



1. Project Data

Project ID P159737	Program Name National Targeted Programs Support	
Country Vietnam	Practice Area(Lead) Agriculture and Food	
L/C/TF Number(s) IDA-61130	Closing Date (Original) 31-Dec-2021	Total Program Cost (USD) 76,787,201.06
Bank Approval Date 28-Jun-2017	Closing Date (Actual) 31-Dec-2021	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	153,000,000.00	0.00
Revised Commitment	112,096,982.25	0.00
Actual	76,787,201.06	0.00

Prepared by Cynthia Nunez-Ollero	Reviewed by Chikako Miwa	ICR Review Coordinator Avjeet Singh	Group IEGSD (Unit 4)
--	------------------------------------	---	--------------------------------

2. Program Context and Development Objectives

a. Objectives

According to the Financing Agreement (FA, p.5) and the Program Appraisal Document (PAD, paragraph 44), the Program Development Objective was "to improve the delivery of, and access to, investments for increasing agricultural production and enhancing livelihood opportunities within the Program area."

The government implemented National Targeted Programs (NTPs) to raise rural incomes and productivity, and to reduce socio-economic disparities between rural and urban areas. The overarching objective of the NTP was to increase agricultural production and enhance the livelihood opportunities in the country. In 2015,



the National Assembly adopted Resolution No. 100 to refocus its 16 NTPs into two - the NTP for Rural Development (NTP-NRD) and the NTP for Sustainable Poverty Reduction (NTP-SPR) (See Section 3 Relevance of Objectives below). This operation was a Program for Results (PforR) in 18 targeted provinces under the NTP-NRD and the NTP-SPR-P135.

This review will assess the program performance against the following objectives:

- to improve the delivery of investments for increasing agricultural production and enhancing livelihood opportunities within the Program area.
- to improve access to investments for increasing agricultural production and enhancing livelihood opportunities within the Program area.

b. Were the program objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

1. Improved Program Planning and Governance (delivery attribute of the PDO) (US\$35.0 million at appraisal, US\$35.0 million disbursed for DLIs by closing, [ICR, Annex 1B]). This result area was to finance activities that supported the reforms of the NTP in the following areas: policy and implementation guidelines, oversight, and accountability through the development of a Management Information System, and provincial level institutional reforms that would integrate the two NTPs planning processes with those at the provincial, district, and commune levels. Two Disbursement Linked Indicators (DLIs 1 and 2) were to support this result area:

- DLI 1 – Issuance of the Policy and Guidance Instruments for the NRD and SPR-P135.
- DLI 2 – Number of Participating Provinces with an NTP-SEDP integrated planning process (PDO Indicator 1).

2. Improved Quality of Program Investments (delivery attribute of the PDO) (US\$60.0 million at appraisal, US\$22.3 million disbursed for DLIs by closing [ICR, Annex 1B]). This result area was to finance activities under the NTP-NRD and SPR-P135 that harmonized designs, specifications, and implementation arrangements/approaches for climate-resilient small-scale infrastructure subprojects. This result area was to also finance the streamlining of procedures and specify guidance to communes to ensure quality income generating activities, especially for women and ethnic minority women. Two DLIs (3 and 5) were to support this result area:

- DLI 3 – Percentage of Infrastructure Investment Sub-projects implemented in compliance with the Enhanced Operations Manual.
- DLI 5 – Percentage of Livelihood Support Sub-projects implemented in compliance with the Enhanced Operations Manual.



3. Increased Access to Program Investments (access attribute of the PDO) (US\$20.0 million at appraisal, US\$0.00 million disbursed for DLIs by closing [ICR, Annex 1B]) This result area was to finance productivity-raising activities in communes and villages, promote the adoption of climate-resilient technologies, and introduce value chain analyses as the technical underpinning for such investments. This result area was to finance activities on income and livelihood support to households, especially for women and ethnic minority women. Two DLIs (4 and 6) were to support this result area:

- DLI 4 – Percentage points increase in the share of ethnic minorities and women satisfied with access and quality of community assets or services for increasing agricultural production and livelihoods (PDO Indicator 3).
- DLI 6 – Percentage points increase in the share of households with additional diversified income sources (PDO Indicator 2).

4. Improved Program Monitoring and Management (delivery attribute of the PDO) (US\$38.0 million at appraisal, US\$17.5 million disbursed for DLIs by closing [ICR, Annex 1B]). This result area was to finance capacity building activities to strengthen the monitoring of this operation and the government's overall program. This result area was to finance the establishment of baseline data, collecting, and making these data available to the public to monitor the program results. Three DLIs were to support this result area:

- DLI 7 – Number of officers at the provincial-, district- commune- and village-level trained in the use of the Enhanced Operations Manual.
- DLI 8.1 – Number of monitoring and evaluation frameworks developed for NRD and SPR-P135.
- DLI 8.2 – Number of Participating Provinces with an operational NRD-MIS web-based platform including semi-annual reports with physical outputs and financial information.
- DLI 8.3 – Number of publicly accessible websites publishing semi-annual reports on physical progress and financial information on NRD and SPR-P135.
- DLI 9 - Baseline and end-line tracking survey for NRD and SPR-P135.

e. Comments on Program Cost, Financing, Borrower Contribution, and Dates

Program Cost: The original program cost was US\$153.0 million. The amount was reduced to US\$112.1 million when US\$40.9 million (or 26.7 percent of the original cost) was cancelled at restructuring (see Dates below). The amount disbursed was US\$76.8 million or 68.5 percent of planned disbursement. Note that the disbursements against the DLIs was US\$74.8 million (ICR, Annex 1B).

