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Department of Planning and Investment

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EVALUATION ON THE APPLICATION OF NEW METHOD FOR PLANNING SOIO-ECONOMIC DEVELOPMENT AT COMMUNE LEVEL

Le Viet Thai

Buon Ma Thuot, September 2006

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Preface

Rural Development Daklak (RDDDL) funded by Federal Republic of Germany has been implemented since 2003 at 2 districts in Daklak Province. In Phase I (2003 – 2005), the Project has tested the VDP with the participation of people and initially achieved positive results.

In order to continue to perfect and combine the VDP method with the planning process of existing socio-economic development at commune level, in Phase II, the Project will support Daklak Department of Planning and Investment (DPI Daklak) and relevant localities (districts, communes) to set up suitable models in order to improve existing planning method. In February 2006, a consortium of researchers was established with the participation of officials from the Central Economic Management and Research Institute, DPI Daklak and RDDDL. The researchers have proposed recommendations to add strong points of the VDP into the annual socio-economic development planning at commune level as well as into the improvement of cooperation between commune and district levels in the supply of supporting services.

Based on the recommendations by the consortium of researchers and contributory ideas in the discussion of the Workshop on 2 March 2006 in Buon Ma Thuot, the Project and DPI have implemented the new method in the areas of two (2) project districts with the participation of all of communes in the districts. In May, June and July 2006, supported by the RDDDL and DPI, all of communes in two districts Ea H'leo and Lak have completed the set-up of socio-economic development plan year 2007 and initially achieved significant results.

In order to assess preliminarily strong aspects and outstanding issues in the application of this new method, the RDDDL has established a consortium of experts to assess results through working meetings and workshops at project communes and districts (4 communes in 2 districts). The duties of this consortium of experts are described as follows:

- Analyze the renovation and outstanding difficulties, compare with testing process – year 2005.
- Discuss the feasibility of the new process, with attention to capability of commune and district authorities.
- Analyze the process of integrating CDPs into socio-economic development plan at district level by using relevant forms.
- Analyze the cooperation mechanism, with attention to budget allocation at district level.
- Propose recommendations to continue the implementation of VDP/CDP process in the coming time.

This report generally analyzes the achieved results in the discussions at communes and districts during the period of 7-15 September 2006 and generates a critical base for the report at the workshop to be held in about November 2006 in Buon Ma Thuot.

On this occasion, the consortium of researchers would like to thank the DPI, RDDDL and authorities of Ea H'leo, Lak Districts and 4 project communes for their kind cooperation and enthusiastic support. The consortium of researchers particularly expresses their deep gratitude to Mr. Ho Vinh Chu, Vice-Director of Daklak DPI cum Director of PMU and Mr. Daniel Wahby, Team Leader of the Project for their precious support during the last working time. The researchers would like to say thanks to staffs of the RDDDL and project communes, districts for their timely support during the consortium's working time.

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1. General introduction of achieved results:

In spite of short time of preparation (excluding 4 project communes, all of the remaining communes have just implemented VDP since 2005), the achieved results from 2 Districts EaH'leo and L'k are assessed to be successful.

Based on the achieved results from workshops, the integration of VDP into socio-economic development planning process at commune level has been affirmed to be in the right direction of renovation, suitable for people's expectation.

Thank to the database system established in the VDP implementation process, commune authorities have step by step generated base for monitoring the implementation of plans as well as state management in the future.

The application of VDP/CDP for the planning process of socio-economic development at commune level has received people's support, subsequently the authorities have reinforced people's trust, generating strong base for the establishment of the actual Government "of the people, by the people and for the people".

Greatly important, the new planning method allows communes to propose initiatives demands of investment and supporting services in their priorities for submission to the district level. This is one of critical bases for planning at district level.

2. Comparison of weak and strong points between the old and new methods

Comparison and evaluation on the content of plan

Plan of old type	Plan of new type
<ul style="list-style-type: none">- There are still many formalistic contents.- There are a few respective options- There are only some target systems, many targets are not suitable for duties of commune level- Targets are set out subjectively- Adopted by the People's Council with Resolution	<ul style="list-style-type: none">- Contents have much more practical meanings for life- Attach objectives with better options- The system of targets is diversified, requiring officials' capability to be enhanced.- The identification of targets is considered and worked out more carefully.- Adopted by the People's Council and concurred by villages.

