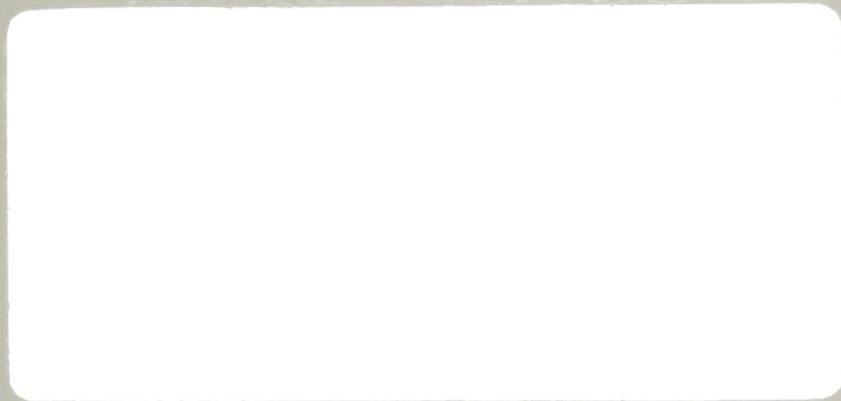




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THE VIETNAM NATIONAL PROGRAMME OF ACTION:
A DECENTRALIZATION STUDY

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This paper forms part of the background documentation for the ICDC study on Decentralization of National Programmes of Action, directed by Carlos Castillo. The purpose of this paper is to present the current stage of the Vietnam experience and to provide stimulation for other countries undergoing a similar process.

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Interviews were conducted with the following people or members of institutions: Mr Tran Dinh Con, Director of Labour and Socio-Cultural Affairs, State Planning Commission, Mr Nguyen Van Minh, Chief, Operations Section, Vietnam Committee for the Protection and Care of Children. The following people provided information from the Yen Bai Province: Mrs Dinh Thi So, Vice Chairman of the CPCC, Mr Dinh Ngoc Lan, Chairman of the CPCC and Vice Chairman of the People's Committee, the Planning and Statistical Office, Health Service, Education Service, Labour Service, Women's Union and the Chairman of Bao Ai Commune CPCC. UNICEF Vietnam staff members included, Mr Stephen Woodhouse, Country Representative, Mr Bertrand Mendis, Senior Programme Officer, Mr Maurice Apted, Section Chief, Information and Communication, Bado Datta, Programme Planning Officer, Planning Section and Mr Nguyen Huu Thinh, Asst. Project Officer, Information and Communication.

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EXECUTIVE SUMMARY

Vietnam, along with many other countries, has developed a National Programme of Action (NPA) in accordance with the World Declaration and Programme of Action adopted at the World Summit for Children in New York in 1990. This densely populated country has, however, taken the planning process one step further by encouraging the development of Provincial Programmes of Action (PPA). This paper details Vietnam's experience in decentralizing NPA implementation. The research method adopted for this study was based on rapid appraisal, consisting of interviews with key stakeholders and the analysis of documents related to the NPA. The text includes an example of the Yen Bai provincial plan of action.

In 1989, the Vietnamese Government embarked on a policy of economic renovation, which has brought enormous social, political and economic change. As a result, established institutions such as provincial government and mass organizations are redefining their roles. The complexity of NPA decentralization needs to be understood in this context.

The NPA/PPA process is the result of successful political will building at the highest levels of government, involving important initiatives towards developing consensus and cooperation at the highest governmental levels. Political commitment to the process has developed through a growing recognition of the value of decentralization for Vietnam. The value added is in more efficient administration, which assists in achieving social goals as an integral part of economic development in Vietnam. The NPA/PPA process enables the identification and expression of needs at the grass-roots levels of society, increasing people's 'ownership' of the NPA goals. Decentralization also provides a mechanism for UNICEF and other international aid agencies to more effectively target assistance to the neediest areas.

Over a two-year period, 50 of Vietnam's 53 provinces have produced Provincial Programmes of Action, based on the NPA, and under the overall responsibility of the Committee for the Protection and Care of Children. While the quality of provincial planning varies, this process has increased social mobilization and awareness of NPA goals.

Many obstacles still remain to a uniformly successful operation of the new system throughout the country. Decentralization leaves NPA goals vulnerable to uneven development across provinces. Resource transfer needs to occur both across and within provinces and local revenue raising needs to be more systematic. Furthermore, in the large-scale and rapid reform of most levels of government and administrative systems, many of the social and economic policies have had contradictory effects. The need for continued investment in social development in a market-based economy is pitted against the need for fiscal restraint and the withdrawal of central state subsidies from many areas of the social sector. In many cases, the provinces are not filling the gap that has emerged. If sufficient resources are not forthcoming from the centre, provinces and other subnational levels will be unable to meet the NPA objectives. Capacity-building assistance in planning development at provincial level is urgently needed.

Yet the potential benefits of decentralization are increasingly recognized and appreciated. Taking planning for social investment to the provincial level, using nationally developed guidelines, facilitates contact and increased opportunities for involvement at the community and family levels. The presence of strong and active mass organizations has been vital to the decentralization process, providing a point of continuity between the old and new systems. Finally, the social mobilization achieved to date through the decentralization process provides a powerful motivating force from the people for continued investment in and commitment to achieving NPA goals.

The Vietnam NPA decentralization experience will be useful to other countries engaged in or planning local programmes of action.

I. THE NATIONAL CONTEXT

Vietnam stretches over 1,600 kilometres from the Gulf of Thailand up to its northern border with China. It is estimated that hills and mountains account for up to three quarters of the land area. The two densely populated river deltas, the Red River in the north and the Mekong in the south, are 1,000 kilometres apart and are linked by a narrow land strip defined by the mountainous border region to the west and the South China Sea to the east. In 1993 there were 53 provinces, including three city provinces (see Map 1), nearly 500 districts and almost 10,000 communes.