Financing: The International Development Association (IDA) financed this program.

Borrower Contribution: The borrower contribution was estimated at US\$1.6 billion at appraisal. The actual contribution at closing was US\$1.0 billion.

Dates: The program was approved on June 28, 2017 and made effective on May 15, 2019, almost two years later. This delay was due to three factors: (i) the lengthy government process to sign the FA; (ii) the late approval of the Enhanced Operations Manual for the PforR, an effectiveness condition; and (iii) delay in the government's issuing its legal opinion for the signed FA. The Mid Term Review (MTR) was conducted on May 24, 2021, seven months before closing. The program closed on December 31, 2021, as planned. On December 30, 2021, a level 2 restructuring (RES44243) cancelled US\$40.9 million (SDR29.2 million).



The government acknowledged that the funds would not be disbursed in the remaining program period. The delayed start led to late approvals of verification budgets, which was needed to conduct the verification of results to disburse funds, according to the PforR policy (see the following Sections: 3 on Relevance of DLIs, 4 on Efficacy, and 7 on Assessment of Bank Performance).

Split Rating. No split rating of the outcome will be undertaken. The PDO remained the same and US\$40.9 million was cancelled just before closing without reducing the scope of the program. The ICR did not undertake a split rating of the outcome because the cancelled funds did not have an impact on the original Theory of Change (TOC). The PforR activities remained unchanged (ICR, paragraph 18).

3. Relevance

a. Relevance of Objectives

Rationale

Alignment with Sector Strategy: The PforR operation was aligned with the Government of Vietnam's Socio-Economic Development Strategy (SEDS) for 2020–2025, its accompanying National Target Program on Social Economic Development for Ethnic Minority and Mountainous Areas (SEDEMA) for 2021–2030 and National Green Growth Strategy for 2021-2030. All these plans prioritized equitable growth framed by resilient infrastructure and livelihood. These two strategic documents stated that: (i) sustaining rapid growth was possible with growth based on increased labor productivity, addressed the costs of environmental degradation and promoted green growth; (ii) maintaining equitable growth and social inclusion required assisting and delivering services to marginalized groups, especially the ethnic minorities and; (iii) fulfilling Vietnam's aspirations for green growth required transparent governing institutions, economic restructuring, environmental sustainability, and social justice.

On November 12, 2015, the National Assembly Resolution 100 created two overarching programs from the 16 NTPs - (i) the NTP for New Rural Development (NTP-NRD), designed to upgrade services and infrastructure for 8,921 rural communities across all 63 Provinces of Vietnam, and (ii) the Sustainable Poverty Reduction Program (NTP-SPR), designed to support infrastructure, livelihoods, basic services and capacity building in the country's 94 poorest districts and 310 communes in coastal areas through five sub-programs or projects (please see ICR, footnote 4 for a description of all five sub-programs). or projects under the SPR please see ICR, footnote 4. Project 2 or SPR-Program-135 (SPR-P135) led by the Committee for Ethnic Minority Affairs (CEMA) was to support 2,240 poorest communes and 33,723 poorest villages in ethnic minority and mountainous areas. with five sub-programs (or projects). This Program for Results (PforR) carved a segment of the target area (18 provinces of the 63) and was to improve delivery and improve access to achieve the NTP's overall objective.

This PforR operation was to address the inefficiencies and ineffective results orientation of the prior NTPs, bridge the urban and rural poverty divide among the disadvantaged Ethnic Minorities (EMs) and women by providing equal access to services and increasing agricultural productivity. This PforR program would address the NTP aim for shared prosperity and equal access by providing incentives in implementing how NTP deliver services and access to livelihood opportunities for the poorer segments of the communities in 157 districts and 2,236 communes under the NTS-NRD and 157 districts and 1,044



communes under SRP-P135 in the 18 target provinces of: Cao Bằng, Hà Giang, Lào Cai, Bắc Kạn, Điện Biên, Lai Châu, Hà Tĩnh, Quảng Bình, Quảng Trị, Thừa Thiên Huế, Quảng Ngãi, Ninh Thuận, Bình Thuận, Bình Định, Kon Tum, Đắk Lắk, Sóc Trăng, and Trà Vinh.