Comparison and evaluation on financial resource

With the implementation of new planning method, communes' financial resource is not entirely supplemented by the state or project budgets. However, the identification of targets completely originates from actual needs of people; this new method is more capable of attracting resources contribution from people. In addition, the utilization of resources for the right needs of society with better monitoring capacity will surely improve the effect of resources utilization and subsequently it can be considered an indirect measure to improve resources of commune level.

Comparing aspects of monitoring and evaluating plans

Up till now, plan 2007 has just been prepared, therefore comments on monitoring and evaluating the implementation of plans have not been provided.

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Comparison and evaluation on conditions serving for planning

The implementation of new planning method requires not only relevant officials' efforts but also other premises (data, equipment, time ...). As for this aspect, communes have not enough good conditions to serve for the implementation of new planning method.

Comparison and evaluation on planning process

Plan of old type	Plan of new type
<ul style="list-style-type: none">- Short time- Rather passive due to "waiting for" higher levels- It seems that only leading officials clearly know the content of plan- Without the participation of people (only representative and formalistic participation)	<ul style="list-style-type: none">- Longer time- Initiative preparation from low levels- Content of plan is open and clear.- People's active participation

3. Advantages and existing difficulties

(Advantages and existing difficulties have been reflected mostly in the reports presented in the workshops at communes, districts as well as in the group discussions. The content described below only summarizes the general comments collected from the ideas).

3.1. Advantages

- Received the interest of authorities at various levels from provincial to district and commune levels.
- Supported by people
- Training activities held to improve skills for the application of new method.
- Enthusiasm of trainers
- Received technical support (machines, forms...)
- Supported partly with the project funding

3.2. Existing difficulties

- Capability of officials:

Academic standards of officials are not high; there is no stably-regular position for planning officials at commune level. With regard to manpower aspect, the frequent change of village officials is the main difficulty for the implementation of new method.

-People's awareness:

Part of population still has dependent awareness and way of thinking, waiting for the support from higher ranks or giving too many big requirements which are not suitable for the capacity of local authorities. This situation causes not only difficulties to planning but also generates risks of losing trust in the new method when these requirements are not met.

- Technical conditions:

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New database has been set up; many figures have not been accurate or cannot be identified, causing difficulties to the planning last time as well as in the evaluation and monitoring of future plans.

Forms have not been suitable for the situation and characteristics of each region; many targets in the forms are still strange to people and planning officials.

Officials are not capable of informatics, simple software programs are not prepared for calculation and planning, therefore planning officials must spend much time on this job.

- Financial issue:

Budget for commune level is too small and not estimated timely, causing big difficulties for planning to meet too many needs of commune development.

No part of commune budget is used to support planning (incentives for officials, stationeries...). At present, this expenditure is supported by the Project. If there is no timely option, this will be one of potential risks to reduce the sustainability of the new method.

4. Recommendations

4.1 Recommendations with regard to financial issue

a. Provincial and district levels

Currently, the investment budget controlled by commune level is very small and cannot meet the local demands. In addition, provincial and district budgets are also very limited, therefore the province and districts need to research and consider some options as follows:

- On 12/09/2006, the Prime Minister signed to promulgate Decision No 210/2006/QĐ-TTg on principles, criteria and norms allocated for investment from the state budget for the period of 2007-2010. Therefore, the province can estimate the investment budget for their own and can initiatively estimate the investment budget allocation for districts.
- Based on the capital resource of the national programs and the forecast of investment capital potentially available from the central budget for the coming period (2007-2010), districts can estimate the investment capital allocation to be implemented at communes (including all of projects managed by the province, districts and communes in the respective areas).
- The information on budget allocation for investment must be open and soon announced to communes for planning in the coming years.
- In order to *generate trust in new planning method*, the pilot districts ((EaH'leo and L'k) are allowed to use part of investment capital (10-20%) to create "*Trust Fund*", supplementing investment for the works proposed in the planning process of new type of communes.
- Review to find funding for planning activities at commune level, for example: from administrative expenditure or from the total investment budget.

b. Commune level

In order to solve the contradictory problem between the demand of too high investment identified from villages and the possibility of satisfaction from investment budgets of

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provinces, districts and communes, communes need to search and review some following options:

- Propagandize the nature and meaning of new method and explain in the direction of: *the new planning method does not generate additional capital; it only supports to make the use of capital more efficient as well as satisfy people's needs at communes practically.*
- Announce people clearly about potential investment budget to limit proposals of too many demands.
- The investment planning of communes is *not necessary to be one-year investment plan, but can be a medium-term plan extending in some years.* (→ Tending to the medium-term planning (or anticipating medium-term planning) at commune and district levels.
- In case, some investment works requiring the implementation of less than 1 year and higher needs of capital, compared to budget possibility for one year, communes can petition districts and provinces for “advance” or loan from banks (for example: construction of schools, roads ...) *if these works have been approved by the district.*

4.2 Technical recommendations

a. Provincial, RDDDL and district levels

In order to continue to solve technical problems in the implementation process of planning method of new type, the province and districts need to search and review some following options:

- Continue to propagandize more widely and deeply the meaning of new planning method, especially for leading levels (communist party level, People's Committees, People's Council) in order to get their more support.
- Make forms more suitable for each locality in the more simple and easy-to-understand way.
- Continuously organize training courses to enhance officials' capability at commune level, noting that there are two objective groups with different requirements:
 - + Group of leading officials: training activities aim to change their mentality and outlook on planning, duration of training time: 1 day
 - + Group of specialized officials: training activities aim to improve planning skills and supplement informatics knowledge (duration of training time can be 2-3 days).
- Continue to support communes in the set-up of data system for preparing and monitoring the plan implementation.
- Design one software for planning at commune level (for example: the program can be written on FoxPro) in order to simplify commune officials' planning (It does not require these officials to understand and be proficient at Excel).

b. Commune level

- Try to stabilize positions of key officials in the planning at village and commune levels.
- Continue to propagandize, explain and canvass people to participate actively in the planning process.
- Research the mobilization of teachers or high-school pupils to get their support in the process of preparing and summarizing plans.

4.3 Recommendations to central level

In order to solve some problems in the implementation process of new planning method, the Province needs to propose some recommendations to Central Competent Agencies, specifically:

- Regarding legal frame for planning: the Government needs to prepare the Law on Planning for submission to the National Assembly for consideration and approval in accordance with Law Set-up Program by the National Assembly. On this base, a uniform frame of plan content (having flexibility suitable for actual situation at each locality) of various levels and planning process with reasonable cooperation among various levels (complying with open and democratic principles, promotion of brainpower and resources of entire society) can be set up.
- Regarding decentralization in investment and budget: the Government (Ministry of Planning & Investment and Ministry of Finance) needs to continue to research decentralization strengthening for provincial, district and commune levels in the fields of planning, investment and budget control.
- Regarding personnel and organization: the Government (Ministry of Internal Affairs and Ministry of Planning and Investment) needs to research and renovate planning system by supplementing more planning personnel at district level and one regular planning staff at commune level. Together with strengthening the force of planning officials, the Ministry of Planning and Investment needs to organize training courses promptly in order to improve knowledge and skills for leading officials as well as specialized officials at various levels by using nationally uniform and standard materials.
- With regard to funding: Research the supplement of funding from state budget to district and commune levels in the implementation of planning method of new type.
- Calling for sponsors: in this existing situation, when the force of planning officials is still weak at both quantity and quality, the support from international organizations in the improvement of capability for this force of officials is very necessary. Ministry of Planning and Investment needs to call for sponsors' more active support to localities in the implementation process of new planning method (in Daklak, the RDDDL is the only project supporting 2 districts).

Conclusion

The process of planning renovation is a very difficult one, requiring the long-term implementation with the efforts from people, organizations and authorities at various levels. For this reason, the achieved results during the last time (only one testing made) are encouraging and proving the new planning method to be completely in the right way and suitable for popularity.

In order to solve existing problems, Department of Planning & Investment and the RDDDL with districts and communes need to sit down and continue analyzing, evaluating and summarizing to find out the best options. Therefore, a Summary Conference needs to be held soon, evaluating this new method at provincial level with the participation of highest authority levels at the locality. The Organization Board can also invite representatives from some central agencies and other sponsors to contribute their ideas of these issues. On the base of the workshop results, the DPI and RDDDL will identify necessary tasks to prepare for planning in 2007 and propose renovation for planning process at district and provincial levels.