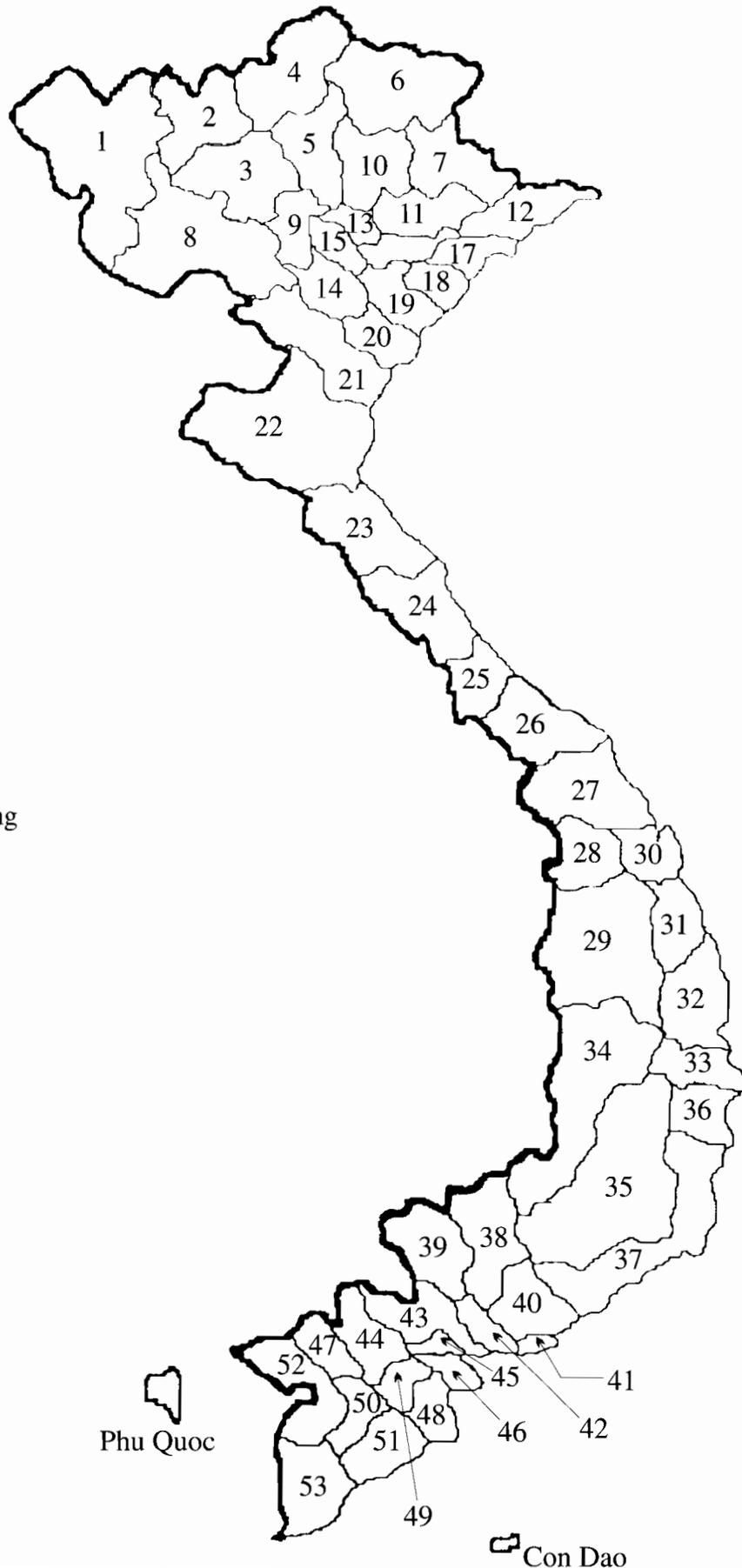
With nearly 70 million people, Vietnam is the thirteenth most populous nation in the world. The country has an excellent location, situated on major shipping routes and with an extensive coastline for fishing and aquaculture. Vietnam is a largely rural society, with agriculture accounting for two thirds of employment, two fifths of GDP, and half of exports. Although the country is often described as being rich in natural resources, this is not borne out on a per capita basis. With over 900 people per square metre of agricultural land, Vietnam is far more densely populated than neighbouring China, which has a density of less than 300. Even more striking is the fact that the Mekong Delta in the south has only half the population density of the Red River Delta in the north; the per capita land endowment in the north is said to be similar to conditions prevailing in Bangladesh.

In order to understand Vietnam as a nation, it is necessary to fully appreciate the regional imbalances in its basic endowments. In comparison with the north, the south has more agricultural land per capita, a larger proportion of the capital stock in light manufacturing, a stronger entrepreneurial tradition, easier access to capital from Vietnamese living overseas, and better infrastructure (with the exception of the energy sector). Furthermore, regional differences extend beyond a north-south disparity. The country has a number of well-defined zones distinguished by their different endowments and potentials. Ho Chi Minh City and its immediate environs are far wealthier than the rest of the south; the south-central highlands are relatively poor. In the north, a large population lives in extremely difficult conditions along the north-central coast. The mountainous areas of the country, traditionally inhabited by ethnic minorities, are particularly poor. Vietnam's long history of war, with its division of the country, combined with a difficult terrain has inhibited the development of a single, integrated economy.

MAP 1: VIETNAM

PROVINCES

- 1 Lai Chau
- 2 Lao Cai
- 3 Yen Bai
- 4 Ha Giang
- 5 Tuyen Quang
- 6 Cao Bang
- 7 Lang Son
- 8 Son La
- 9 Vinh Phu
- 10 Bac Thai
- 11 Ha Bac
- 12 Quang Ninh
- 13 Ha Noi City
- 14 Hoa Binh
- 15 Ha Tay
- 16 Hai Hung
- 17 Hai Phong City
- 18 Thai Binh
- 19 Nam Ha
- 20 Ninh Binh
- 21 Thanh Hoa
- 22 Nghe An
- 23 Ha Tinh
- 24 Quang Binh
- 25 Quang Tri
- 26 Thua Thien-Hue
- 27 Quang Nam-Da Nang
- 28 Kon Tum
- 29 Gia Lai
- 30 Quang Ngai
- 31 Binh Dinh
- 32 Phu Yen
- 33 Khanh Hoa
- 34 Dac Lac
- 35 Lam Dong
- 36 Ninh Thuan
- 37 Binh Thuan
- 38 Song Be
- 39 Tay Ninh
- 40 Dong Nai
- 41 Ba Ria-Vung Tau
- 42 Ho Chi Minh City
- 43 Long An
- 44 Dong Thap
- 45 Tien Giang
- 46 Ben Tre
- 47 An Giang
- 48 Vinh Long
- 49 Tra Vinh
- 50 Can Tho
- 51 Soc Trang
- 52 Kien Giang
- 53 Minh Hai



The Economic Reform Programme

Despite large amounts of Soviet assistance, the Vietnamese economy in the mid-1980s was growing very slowly. In 1986, to confront the emerging economic problems, the Vietnamese leadership introduced a programme of economic renovation, known as *Doi Moi*. The main features of the programme were:

- *Rural reforms*: the collective system was largely dismantled and agricultural land was returned to family farming based on long-term leases.
- *Price liberalization*: sweeping price liberalization led to the removal of virtually all price controls.
- *Interest reform*: interest rates began to be used as an instrument for macroeconomic policy; they have remained at high levels, causing problems for the financing of small-scale development.
- *Fiscal reforms*: more than 500,000 soldiers were demobilized and 800,000 workers laid off over a three-year period beginning in 1989. There have also been severe cutbacks in the expenditures of government departments and ministries; the cost of reducing the government deficit has been high.

The macroeconomic results of this reform process have been impressive. The rural sector responded to decollectivization and price liberalization with increased output, and inflation has been dramatically reduced. Real gross domestic product (GDP) has grown throughout the adjustment programme, and exports have continued to grow strongly.