World Bank Previous Sector and Country Experience: The Bank supported the NTPs over the last 15 years. Among these were Development Policy Lending Operations (DPOs) for the SPR-P135 phase 2 (2006-2011). Eight development partners financed a complementary operation resulting in a program of policy reform areas in poverty targeting, participation and decentralization, fiduciary transparency and accountability, and monitoring and evaluation (M&E). The Bank also financed two community-driven development (CDD) investment operations in the two poorest regions in the country's Northwest (2010 – 2018) and the Central Highlands (2014 – 2019). The NTPs supported two objectives of the Bank's Country Partnership Framework (CPF) for FY2018 to FY2022 embodied in two focus areas: (i) Focus Area 1: Enable Inclusive Growth and Private Sector Participation and Objective 7: Broaden economic participation of ethnic minorities and vulnerable groups; and (ii) Focus Area 2: Invest in People and Knowledge and Objective 13: Strengthen capacity to address emerging challenges to gender equality. In addition, some overlap with Focus Area 3: Ensure Environmental Sustainability and Resilience was expected because the Enhanced Operations Manual (EOM) would include screening infrastructure investment and livelihood choices against sustainable practices. The next CPF was under preparation at program closing.

Country Capacity and Adequacy of PforR Instrument: The NTP was the country's principal vehicle to implement its 2010-2020 Socio-Economic Development Plan (SEDP). The government has implemented several substantial NTP programs (over US\$7 billion annually over a five-year period). The NTPs were acknowledged to have inefficiencies and ineffective elements that could be improved under a PforR instrument. The PforR instrument would support the budget for the two NTPs, strengthen program, implementation, management, and oversight using government systems. This instrument had a comparative advantage of using incentives such as technical improvements, improving government systems related to fiduciary, governance, and environmental and social aspects, and strengthen M&E, to facilitate institutional improvements and help boost NTP's results orientation.

The Bank has assisted the government in its efforts to address limited livelihood options and capacity enhancements in the poorer regions of the country using various instruments such as IPFs and DPOs directed at the agriculture sector. The limitations of these instruments to increase agricultural productivity while building governance capacity provided the lessons for the incentive mechanism under this PforR operation. The PforR instrument would optimize Bank financing to support Vietnam achieve its rural development and poverty reduction efforts through the two NTPs. The findings of the assessments (technical, fiduciary, social and environmental) were used to define the scope of this PforR operation, for example, the focus on building the capacity at the commune and district level. The four results areas addressed the development challenges identified by the program, particularly in reaching EMs and women in the poorer provinces.

The PforR Program Objectives - improved delivery and increased access to investments for increasing agricultural production and enhancing livelihood opportunities - were in line with the inclusive growth objective of the FY18-FY22 World Bank CPF for Vietnam and the CPF's focus areas, objectives, and cross-cutting themes. This PforR operation was to improve the efficiency, effectiveness, and impact of the NTP- NRD and SPR-P135 in the target 18 provinces to benefit EMs and women and boost agricultural productivity. The PDOs were only slightly outcome-oriented ("improved delivery and access") and pitched to the target area's rural development status and capacity level. For example, one outcome indicator for Objective 1 (improved delivery), was the number of provinces with integrated plans, which was more at an



intermediate rather than an outcome level. In the case of Objective 2, the ICR acknowledged that the outcome of improved access would have been served by providing an indicator to measure the impact of the added infrastructure assets on agricultural productivity (ICR, paragraph 41).

Rating

Substantial

b. Relevance of DLIs

DLI 1

DLI

DLI 1 – Issuance of the Policy and Guidance Instruments for the NRD and SPR-P135.

Rationale

The government agreed to use this DLI 1 as a prior action. This DLI was not scalable. The DLI target was strategic clearly defined, simple, and straightforward. This DLI was allocated US\$20 million or 13 percent of the PforR financing, well within the 25 percent threshold of a PforR operation. The DLI was measurable, with a clear protocol and methodology for monitoring the achievement of results that contributed to the operation's outcomes. The verification protocol followed the Bank Policy and Directive on Program-for-Results Financing. The DLI was integrated into the results framework and the Program Action Plan (PAP) to contribute to institutional change in implementing the NRD and SPR-P135 to achieve the PDO.

Overall, the relevance of this DLI to the objective is rated Substantial. As a prior action, this DLI served as a foundation of the other DLIs and was an effective incentive that contributed to the program performance and results.

Rating

Substantial

DLI 2

DLI

DLI 2 – Number of Participating Provinces with an NTP-SEDP integrated planning process (PDO Indicator 1).

