and donor agency actions radically shifted participant's attitude on gender issues. There is still, however, a long way to go in mainstreaming gender concerns into local development plans and budgets.

The National Committee for the Advancement of Women (NCAAW), the Tra Vinh Women Union, UNDP-Netherlands (through NCAAW) and Oxfam Britain organized meetings and training workshops⁹ to increase the awareness of the Task Force participants and all the stakeholders about the link between gender and poverty. As part of a wider program on how to integrate gender dimensions to development goals, NCAAW in association with UNDP-Netherlands provided a consultant that could provide such specific technical support and shared national guidelines¹⁰ on gender mainstreaming that had been provided.

All these combined efforts resulted in a significant shift of participants' attitude toward gender analysis of issues of gender equity and four out of the 37 core targets of the Tra Vinh province include a gender dimension in their articulation and assessment. Participants agreed that such a result would not have been possible without the coordinated effort of all the supporting agencies and consultants. The lack of sex-disaggregated statistical data, the participants' own gender biases and a low level of awareness on how gender issues can be related to planning targets and budget allocations complicated the task. The production of valuable guidelines and the

⁵ The reason is that these populations at national level are too small.

⁶ For example, that the infrastructure coverage of certain communes although stated as comprehensive and/or complete, does not necessarily mean that all the poor in this commune have access to basic utilities.

⁷ See "Poverty Reduction Action Plan of Tra Vinh Province 2004 – 2010" endorsed in December 2003 by the Tra Vinh People's Committee and the "Tra Vinh 2004 Socio-Economic Development Plan" approved by the Tra Vinh People's Council.

⁸ For example, mechanisms to minimize the impact of natural disasters, also to increase the poor's access to basic services; the desire to increase local budget transparency, and to well analyze and provide support to the workers who migrate in and out of the province (as migration was found as an important way out of poverty).

⁹ Tra Vinh's Task Force, leaders and planners from 19 Departments as well as local CFAW members assisted to a 4 days course in May 2003; Tra Vinh's Women Union members were trained in a Master Trainers' course in November 2003; Tra Vinh's provincial and district People Councils received a 3 days training in December 2003 and Tra Vinh's mass-organizations a 3 days course in March 2004.

¹⁰ NCAAW in association with UNDP-Netherlands developed a set of national guidelines, wrote a training manual and trained a team of 25 master trainers to support mainstreaming gender issues into development goals. These materials and one of the master trainees were mobilized to support the Tra Vinh planning exercise. See forthcoming report of the UNDP-Netherlands consultant (project VIE/01/015).

provision of specifically trained national experts were able to demonstrate that this was a clear and beneficial priority. Tra Vinh leaders had had some prior experience in financing development projects¹¹ beneficial to the

poor. This shift of attitude regarding gender issues led only to limited budget reorientations so much work remains to be done on gender-responsive planning and budgeting at local levels.

Policy makers must focus on a reduced set of key targets in a socio economic plan, in order to formulate and cost detailed strategies that can lead to increased and/or prioritized budget allocations for specific poverty reduction results.

LESSON 7.

The CPRGS includes 136 indicators. Although the Tra Vinh participants did not work with and retain all these indicators, they did increase the overall number of indicators to 187. Some national indicators were excluded. These indicators were specific to national goals (related to macroeconomic and legal frameworks), or had still not been measured at national level, or had not been assigned to a specific agency for implementation. On the other hand, other indicators were added. Some national indicators were also further disaggregated to introduce crosscutting issues (like the gender issue). Other new indicators were inserted in order to consider the development of specific vulnerable households such as the Khmer, and the landless households.

The consequent increase in the number of indicators to be monitored raised the difficulty of formulating practical

development strategies and augmented the complexity of connecting pro-poor development goals to actual budget decisions. Faced with this problem, the Tra Vinh authorities chose a pragmatic solution. Rather than spending time in (localizing) fine-tuning the CPRGS comprehensive list of indicators, they decided to focus on a core set of 37 key targets or indicators. Development strategies related to these core targets were then detailed in each sector, and across sectors and then linked to budget allocations.

The reduction of the number of main targets was crucial, so policy makers could focus on the formulation and the costing of the actual, workable development strategies. Indeed, formulating and evaluating the cost of development strategies requires a whole set of specific technical actions and consultative processes. The Tra Vinh experience shows that the demand for such is high.

Reducing uncertainties about future funding and increasing central and local budget coordination and flexibility will increase the capacity to effectively integrate CPRGS targets into socio-economic plans.

LESSON 8.

Once socio economic targets and development strategies have been clearly defined, establishing budget and investment choices require evaluating the cost and the feasibility of each project. Connecting the local socio-economic plan to local budget choices is crucial with investment and current expenditures being consistent with the poverty reduction targets. Local authorities currently face several obstacles in this process. First, estimating what would be the amount of the resources available in the coming years is particularly difficult, whether from central government sources, ODA or their own local capacity to generate income. Explicit and long-term allocations could reduce such uncertainty. Second,

local and national budget procedures lack flexibility. The mismatch of several government procedures¹² limits local authorities capacity to shift resources between sectors. Third, appropriate monitoring and accountability frameworks remain to be developed. As the decentralization process progresses and provides higher discretionary power on local budgets to the provinces, the district and the communes, questions emerge on how such new responsibilities will be defined and how expected outputs are going to be measured. Defining different levels of accountability and strengthening the oversight and monitoring roles of the People's Councils, as well as national monitoring systems is clearly required.

¹¹ A study on Public Investment Program and Fiscal Decentralization showed that the capital expenditures for which the Tra Vinh's authorities had relatively more discretionary powers were mostly realized in the agricultural sector, and in rural areas where most of the poor worked and lived.

¹² One example of this is the current mismatch of budget planning horizons between the five-years Public Investment Plan and the one-year Minister of Finance local recurrent expenditures allocation.

CONCLUSIONS

The experience in Tra Vinh demonstrates the strong commitment to reduce poverty, and that central and local government joint actions are key to realize the implementation of the revised State Budget Law, the decentralized Grassroots Democracy Decree, and the integration of the CPRGS into local plans.

The lessons presented above confirm that integrating CPRGS pro-poor principles and targets into provincial socio-economic planning and budgeting is an important step in the wider process of decentralization. Due to the complexity of the process, coordinated stakeholder actions are important. The process is still in a “learning by doing” phase, so exchange of information and feedback is important to progress forward. Even committed provinces, however, need substantial technical support to deliver on this promise. The experience from Tra Vinh shows that clear guidelines on the implementation of the relevant laws and decrees, a sustained investment in strengthening capacity at local levels and improved statistical information and data analysis are essential to facilitate this process.