Despite these successes, however, the many serious problems that remain cannot be overlooked. Unemployment and underemployment are chronic. The combination of workers made redundant, demobilized soldiers, returning overseas workers and a rapidly expanding workforce pose a serious problem for government policy makers. The fiscal constraint policy has meant a reduction in social-service infrastructure precisely when a significant proportion of the population, faced with heavier economic burdens, is especially in need of support. This policy of fiscal restraint has been accompanied by a policy of decentralization of government services. It has been argued that one effect of this has been to leave poor regions without adequate support from the central government (World Bank 1993a, p. 5).

The Social Sector

The Vietnamese Government has historically shown a strong commitment to the social sector. From the time of the establishment of the Democratic Republic of Vietnam in 1945, there has been a distinct emphasis on the development of human resources - particularly in terms of poverty alleviation, the promotion of literacy and health. As a consequence, Vietnam's performance on a large number of social indicators has been superior to that of many other countries with significantly higher income levels.

However, the social sector has been described as suffering from a malaise. The extreme economic burden that accompanied reunification and the years of war, the cessation of external assistance after the Cambodian intervention, the macroeconomic instability of the 1980s combined with the most recent economic reforms have all been contributing factors. Hard-won gains in social indicators achieved over three decades have recently come under threat. Indeed, a number of health and education indicators are showing signs of reversal. A resurgence of malaria in the mountainous regions of the north and in areas bordering Laos and Cambodia, for instance, has been attributed to the scaling back of communicable disease control programmes. Malnutrition rates among children are extraordinarily high and may even be increasing among infants (World Bank 1993a, p. 187). There has also been a decline in school enrolment rates at the pre-primary and secondary school levels. In terms of infrastructure, the vast network of health centres and schools that were built up has been under-utilized for want of inputs and capital. The salaries of public-sector health and family-planning workers and teachers have been declining in real terms, leading to low morale and low productivity among these workers. Broader economic reforms, such as changes in land tax rates and increases in consumption taxes, have had the effect of redistributing the costs of economic reform to those segments of the population which are often least able to afford it. The substitution of rural cooperatives with the household agricultural unit has meant longer working hours for women and the increased use of child workers. Moreover, the logic of household accumulation unleashed by these economic reforms could act to undermine social policy objectives targeting the poorest strata.

The Government's awareness of the problems affecting the social sector led to the introduction of a range of bold and perhaps even controversial measures as part of its overall package of economic reforms. These measures, which began to be implemented in 1989, include the introduction of limited user fees for health care and education, legalization of private medical practice and the sale of pharmaceuticals and contraceptives on the open

market. The success of these initiatives in mobilizing private resources for the social sector remains to be seen. For the moment, one key problem appears to be the absence of a regulatory framework capable of monitoring the quality of private involvement in the social sector, particularly in the fields of health and pharmaceutical supply.

II. NATIONAL PROGRAMME OF ACTION: A CHRONOLOGY OF DECENTRALIZATION

Historical Background

Vietnam has long been committed to the rights of children. In the 1960s, a nationwide movement for the 'Care and Protection for Children from all the People' was established to mobilize public awareness on issues affecting children's welfare. In 1979, the International Year of the Child, the Ordinance on Protection, Care and Education of Children was passed, which stated that children were the responsibility of the State and society as well as of the family. In August 1991, the State Council promulgated the Law on the Universalization of Primary Education, outlining the right of every child to basic education.

Further innovative social reforms relating to children included the provision of six months paid maternity leave to government employees starting in 1984, and the adoption of the Law on Marriage and the Family in January 1987, which further refined family rights and obligations.

The speedy development of Vietnam's NPA may also be due in part to Vietnam's experience with and recognition of the importance of international cooperation during its process of decolonization. It is perhaps for this reason that in February 1990 Vietnam became the first Asian country (and second in the world) to ratify the United Nations Convention on the Rights of the Child (CRC). This was followed by attendance at the World Summit for Children in September 1990, which adopted the World Declaration and Programme of Action on the Survival, Protection and Development of Children.

All governments were urged in this Declaration to prepare, before the end of 1991, national programmes of action to implement the commitments undertaken in the World Summit Declaration and Programme of Action. In February 1991, Vietnam met with ten other Asian/Pacific countries at a regional consultation in Bangkok, the First Regional East-Asia and Pacific Consultation on the CRC. This conference issued a 'Commitment to Action', which reaffirmed the aim of developing NPAs by the end of 1991 and committed each

country to attendance at another meeting after two years to report back on implementation progress.

These international forums appear to have played an important role in galvanizing support at the highest political levels in Vietnam for an active agenda on the support for and welfare of children.

NPA Development

The process of NPA development in Vietnam gained momentum from the February 1991 meeting in Bangkok. The Vietnam Committee for the Protection and Care of Children (CPCC) was given the overall responsibility for the preparation of the NPA. At that time, the CPCC was acting as a national committee; it was constituted as a Ministry later in 1991.

The much-needed administrative and policy-making impetus for the NPA came from a series of initiatives taken in Vietnam during 1991. One of the most important of these was the assistance provided by UNICEF in assembling writing teams at the CPCC during the months leading up to the National Summit. This represented one of the first instances of capacity-building assistance provided by UNICEF to the NPA project. After a three-month period of deliberation within the CPCC, the NPA document had been significantly fine-tuned in terms of objectives, strategies, costings and time-lines.

In December 1991, a National Summit for Children was organized by the CPCC. It was attended by the highest-ranking government, Communist Party and mass organization leaders. The significance accorded by the Government to this occasion was highlighted by the attendance at the Summit of the then President, the Premier and all provincial leaders. The National Assembly was adjourned for two days to allow all parliamentarians to attend. This Summit served as a forum for review of the Government's past efforts and achievements in dealing with the needs of children. It also endorsed the National Programme of Action that had been prepared within the CPCC. This endorsement by the National Summit signified approval of the NPA by all the key stakeholders. It is important to note that ministerial commitment was a key factor in the successful organization of the Summit. The activities of the Minister for the CPCC, Madame Thanh Thanh, within the Government were crucial to its success and the political status it attained.

The Council of Ministers has included the NPA in the country's National Development Plan, as one of 12 elements addressing investment in all sectors over the medium term. This was due to the high quality of the NPA as a planning document, and

served as an expression of the political commitment existing at the highest levels of government for the achievement of social goals and the need for investment in social development.

Decentralizing the NPA - Provincial Programmes of Action

The step from a national plan to a series of decentralized plans lay within the structure of the NPA itself. The entire cast of the NPA emphasized decentralization from the outset both in order to better refine policy and to improve efficiency in programme delivery. The document approved by the National Summit directed local authorities to formulate and implement their own local programmes, based on the NPA. Decentralization of planning and implementation of the NPA were identified as a key priority of the NPA. In addition to the goals that had been set at national level, the NPA sought:

- greater targeting to high-need areas;
- more efficient programme design through better administrative arrangements;
- liaison between national and international agencies; and
- enhanced community participation.