Rationale

This DLI was clear, simple, and specific. Its contribution to the operation's outcomes was measurable and integrated to the results framework and the PAP. This DLI was also an outcome indicator and justified the achievement of the PDOs. The State Audit Vietnam (SAV) was to implement the clear protocol and methodology for monitoring the achievement of results. The SAV would examine the documents relating to the integration of the two NTPs into the SEDP of all 18 provinces. SAV would select a random sample of 16 (of 157) districts to examine how well the two plans were integrated in the SEDP plan of each district. The



DLI was feasible, and scalable and allowed disbursements of its US\$15 million allocation against the achievement of graduated results. This DLI was to respond to the government priorities of addressing persistent inequalities and inclusion by providing the trigger for improving the relevance of sub-projects and their delivery through participatory integration of NTP into the SEDP. This DLI provided the incentive to improve institutional performance and results by integrating the NTP-SEDP planning process to improve program delivery. This DLI also reflected the inclusiveness and diversification aspects of increased access to investments for boosting agricultural production and enhancing livelihood opportunities. The integration of the SEDP into the NTP was evidence of the institutional change that addressed the variable quality of participatory planning identified in the previous NTPs.

Overall, the relevance of this DLI to the PDOs is rated Substantial. This DLI was aligned to the PDO and served as an outcome indicator (see Section 4 Efficacy below).

Rating

Substantial

DLI 3

DLI

DLI 3 – Percentage of infrastructure investment sub-projects implemented in compliance with the Enhanced Operations Manual.

Rationale

This DLI was simple and clearly defined as an investment DLI. its contribution to the operation's outcomes was measurable. This DLI was aligned with the results framework and the PAP and contributed to the achievement of the results area 2, supporting the improved quality of program investments. The SAV had a clear protocol and methodology for monitoring the achievement of results. SAV was to monitor the compliance of the completed investments with the standards, designs, and requirements contained in the Enhanced Operations Manual (EOM). The DLI was feasible, strategic, and scalable to allow for the disbursement of its US\$30 million allocation against the achievement of graduated results. This DLI was allocated the amount that would sufficiently address two major constraints faced by the poor and most disadvantaged groups: low profitability and productivity in agriculture due to poor integration of farmers to value-chains or markets. This DLI, in combination with the other DLIs would spur institutional change by targeting the disadvantaged groups and help achieve the PDOs.

Overall, the relevance of this DLI to the PDOs is rated Substantial. This DLI was aligned to the PDO as evidence of increased access and supported the second outcome indicator by completing quality infrastructure according to the requirements of the EOM, a PAP action that specified technical standards for infrastructure investments.

Rating

Substantial

DLI 4



DLI

DLI 4 – Percentage points increase in the share of ethnic minorities and women satisfied with access and quality of community assets or services for increasing agricultural production and livelihoods (PDO Indicator 3).

Rationale

This DLI was clearly defined, simple and straightforward. This DLI was integrated into the results framework and the PAP. Its contributions to the operation's outcomes were feasible, measurable, and scalable and allowed for disbursement of its US\$10 million allocation against the achievement of gradual results. This DLI was an outcome indicator (outcome 2). This DLI was to contribute to achieving the objective of improving access. This DLI reflected the inclusiveness and diversification aspects of increased access to investments for boosting agricultural production and enhancing livelihood opportunities. The EOM simplified the procedures and provided specific guidance to communes on ways in which they could ensure quality income generating activities, especially for women and ethnic minority women. As part of the PAP, community gender sensitive guidelines were issued with the EOM in both languages and in an accessible format understood by target beneficiaries. The Institute for Policy and Strategy for Agriculture and Rural Development (IPSARD), an independent but government sponsored think tank, linked to the MARD, applied a clear methodology and protocols to monitor the achievement of results under this DLI. This DLI was scalable. This DLI responded to the constraints faced by these target population - low profitability and low labor productivity of their livelihood endeavors. This DLI was to increase productivity and diversify livelihood opportunities.

Overall, the relevance of this DLI to the PDOs is rated Substantial. This DLI was aligned to the PDO and served as an outcome indicator to contribute to enhancing the impact of the NTPs in raising rural incomes and access to services, among women and men in the poorest (SPR-P135) areas of the country where ethnic minorities were concentrated.

Rating

Substantial

DLI 5

DLI

DLI 5 – Percentage of Livelihood Support Sub-projects implemented in compliance with the Enhanced Operations Manual.

Rationale

This DLI was clearly defined, simple and straightforward. Its achievement measured its contributions to the operation's outcomes. This DLI was integrated into the results framework and the PAP. This DLI contributed to the results area 2, improved quality of program investments. SAV implemented a clear protocol and methodology for monitoring the achievement of results. The DLI was feasible, scalable, and allowed for disbursement of its US\$30 million as targets were achieved. This DLI supported the outcome under results area 2 improved quality of program investments and referred to the intermediate results to achieve the operation's second outcome. To increase access, livelihood support sub-projects relevant to the communities were implemented in compliance with an EOM (a PAP action) that specified the use of value chain analysis in selecting livelihood support activities.



Overall, the relevance of this DLI to the PDOs is rated Substantial. The significant allocation for investments provided to DLI 5 addressed two major constraints faced by the poor and most disadvantaged groups: low profitability and productivity in agriculture due to poor integration of farmers to value-chains or markets. This DLI was aligned to the PDO and contributed to the overall performance and results of the program.