Following approval by the National Summit, the Minister of the Committee for Protection and Care of Children, initiated decentralization of the NPA process to the provincial level in December 1991 by instructing provinces to produce plans, known as Provincial Programmes of Action (PPA). The NPA, developed at top levels of the State, was thus set on a concrete course towards integration into the socio-economic development of the country as a whole.

The CPCC decided on a two-stage approach to the development of PPAs. A total of 23 provinces were initially selected to submit plans by the end of 1992. The remaining 30 provinces were directed to submit their plans by the end of 1993. During 1992 and 1993, the CPCC undertook a programme to develop the planning capacity of the provincial authorities in their efforts to develop PPAs. The CPCC was assisted by UNICEF (in terms of technical support) and by the State Planning Committee as well as by other line ministries. This programme has included a series of regional workshops and visits by various central officials to targeted provinces.

By April 1993, the CPCC reported that it had received 23 PPAs for assessment. By December 1993, the number of PPAs received by the CPCC for assessment and review had reached 50 (out of a total of 53 provinces).

III. THE PPA PLANNING PROCESS

Major Institutional Actors

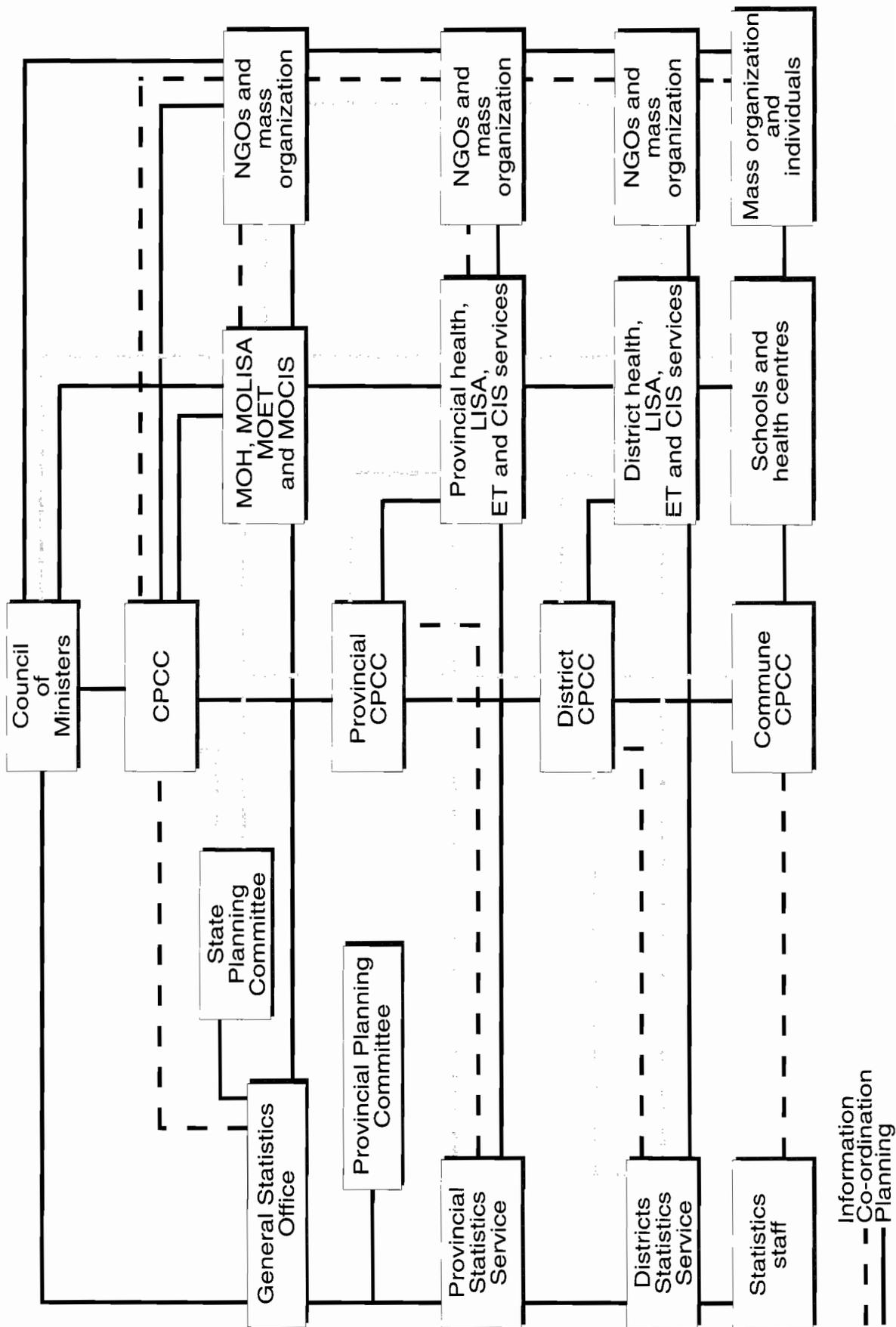
Council of Ministers. The Cabinet is the highest body of the Government of Vietnam and is ultimately responsible for NPA implementation. The Cabinet instructs State Committees, People's Committees and relevant agencies in methods of implementation through decrees and guidelines. The involvement of the Cabinet effectively integrates the NPA into the general policy framework of the Government.

Vietnam Committee for the Protection and Care of Children (CPCC). The CPCC was initially established to oversee the implementation of the 1979 Law on the Protection, Care and Education of Children. It also acts as a focal point for cooperation with international agencies on questions of child welfare. In 1991 the CPCC was elevated to the level of ministry and was restructured to ensure strengthened management capacity and to provide more effective assistance to the Council of Ministers and the People's Committees in implementing the NPA. The structure of the CPCC extends to provincial, district and commune levels with cross-sectoral membership. The CPCC was formerly a sub-unit of the Youth Union. This rise in status, along with the restructuring process which extended the CPCC structure to commune level (see Figure 1), has enabled the CPCC to undertake the decentralization task.

Much of the coordination role for the development of PPAs is performed by the CPCC. It is responsible for mobilizing public awareness, coordinating line ministries and NGO programmes, and monitoring and evaluating the implementation of the NPA. With material provided by all involved agencies, the CPCC prepares reports on progress in NPA implementation for the State Planning Committee and the Council of Ministers. The CPCC is also responsible for liaising with international agencies.

The State Planning Committee (SPC). The SPC plays a major role in determining resource allocations to the NPA. The SPC works in conjunction with the General Statistical Office which provides statistical support, with the CPCC on policy matters, with the Ministry of Foreign Affairs to generate external support, and with the Ministry of Finance on budgeting. All agencies submit plans to the SPC for integration into the National Development Plan.