Rating

Substantial

DLI 6

DLI

DLI 6 – Percentage points increase in the share of households with additional diversified income sources (PDO Indicator 2).

Rationale

This DLI was clearly defined, simple and straightforward. Its contribution to the operation's outcomes were measurable and feasible. This DLI was integrated into the results framework and the PAP. This DLI was an outcome indicator to achieve the second objective of improving access (see Section 4 Efficacy below). IPSARD implemented a clear protocol and methodology for monitoring the achievement of results under this DLI. This was scalable and allowed for disbursement of its US\$10 million against the achievement of gradual results.

Overall, the relevance of this DLI to the PDOs is rated Substantial. This DLI was aligned with the PDO and served as an outcome indicator to enhancing the impact of the NTPs in raising rural incomes and access to services, among women and men in the poorest (SPR-P135) areas of the country where ethnic minorities are concentrated.

Rating

Substantial

DLI 7

DLI

DLI 7 – Number of officers at the provincial-, district-, commune-, and village-level trained in the use of the Enhanced Operations Manual.

Rationale

This DLI was clearly defined, simple and straightforward. The DLI was integrated with the results framework and with the PAP. Its contributions to the operation's outcomes were measurable based on its contribution to the use of the EOM to achieve the other DLIs. The DLI had a clear protocol and methodology for monitoring the achievement of results. The SAV verified the actions against this DLI to trigger disbursements. The DLI was feasible, scalable, and disbursed its US\$10 million allocation against the achievement of graduated targets.



This DLI on training of officials (DLI 7), and a PAP action on recruiting a Capacity Building Officer (CBO) were to provide incentives for financing of capacity building. Capacity building was crucial for adopting the EOM, to improve NTP implementation, and monitor the DLIs at the outcome level. These were weak points of the earlier NTPs because of low recurrent capacity building budget allocation. In addition, commune officials monitored program results using subjective or self-reported outcome data.

Overall, the relevance of this DLI to help achieve the PDOs is rated Substantial This DLI was aligned with the PDO and would address capacity needs to contribute to the achievement of program results and enhance performance.

Rating

Substantial

DLI 8

DLI

DLI 8 - Development of an M&E framework for NTP-NRD and SPR-P135 and roll out of an MIS for NRD with financial information from the Treasury and Budget Management Information System (TABMIS) with program information published online via public disclosure portal

Rationale

DLI 8.1 – Number of monitoring and evaluation frameworks developed for NRD and SPR-P135.

DLI 8.2 – Number of Participating Provinces with an operational NRD-MIS web-based platform including semi-annual reports with physical outputs and financial information.

DLI 8.3 – Number of publicly accessible websites publishing semi-annual reports on physical progress and financial information on NRD and SPR-P135.

The three DLIs above were clearly defined, simple, straightforward, and measured their contributions to the operation's outcomes. The DLIs were integrated with the results framework and with the PAP. SAV applied clear protocol and methodology for monitoring the achievement of actions against this DLI to trigger disbursements. The DLIs were feasible, scalable, and was allocated US\$19 million that was disbursed as graduated results were achieved. The monitoring of the operation's results required a credible baseline crucial for the improved implementation of the program and monitoring of the DLIs at the outcome level. These areas addressed by the DLIs were weak points of the earlier NTPs due to low recurrent budgets allocated for capacity building and use of subjective or self-reported outcome data by commune officials to monitor program results. The program also achieved the target of all 18 participating provinces having an operational MIS web-based platform. Semi-annual reports with physical outputs and financial information from the Treasury and Budget Management Information System (TABMIS) were reflected in these reports. All 18 provinces achieved the target of publicly accessible websites that published semi-annual reports on physical progress and financial information on NRD and SPR-P135 exceeding the target of 2.

The relevance of this DLI to achieve the PDOs is rated Substantial. The achievement of these DLIs would provide credible data to reflect the impact of the NTPs, unlike those of the previous NTPs whose impact on poverty and welfare was unknown. This DLI was aligned with the PDO and enhanced program performance and contributed to its overall results.



Rating

Substantial

DLI 9

DLI

DLI 9 - Baseline and end-line tracking survey for NRD and SPR-P135.

Rationale

This DLI was clearly defined, simple and straightforward, and its contribution to the operation's outcomes was measurable. The DLI was integrated with the results framework and with the PAP. This DLI was verified by the Bank based on the review of baseline and end line surveys produced by IPSARD. The DLI was feasible, scalable, and allowed for the disbursement of its US\$9 million allocation against the achievement of targets. The baseline provided for the improvements reported in achieving the DLI indicators and program outcomes. The results of the end-line surveys supported the evidence of the program outcomes, i.e., to the DLI 4 and 6.

Overall, the relevance of this DLI to achieve the PDOs is rated Substantial. This DLI was to address a lack of significant baseline and impact studies to guide policy and program direction and gauge access of the poor, women, and ethnic minorities to the NTPs. This DLI was aligned with the PDO and contributed to the overall results and performance of the program.

Rating

Substantial

OVERALL RELEVANCE RATING

Rationale

Overall Relevance is rated substantial. The PforR PDO remained relevant and consistent with the Government of Vietnam's and the World Bank's strategic objectives for promoting sustainable and inclusive growth in Vietnam, and its participatory approach served to incentivize improvements in ownership, Program planning, implementation efficiency, effectiveness, and institutional capacity building. The DLIs were relevant to the achievement of the PforR's key outcomes and results areas. All DLIs were instrumental to improving institutional performance and results. The DLIs were structured to respond to government priorities of addressing persistent inequalities and inclusion. DLIs 1 and 2, provided the right triggers for improving the relevance of sub-projects and their delivery through participatory integration of NTP into the SEDP. All nine DLIs were substantially relevant to the achievement of the program outcomes.

Rating

Substantial



4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve the delivery of investments for increasing agricultural production and enhancing livelihood opportunities within the Program area.

Rationale

Context: The government implemented a National Targeted Program (NTP) beginning in 2011 aimed to address the challenges surrounding agricultural productivity, the inequalities in access to basic services, and the limited livelihood options in rural areas. The government aimed to raise rural incomes and productivity while reducing the socio-economic disparities between urban and rural areas by implementing the NTPs for the New Rural Development (NTP-NRD) and Sustainable Poverty Reduction (NTP-SPR). Both the NTP-NRD and NTP-SPR finance infrastructure, production and livelihood activities and some capacity building. The programs differ in target groups, implementation mechanisms, reporting requirements and institutional responsibilities. This PforR was to help strengthen the efficiency, effectiveness, and impact of the NTP-NRD and SPR-P135 by targeting the program that benefit the Ethnic Minority (EM) population and women under both programs. They included four of the eleven (11) components (main activities) of the NTP-NRD, namely: (i) institutional capacity for new rural development master planning; (ii) socio-economic infrastructure investments to enhance agriculture productivity and resilience; (iii) production development, through value chain integration, extension services, training of rural workers and agricultural production reforms and (iv) capacity building, monitoring and evaluation and communication. All three components of NTP-SPR-P135 were selected and included (i) infrastructure investment, (ii) production development, livelihood diversification and replication of poverty reduction models, and (iii) capacity building for community and grassroot level officers (ICR, paragraph 12). The TOC at closing was a simplified version of the more comprehensive one prepared at appraisal.

Theory of Change (TOC): This PforR was to help strengthen the efficiency, effectiveness, and impact of the NTP-NRD and SPR-P135 by targeting the program that benefit the Ethnic Minority (EM) population and women under both programs. This objective was to address the lack of credible data to support the magnitude of impact of the NTPs on poverty and welfare by providing the following **inputs:** the measures and actions contained in the Program Action Plan (PAP) to catalyze the institutional changes and scale up the innovations introduced by the program that would improve the efficiency in delivering the government program. The “delivery” attribute of the PDO referred to the planning, governance, implementation, and monitoring aspects of the program. The outputs were to be those specified under components 1 and 11 of the NTP-NRD and component 3 of SPR-P135. These inputs were to represent the activities in the following Results Areas of the program: 1, Improved Planning and Governance; 2, Improved Quality of program Investments; and 4, Improved Program Monitoring and Management. **Outputs** were to be the policy and guidance instruments; officials trained on the Enhanced Operations Manual (EOM), integrated participatory plans of the participating provinces, M&E frameworks, operational MIS web-based platforms and baseline and end-line surveys. These intermediate results were attributed to Results Areas 1,3, and 4 and were to signal the achievement of five Disbursement Linked Indicators (DLIs - 1, 3, 7, 8.1, 8.2, and 9). **Outcome** was to be the improved processes to deliver investments. These would contribute to achieve the NTP's objective of increasing agricultural production and enhanced livelihood of target beneficiaries. DLI 2 was to represent this outcome, expressed as the number of targeted provinces that have adopted an NTP-SDP integrated planning process. This outcome was more at an intermediate rather than outcome level. The outcome of the



improved planning and governance did not include the benefits to the lives and livelihoods of the target beneficiaries in the participating 18 provinces. The ICR provided data under the section Other Outcomes (ICR, paragraph 46) of other relevant results, but these were not part of the results framework and had no targets.

The TOC made the following critical **assumptions**, which if actualized, would increase the likelihood that the outcomes would be achieved: (i) stakeholders would be open to institutional change; (ii) adequate implementation capacity existed at all levels; and (iii) institutional changes would be sustained. These assumptions to a certain degree did occur and affected the outcomes achieved below.