FIGURE 1: The CPCC's Monitoring and Information System



The General Statistical Office (GSO). The GSO plays a key role in monitoring the implementation of the NPA, as well as in managing the data collection and analysis. It liaises with appropriate ministries and agencies for the collection of all necessary data, and forwards reports to the CPCC, the SPC and the Council of Ministers.

Line Ministries. A number of ministries have a direct impact on the welfare and protection of children. The most important of these are (1) Ministry of Health (MOH); (2) Ministry of Education and Training (MOET); and (3) Ministry of Labour, Invalids and Social Affairs (MOLISA). These ministries, whose structures extend to the provincial level, develop their own programmes and coordinate with other bodies as necessary.

Provincial Committees. The Provincial Committees are the executive arm of provincial government. They are elected by the People's Councils, which in turn are directly elected by the people. These provincial administrations are an important sector of government both in implementing national policy and in developing their own. They have the power to draw up budgets and plans for the governance of their province. They also bear administrative responsibility for the provision of social services such as education and health on a provincial level.

Mass Organizations. Mass organizations, including trade unions, the Women's Union, Peasants Union and Youth Union, provide a key avenue for ordinary citizens to participate in political life. In terms of the NPA, the Peasants Union and Women's Union are probably the most important. With memberships running into the millions, they have proven to be effective vehicles for conveying sectoral opinion as well as for mobilizing within their sector around centrally organized initiatives.

UNICEF. The activities of UNICEF have been of considerable value to the development of the NPA and the PPAs. UNICEF has assisted in this process through the provision of resources, making available international links and providing support to increase the technical and managerial capacity of Vietnamese authorities.

Building Institutional Relationships

The task of developing an NPA posed serious questions for government policy makers. An integral aspect of the process consisted in effecting a reorientation of institutional relationships between the key actors described above. This needs to be understood in the context of existing Vietnamese governmental structures.

Provincial structures. The presence of strong provincial government is clearly an asset for the kind of decentralization strategy being pursued by the Vietnamese national government. It has been hampered however by the traditionally limited policy-making powers of provincial government. While bearing considerable administrative powers, provincial governments have in the past borne a subordinate policy role, and have largely responded to commands from the centre.

The absence of policy-making experience at this governmental level leaves provinces weakened in two important ways: firstly, and most importantly, they have a limited technical capacity for planning; secondly, political lethargy may become apparent in attempts to avoid the responsibility that goes hand-in-hand with planning.

Central government. The development of new institutional relationships is also a challenge to the central authorities. Accustomed to a pre-eminent policy role, they will need to deal with the development of diverse policies which will have to be accommodated within a national plan. There may indeed be considerable confusion regarding the roles of the centre and of the provinces. There is a danger that the central authorities will continue to see their role as one of implementation, and remain unwilling to cede control or initiative to the provincial level. On the other hand, the provinces may remain underfunded and/or disinclined to take on this newly devolved role and accompanying responsibilities.

For the actors at the central level a further challenge must be addressed. There is a great need for more effective coordination across line ministries and agencies in order to improve the efficiency of service delivery. Numerous interviews brought to the fore this issue of coordination between central government authorities, the lack of which has greatly undermined their effectiveness. The relationship between the State Planning Committee and the Ministry of Finance provides a clear example. In coordination with the CPCC, the SPC is responsible for drafting budgetary allocations for the NPA as part of the National

Development Plan. However, it was reported that actual government expenditure as administered by the Ministry of Finance differed in terms of its distribution and allocations from that planned by the SPC and CPCC. Such lack of coordination between central authorities may also exist between service delivery departments, such as the Health and Education Ministries.

The initial responsibility for developing more clearly articulated coordination within the central government machinery falls with the CPCC as the government body responsible for the NPA. The CPCC will need to engage in an extensive operation of coalition and coordination building if it is to achieve its objective of policy consensus within the bureaucracy. The guiding principles for the development of these new relationships would appear to be:

- policy coordination;
- advocacy within government;
- setting overall policy directions;
- monitoring implementation of the NPA.

In the absence of such a consensus within the government machinery, policy direction will continue to be defined and implemented in opaque and contradictory ways. This is something of a tradition within the Vietnamese system. Indeed, one interviewee commented that it may recoup in flexibility what it forfeits in efficiency.

Mass Organizations. On the operational level, the mass organizations present the backbone for service delivery as well as significant potential for improving future planning. In particular, the Vietnamese Women's Union and the Peasants Union have an institutional presence which spans from the National Assembly to the commune level. Their great contribution has traditionally been in the area of social mobilization. Their achievements in the fields of primary health and education have been well noted and appreciated within Vietnamese society. However, in terms of planning and goal-setting away from the centre, the close integration of these organizations into the decision-making structures of the Vietnamese State appears to have been underutilized. Yet these mass organizations could constitute a dynamic source of information and human resources to assist in the NPA decentralization strategy. Their contribution in terms of qualitative information would be invaluable in offsetting what is often described as a chronic problem of unreliable statistics.

CPCC and Political Commitment. While the challenges described above for building new institutional relationships are daunting, the history of the CPCC is in some ways an asset for the reform process. Its prior constitution as part of the Youth Union, a mass organization which extended from central levels down to commune level, has provided the CPCC with effective social mobilization tools. Extensive political and administrative control networks exist and can be utilized. Mass organizations in Vietnam, have been very effective in conducting campaigns and taking government policy to the grass-roots level of society.

Political benefits have also ensued from the elevation in status of the CPCC. The Minister is now in a position of high visibility and is implementing policies that enhance the political and moral legitimacy of the Communist Party. Nonetheless, while the *Doi Moi* programme of economic renovation has contributed to the creation of economic growth and wealth, growing disparities between rich and poor are becoming evident and significant social problems are on the increase. There is a political need for the Party and politicians to be seen to address these needs, particularly in light of increasing political accountability to the community. This political dimension serves to underwrite the political viability of the programme within the Government.

It is not surprising then that the initiative towards decentralization of the NPA has received strong political backing. The impetus for overcoming obstacles and changing established centre/province relationships has come from the Government. The Minister responsible for the CPCC has been credited with driving this devolution of state power and responsibility to the provincial level. The significance of this ministerial commitment, combined with the high profile launch of the NPA in 1991, have no doubt provided the needed momentum to encourage the building of substantially new relationships between the centre and provinces. Their successful development will obviously not occur overnight, but will require a period of trial and error experimentation. Two years in the making, the PPAs are still at an early stage of evolution. However, the achievements of the decentralization process should be understood in terms of the reconstruction of institutional relationships as well as the immediate and more visible outcomes of PPAs.

UNICEF. UNICEF has played an active role in this process of political reorientation, assisting in a number of ways:

- political will building, including advocacy for the process at all levels of government;
- improvements in technical capacity, both in planning and developing social indicators to monitor progress;

- development of base-line goals and targets for provinces;
- material support, including funds and grants.