OUTPUTS: Improved program delivery was evident in the achievement of the targets for the intermediate results under *Results Area 1, Improved Program Planning and Governance*:

- IR 1 - Issuance of Policy and Guidance Instruments for the NTP- NRD and SPR-P135 that include PforR agreed planning, technical and implementation improvements/reforms. The Bank team assessed this result as a prior action and this achievement triggered the disbursement under DLI 1.
- IR 2 - the Issuance of Policy and Guidance instruments for the NRD and SPR-P135 achieved the target.
- IR 3 - 18 targeted Program provinces with plans prepared in a participatory manner (bottom-up) with community involvement with effective consultations of ethnic minorities and women. This achieved the target.

Improved program delivery was evident in the achievement of the targets for the intermediate results under *Results Area 2, Improved Program Planning and Governance*:

- IR 4 - The Enhanced Operation Manual (EOM) for socio economic infrastructure for both NTP-NRD and SPR-P135 was finalized and cleared by the government, achieving the target. IR 2 (DLI 1) laid the foundation for the achievement of IR 4. The EOM also included the issuance of standardized procedures for scaling up climate-resilient livelihood and enterprise support informed by value chain analysis for both the NTP-NRD and SPR-P135. This issuance achieved the target.
- IR 5 - 94.7 percent of infrastructure investment subprojects were implemented in compliance with the enhanced operations manual, according to the State Audit Vietnam (SAV), the independent verification agency. This achievement exceeded the DLI 3 target of 90 percent.
- IR 6 - There was no report on the percentage of socio-economic infrastructure supported by operation and maintenance (O&M) for NRD and for SRP-P135 separately because this was inadvertently omitted from the results framework and was not tracked during implementation.
- IR 7 - The EOM also included the issuance of standardized procedures and requirements for scaling up climate-resilient livelihood and enterprise support established for both the NTP-NRD and SPR-P135 informed by value-chain analysis. This target was achieved.
- IR 8 - 94.7 percent of livelihood support sub-projects were implemented in compliance with the EOM, exceeding the DLI 5 target of 90 percent.

Improved program delivery was evident in the achievement of the targets for the intermediate results under *Results Area 4, Improved Program Monitoring and Management*:

- IR 10 - 39,949 officials from the provincial-, district-, commune, and village-level were trained in the use of the EOM. This was to trigger DLI 7. The target of 50,000 officials was not met because of the



- government's response restricted mobility of the population to limit the spread of COVID-19. Nevertheless, the trained officials contributed to achieving the targets that triggered DLIs 3 and 5.
- IR 11 - Two monitoring reports were submitted to the NTP steering committee with updated information on end of year implementation status and reporting of Program impacts at completion. The target of 6 reports was not achieved.
 - IR 12.1 - Two monitoring and evaluation (M&E) frameworks were developed for NTP-NRD and SPR-P135, meeting the target. This achievement triggered DLI 8.1.
 - IR 12.2 - (reflected as 12 in the ICR): All 18 participating provinces had installed operational NRD-MIS web-based platforms including semi-annual reports and physical outputs and financial information from the Treasury and Budget Management Information System (TABMIS). This achievement triggered DLI 8.2. The web portal at central and provincial levels, was generally accessible and met the requirements of DLI 8.2. Updating of resource mobilization and financial information from TABMIS was variable with resource mobilization data published for 10 of 18 provinces in the first half of 2020 and for two of 18 in the second half of the year. The National Coordination Office (NCO) published seven of 18 provinces semi-annual financial information from TABMIS in the first half of that year. This increased to 11 (from 7) in the second half of the year. NCO maintained a hotline to receive and resolve complaints but updating the data was variable.
 - IR 13 - All 18 provinces had operational NRD-MIS websites. 2 were publicly accessible websites with published semi-annual reports on physical progress and financial information on NRD and SPR-P135, achieving the target. The web portal at central and provincial levels, was generally accessible and achieved the requirements under DLI 8.3. However, only one of the 18 provincial websites was regularly updated accessible websites publishing semi-annual reports on physical progress and financial information on NRD and SPR-P135.
 - IR 14 - Baseline and end-line tracking survey for NRD and SPR-P135. This result was achieved by (i) the budget allocations to the two surveys - baseline and end-line - of NRD and SPR-P135; and (ii) administration of the two surveys, meeting the target to achieve the requirements of DLI 9.

OUTCOMES: The outcome indicator, DLI 2, the number of participating provinces with an NTP SEDP integrated planning process, was achieved. The SAV verification report indicated that all 18 participating provinces Improved their program delivery because they followed the NTP-SEDP integrated planning process, meeting the original target of 18. The integration of the SEDP into the NTP was a major institutional shift that addressed the variable quality of participatory planning in the previous 16 NTPs. The operation substantially achieved the targets under Results Area 1, 2, and 4. The only targets that were unmet were the number of officials trained on EOM and the number of reports for the steering committee. The underachievement of these output targets was not critical to the outcome achieved under this objective.