The actual timing of the NPA development has meant that UNICEF current commitments in the 1991-1995 cycle of cooperation have not reflected the identification of local needs as established through the PPAs. However, significant resources have since been made available, particularly in the area of capacity building. The NPA and PPAs represent an opportunity for UNICEF to more effectively target resources to the areas of greatest need and will foster the development of 'ownership' of aid projects by local authorities. It is in this way that service delivery can become sustainable beyond the provision of external assistance.

Decentralization in Action - Developing the Plans

A total of 50 provinces had submitted PPA plans for review by the end of November 1993. Of these, 26 had been submitted as part of the first round selected for 1992. The process for developing PPAs has been relatively straightforward, involving the following steps.

1. The CPCC informed all Provincial Committees of the ministerial directive stipulating that all provinces were to develop a PPA by the end of 1993.
2. The CPCC identified 23 provinces to develop and complete their PPAs in 1992. These provinces reflected the diversity of situations in Vietnam. The remaining 30 were scheduled to begin developing their PPAs in 1993, and as of November 1993 all but three PPAs had been received by the central level.
3. Each Provincial Committee makes use of its provincial CPCC structure for the preparation of its PPA. The draft PPA is then ratified by the Provincial Committee and forwarded to the National office of the CPCC.
4. The National CPCC coordinated the organization of capacity-building initiatives for the provinces. Organized in conjunction with UNICEF, the most significant of these initiatives have been:
 - A two-day planning orientation workshop conducted in Hanoi and Ho Chi Minh City and attended by representatives of all 53 provinces.
 - A four-day workshop held in the northern province of Lao Cai aimed at developing a model provincial plan. This workshop was also attended by four neighbouring provinces.
 - A workshop in the central region city of Danang to review PPA progress in four central regions.

In addition, UNICEF provided US\$1,200 to each province to assist in the development of the PPAs.

5. Review of the incoming PPAs has been the responsibility of the CPCC, using the planning and technical capacities afforded by the SPC and UNICEF.
6. PPAs that are not of an adequate standard or are deficient in some of their detail receive feedback from the CPCC, which may be channelled directly through the Provincial Committee or through the CPCC's own organizational channels down to the provincial level.

PPA Plans - The Initial Results

While a total of 50 plans have been received by the CPCC, not all of them have been reviewed. There is, however, acknowledgement of the fact that the planning capacity of the provinces (at least in terms of PPAs) is generally hard pressed to meet the requirements of such an important strategy document and initial conclusions would suggest that much work needs to be undertaken to bring many of them up to an adequate standard.

Many of the initial PPA plans submitted for consideration were vague in their situational analyses and were both broad and overly ambitious in their strategic objectives. Some of the identified problems were:

- little innovation in identifying problems and overcoming bottlenecks, as seen in submitted budgets opting for a continuation of existing funding patterns;
- the use of unreliable statistics;
- large resource gaps between realistic revenue from central authorities and provinces;
- setting over-ambitious targets.

These initial results are perhaps not surprising. The inexperience of these provincial structures with social planning meant that the PPA preparation was a very new and unfamiliar task for them. The early steps at provincial policy development have been fraught with the problems of unknown expectations, undeveloped technical capacity and the possible need to reconstruct command-style relationships between the centre and provinces.

Sound planning techniques are fundamental to the successful development of PPAs. For this reason, the initiatives of the CPCC and UNICEF focus on the development of planning capacities. The workshops and consultations organized by the CPCC and UNICEF have concentrated on:

- developing situational analyses;

- setting strategic objectives;
- programme and project identification;
- implementation and management;
- monitoring and evaluation.

The paucity of up-to-date, reliable data is one of the major problems for effective planning in Vietnam. In the past, statistics may have been submitted more for political reasons than for accuracy. This unrealistic utilization and function of statistics is less evident now, but such attitudes remain and need to be changed. One initiative of UNICEF has been to invest in a social indicators project at the General Statistics Office to improve the process of identification and collection of data on social indicators. The grass-roots presence of provincial structures offers considerable potential for breaking the pattern of using unreliable and conflicting statistics in developing social policy, a problem which has uniformly plagued policy analysis and development in Vietnam.

In spite of the failure of many PPAs to reach the required standard, they can be understood as a positive move. The infusion of technical inputs and planning know-how means that they will be developed to a minimum standard.

Resource Allocation

Harnessing greater local and community resources has been identified as a key outcome of the decentralization process (UNICEF ICDC 1993). However, as monetary and in-kind contributions by individuals and communities are not counted by the provincial authorities in Vietnam, there was not enough quantitative information available to determine the degree to which this outcome has been achieved. However, members of the CPCC at all levels held the opinion that these contributions had increased as a result of successful social mobilization initiatives.

In Yen Bai province, the provincial CPCC and commune commented that the community contribution had increased. There is a tradition in Yen Bai province (and throughout Vietnam) of generating community contributions for social programmes through lotteries, as well as through in-kind contributions. More recently, the removal of central subsidies and the setting of user fees for maintenance, health and education services increases the amount of community contributions required. The cumulative contribution of the community cannot be quantified, but is likely to be substantial. In the present context of general impoverishment in Vietnam, however, compulsory community contributions (in the

form of user and maintenance fees) are likely to have a negative impact on immediate social goals.

Another important outcome of the decentralization process is a more efficient distribution of social policy resources according to need. This redistribution should logically be a function of a more efficient planning process. However, it was not possible to verify the extent of this outcome as sufficient information was unavailable for the researchers to map the trend of central resources distributed across provinces.

The most significant area of resource allocation relates to the Government's economic strategy and development perspective. Budgets for capital expenditure have been curtailed, which means that infrastructure such as schools and medical clinics have received insufficient maintenance and have witnessed little expansion. On the other hand, recurrent government expenditure shows an increase in the social sector's share of government expenditure (see Table 1). This suggests that more central funds have become available for the provision of social services and that the rate of growth exceeds average growth for recurrent spending in other areas. However, these figures need to be treated with caution when interpreting trends of total government outlays. For example, they do not include the significant Eastern bloc assistance for health and education prior to 1990.

The question of social infrastructure remains. The November 1993 Donor's Conference in Paris gave some indication of the real priorities. The Vietnamese Government placed strong emphasis on seeking funds for economic infrastructure projects which put the social sector at a disadvantage. However, there appeared to be greater willingness on the part of donors to provide assistance to the social sector.

Table 1: FUNCTIONAL CLASSIFICATION OF CURRENT EXPENDITURES 1986-92
(Percentage of GDP)

	Actual Expenditure						
Year	1986	1987	1988	1989	1990	1991	1992
Social Services	3.1	2.3	2.2	5.2	5.2	4.8	6.4
Total Current Expenditure	13.4	12.7	14.0	20.8	18.5	14.2	16.8

Source: World Bank, 1993a.

Internally, a number of factors will act to promote the development of the NPA and increased expenditure in the social sector. The example of several countries in the region which have shown rapid development, including Taiwan, South Korea, Singapore and Hong Kong, all of which have invested strongly in social development, provides a strong motivation for Vietnam to follow this path. In addition, Vietnam has traditionally invested strongly in the areas of education and health, despite a low resource base.

IV. THE VIETNAM EXPERIENCE - GENERAL ISSUES

Political Impetus to Decentralization

High-level political commitment has been central to the NPA and the decentralization process. This commitment has dovetailed with a number of political objectives. The NPA process has been able to take advantage of the overall Vietnamese political context as Vietnam has had a strong desire to be part of the world community, particularly since the collapse of the former Eastern bloc. The development of the *Doi Moi* economic programme is a concrete expression of that desire in terms of developing trade. The NPA, being an international initiative, has provided Vietnam with a vehicle for demonstrating its achievements, and a means to show how cultural values and concrete policies have been retained and strengthened to assist in children's development. Internally, the Communist Party also needs to be seen as competent and responsive to societal needs during a difficult period of economic transition.

Social Mobilization

One of the most important contributions of the PPA process has been the increased social mobilization around the goals of the NPA. The command economy and political structure of Vietnam endowed the country with a remarkably effective network for communication and resource transfer. This network has traditionally rapidly expedited communications from the centre to the regions. During war and in social reconstruction this has been critical to the success of social mobilization. National priorities are clearly understood at the provincial level, and political commitment to these goals has been engendered by the cross-sectoral activity made necessary by the planning process. The NPA decentralization process has used

this social mobilization capacity. PPAs maximize the probability of achievement of social objectives through the fostering of political commitment to these goals at all levels.

Building New Institutional Relationships

New relationships are being forged by the key actors in the planning and implementation process of the NPA and the PPAs. Relationships between central planning institutions and line ministries are evolving to accommodate the need for cross-sectoral cooperation. The development of closer relations with the provincial level of government will inevitably involve greater resource demands from these central institutions.

The building of new institutional relationships must be understood in the context of the broader political economy. The increasingly uneven development of the economy, both between and within provinces, requires central intervention in order to meet the equity objectives of social policy. By identifying provincial and district needs, PPAs constitute a planning and political tool which can help bring about resources transfer in the transition to a more decentralized and generally less planned economy.

For UNICEF and other international agencies, the PPAs establish a basis upon which negotiations may be made directly with the provincial level, both politically and technically. This reduces reliance on the central level and allows for a more efficient use of resources.

Capacity Building

Many PPAs are inadequate in their conceptual development and presentation. Deficiencies in terms of situational analysis, goal setting and strategy development are common. There is a great need for capacity building at the provincial level. The concept of planning itself is not new in Vietnam, but the nature and process of planning within the NPA mechanism is. Under the NPA, the process of planning has been reversed. Whilst the NPA itself has been developed by identifying national targets to be met, the planning at the local level is quite different. Using the goals identified nationally, each province is required to consult widely, including across line ministries, to establish areas of need and to prioritize the problems faced within the province. A new approach has been introduced for the preparation of budgets, based on a unit-costing system. Failure to develop planning capacity at the provincial level may seriously threaten the success of the decentralization strategy. Improvement is needed in the following key areas:

- data collection and statistical presentation;
- realistic goal setting;
- innovative strategy development;
- budgeting, including unit costing.

The initiatives undertaken by the CPCC in conjunction with UNICEF have reached out to all provinces. Yen Bai province, as will be seen in the case study in Section V, found these projects to be of particular help in the refinement of its own planning process.

Obstacles to Decentralization

Contradictory social and economic policies. These are the greatest obstacle to effective decentralization. As outlined in Section 1, different social and economic policies have been established which have contradictory effects at the family level. If these contradictions are not resolved, growing regional, intraprovincial and ethnic disparities may be accentuated.

Institutional turbulence. A bureaucracy undergoing change both in form and function, coupled with ongoing large-scale redundancies, can become resistant to change. Vertical lines of control have been strong in Vietnam, often with little coordination or cooperation between ministries. The idea of cross-sectoral planning and policy implementation is new and in a climate of economic and institutional uncertainty will take some time to develop.

Limited planning capacity. The inexperience with participatory planning on the part of subnational levels of government requires that resources be allocated for capacity building.

Monitoring and implementation. The development of individual plans by 53 provinces poses a serious challenge to the central authorities in terms of implementation and monitoring. The eventual standardization of format and reporting requirements should alleviate these difficulties.

Limited revenue-raising capacity. There is evidence of increasing contributions from local communities. In general, however, the ability of provinces to raise revenue is inversely proportional to their need. Evidence of declining school retention rates and deterioration of health facilities must be at least in part attributable to the inability of local communities to cope with such responsibilities.

Centralized taxation. The intention of central government to take over the revenue-raising powers of provinces is a double-edged sword. While it raises the possibility of increased resource transfer between provinces, if this does not occur (or resources are transferred away from the social sector) the provinces will become burdened with additional social policy responsibility without the additional necessary resources.

V. YEN BAI PROVINCE - A CASE STUDY

Background

Yen Bai is a particularly poor province located in the mountainous north-west of Vietnam. The province is divided into seven districts, and has one provincial town and 175 villages. Two districts and 50 villages are located in isolated mountainous areas characterized by scattered population and a particularly low level of economic development. These two districts have been identified by UNICEF as two of the nine poorest districts of mountainous provinces. The economy of the province is primarily based on agriculture.

Yen Bai has a population of 630,000, of whom 280,000 are children in the 0-15 age group. Over 30 different ethnic groups live in the province, and ethnic minority children make up 48 per cent of the province's child population. These groups tend to have a low level of economic development and poor access to social services, in part due to the remoteness of their mountainous villages.

The PPA Process in Yen Bai

Yen Bai province was in the first group of provinces targeted to produce a Provincial Programme of Action in 1992. The following steps have been taken in the PPA process:

1. The request to produce a PPA was received by the CPCC in December 1991. After participating in the UNICEF training session on planning in April 1992, preparation of the plan began, and the first draft was completed in approximately six months.
2. The Yen Bai CPCC held a series of meetings to seek the commitment of the People's Committee to the process. Meetings were also held with other agencies to gain their commitment and to determine the data required for the process and the methods of collection to be used. They also met with Commune and District Committees to

discuss the objectives and significance of the PPA formulation. Bao Ai commune was selected as a pilot for a survey and plan development.

3. The first draft was presented by the CPCC to the Provincial People's Committee for comment. The draft was also circulated to relevant agencies. Yen Bai sent a team of people in September 1993 to participate in the Lao Cai workshop which aimed to develop a model plan. This further developed planning capacity.
4. Revision was undertaken based on the comments received. The revised draft was submitted to the CPCC in Hanoi.
5. The Yen Bai PPA was approved by the Minister in February 1994.
6. An annual review of the PPA based on progress made during the preceding year is undertaken by the Yen Bai CPCC in conjunction with the provincial Statistical and Planning Office.

Yen Bai CPCC

The CPCC is the coordinating organization on children's issues for the Yen Bai Province People's Committee. It coordinates inputs from other agencies and provides assistance in planning. The PPA was produced in conjunction with the Planning and Statistical Office and submitted to the People's Committee. It would appear that coordination between the Statistical Office and the CPCC is quite effective at the provincial level. The CPCC referred to earlier difficulties in the relationship between the different services, but these have been resolved and the CPCC now plays an effective coordination role. It provides information to the lower levels and direction where necessary, evaluates progress and liaises between the different agencies. However, each sectoral area is responsible for its own targets and coordinates where necessary with other agencies to achieve them.

The provincial CPCC is composed of the following members:

- Vice Chairman of the Province People's Committee (PPC)
- Representatives from the following agencies and organizations:
 - Planning and Statistical Office
 - Ministry of Health
 - Ministry of Finance
 - Ministry of Education
 - Women's Union President (Vice Chairman of CPCC)

- Youth Union
- Peasants Union

The provincial CPCC is supported by a secretariat of eight staff, with an average salary of US\$ 18.52 paid by the province. They collect statistics, and monitor and evaluate progress, including making reports to the central level. The CPCC is also supported by one person in each district who collects statistics and coordinates with the communes in that district. This number of staff, according to the central CPCC, represents an average level of commitment on the part of the provinces.

The CPCC meets quarterly at the provincial level and every three months with district CPCCs. CPCC staff also regularly visit districts for monitoring and reporting. It also meets with the Women's Union approximately once a month. Experience exchanges have been organized with other provincial CPCCs, including Hai Hung, Lai Chau, Bac Thai, Tuyen Quang and Vinh Phu, in addition to the meeting held at Lao Cai with the three other mountainous provinces.

Model Commune

Bao Ai Commune in Yen Binh district, of the Yen Bai province, has developed a plan of action based on its PPA. The plan development process commenced in June 1993 with the formation of a Steering Committee of representatives from each of the 14 hamlets in the commune together with representatives of the Youth and Women's Unions. The Committee meets twice a week to discuss progress and further implementation of the plan. A representative from the commune meets with the district on a bi-monthly basis to receive instructions on implementation and to discuss experiences gained from the PPA process with other commune leaders.

The first initiative was to undertake a baseline survey of the commune to establish the health and education status of the commune children. Based on this survey, various indicators were identified and campaigns have been undertaken. Lack of resources and administrative capacity have been identified as the major constraints for plan implementation. Resources are provided by the district in the form of funds and by the Commune in the form of in-kind contributions.

The commune plan is based primarily on instructions from the district level. While there appears to be little scope for innovative planning at the commune level at this stage, taking plan implementation to the commune, the administrative level closest to the people,

ensures that the commune is able to target the areas of greatest need. The provision and extension of vaccination coverage and the development of literacy for women and girl children of the Dao minority were identified as main priorities. The commune is also taking part in projects to fight malnutrition through directives from the central level CPCC. Funds are provided from the Centre for these activities.

This commune is relatively well-off and has better than average access to resources. Implementation of the planned activities appears to have been managed in an integrated way. Extending planning to the poor communes in isolated areas will be difficult without the provision of more resources.

Yen Bai Provincial Programme of Action

Yen Bai PPA goals are based on those identified and prioritized in the NPA. The per capita cost of the PPA in total is US\$ 2.54 across the province. The cost per child is US\$ 6.35. This is one of the lowest levels of resources allocated to children throughout the country, and reflects the poverty of the province and its ability to garner resources from the national government. The budgets for the different sectors are not broken down into unit costs, making it difficult to ascertain how figures were reached for different activities. Very few concrete strategies have been well developed and the link between problems and solutions is not clearly articulated.

The province estimates that only 40 per cent of the required resources are collected

locally; the remainder of the budget must be raised from national or international contributions. The amount of in-kind contributions of labour or materials received locally is not included in the budget and does not appear to be quantified by the provincial CPCC in any form (as shown in table 2). This is a shortcoming, particularly given the critical nature of some of these contributions, such as the transportation of desks by foot to schools in isolated mountainous districts. If in-kind contributions are significant, it may justify the allocation to these areas of greater district or provincial funds on the basis that local revenue-raising be matched by the province or district level. The province is attempting to raise more money on a local basis, but it is unclear as to the structure and quantity of taxes and charges raised. Lotteries run over two years raised US\$ 7,000.

Table 2: ACTUAL AND PLANNED EXPENDITURE ON YEN BAI PPA, 1992-94
(in thousand US\$)

Source of Budget	Estimated Expenditure 1992	Estimated Expenditure 1993	Planned Expenditure 1994
Province Level*	121.0	66.8	184.2
National Contribution	636.4	2,070.0	4,683.7
UNICEF Contribution**	118.7	257.9	262.3
TOTAL	981.5	2,394.4	5,130.3

Source: Yen Bai CPCC estimates.

* In-kind contributions not included.

** Contributions from other international agencies were not provided e.g. APHEDA.

PPA Process - Province Comment

The CPCC asserted that the existence of the PPA facilitates the province's budget requests to the centre, and so too the district's requests to the province. It also facilitates the targeting of social mobilization activities of organizations at provincial and district levels. This is particularly important as Yen Bai province can only raise approximately 40 per cent of its essential resources. As mentioned, the remainder of required resources come from central and international sources.

The difficulties experienced relate to the need to balance the resources available and the objectives to be achieved. The low level of objectives in the PPA reflect the low level of resources available. In addition, while there was no concrete evidence of resource redistribution occurring within the province, there was a high level of awareness of the need for this to take place in order to achieve the goals of the PPA. The PPA process may encourage a more realistic view of social policy at the provincial level, as well as an increased sense of responsibility to and 'ownership' of social goals. Acknowledgement was also made of the difficulty in obtaining accurate and reliable data. This is an ongoing problem due to technical inadequacies in data collection and the lack of trained staff in this area. Other

general constraints to the successful implementation of the PPA include the shortage of skilled workers, particularly in the areas of health and education, inaccessibility of many areas, poor transport and communication infrastructure, the lack of physical facilities in general and the advanced state of decay of many existing facilities.

Achieving an increased degree of cooperation between the different levels of provincial services was listed as a positive outcome of the PPA. These services now more readily take into account the development plan for the whole province. This has increased the effectiveness of inter-agency cooperation, such as that between the education and health services in providing health education to primary school children.

The existence of the PPA at the provincial level allows for greater responsiveness of planning to problem areas that may emerge over the short term. Although no innovations to the planning process have been put forward at the sub-province level, their role in implementation may allow this to happen in the future. No new initiatives have been undertaken at the province level through the PPA, but refinements have been made to targets and initiatives proposed from the centre. Districts and communes promote greater social mobilization around the PPA, and facilitate increased local contributions, but do not contribute in an independent way to the planning process at this stage. Greater awareness of the goals of the NPA has been achieved by decentralizing.

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