Overall, the efficacy of the program to achieve this objective is rated Substantial. The program fully achieved the PDO outcome indicator supported by DLI 2.

Rating
Substantial

OBJECTIVE 2
Objective



To improve access to investments for increasing agricultural production and enhancing livelihood opportunities within the Program area.

Rationale

Theory of Change: Operating under the same context as Objective 1, this TOC provided the inputs, outputs and outcomes associated with improving "access" to the investments. This improved access was to mean that the completed investments delivered concrete benefits to targeted households (ICR, paragraph 8). The following inputs were associated with the activities under Results Area 3, Increased Access to Program Investments. The **inputs** were to be the financing of the investments in the target communities of the participating provinces. **Outputs** were to be the EOMs for social-economic infrastructure investments (within component 2 of the NTP-NRD and component 1 NTP-SPR-P135) and EOM for sustainable and climate resilient rural livelihoods in the communities of the target provinces. They included four of the eleven (11) components (main activities) of the NTP-NRD, namely: (i) institutional capacity for new rural development master planning; (ii) socio-economic infrastructure investments to enhance agriculture productivity and resilience; (iii) production development, through value chain integration, extension services, training of rural workers and agricultural production reforms and (iv) capacity building, monitoring and evaluation and communication. With respect to NTP-SPR-P135, all three components were selected and included (i) infrastructure investment, (ii) production development, livelihood diversification and replication of poverty reduction models and (iii) capacity building for community and grassroots level officers. Outputs were also to include the increased value chain based livelihood investments that would increase agricultural productivity and livelihood opportunities. **Outcome** to show increased access to investments were to be represented by achieving the conditions under DLIs 4, Percentage points increase in the share of ethnic minorities and women satisfied with access and quality of community assets or services for increasing agricultural production and livelihoods, and 6, Percentage points increase in the share of households with additional diversified sources. was the increase in agricultural production and enhanced livelihood opportunities. These outcomes were to be expressed as a share of households with additional diversified income sources and the share of EMs and women satisfied with the access and quality of community assets or services designed for increasing agricultural production and livelihoods. The outcomes did not include the value of the increase in diversified income sources, or the nature of the services associated with the increase in agricultural productivity, for example. Increase in incomes was provided as part of the end-line surveys but not tracked as part of the outcome indicators.

The TOC's critical **assumptions** under Objective 1 also applied here. However, Objective 1 focused on institutional strengthening and process improvements of government agencies. Objective 2 focused on improving access to investments and agricultural production. Other assumptions would have been useful for this TOC, such as the availability of adequate resources for operations and maintenance (O&M) of the completed socio-economic infrastructure assets to signal sustainability. The ICR acknowledged that an intermediate results indicator (IR 6) on O&M spending was not tracked but O&M was embedded in the government's program and was a factor in the achievement of DLI 3 (ICR, paragraph 31).

OUTPUTS: increased access to program investments and improved quality of program investments achieved the following targets:

- IR 9 - 68 percent of spending was linked to value chain based and climate resilient livelihood investments. The target of 30 percent was exceeded
- IR 8 - 94.7 percent of livelihood support subprojects were implemented in compliance with the EOM. The target of 90 percent was exceeded.



- IR 5 - 94.7 percent of infrastructure subprojects were implemented in compliance with the EOM. The target of 90 percent was exceeded.

OUTCOMES: The targets to increase access to investments that would in turn increase agricultural production:

- DLI 4 - 19.9 percent of Ethnic Minorities (EMs) and women expressed satisfaction with access and quality of community assets or services for increasing agricultural production and livelihoods. This share substantially achieved the target of 20 percent.
- DLI 6 - From a baseline of 60 percent of households, another 6.3 percent of households reported they have additional diversified income sources. This increase did not achieve the original target of 20 percent. Most households that diversified their income sources went into non-farm employment activities such as processing, construction, and services (production and consumption). The national lockdowns, social distancing, and other measures to control COVID-19 led to this low level of achievement. The target is expected to be achieved after the project closing. The completed infrastructure were durable assets that households would benefit from after the project closed, once mobility restrictions from the pandemic was lifted. The end line surveys confirmed that beneficiaries considered their access to services reduced the physical and economic distance (transaction cost) to overcome subsistence agriculture and their limited market and non-farm enterprise participation.
- The following outcomes were not part of the results framework but reported from the end-line surveys and would have covered all program components of the NTPs, not just those financed under this program:
 - After two years of implementation, the average household income in the PforR provinces increased by VND 11.39 million (No target indicated). This is higher than in the non-PforR provinces (but no information in the ICR). The end line survey reported that the operation contributed to reducing the share of poor and near-poor households in the project provinces during the 2018-2020 periods by 4.4 percent a year, higher than the program target of 1.5 percent. This increase in income was experienced by 70 percent of households in the provinces targeted by the PforR, 19.1 percent higher total income compared the non-PforR provinces. The Difference-in-Difference (DID) analysis showed that the PforR had, on average, helped people increase their total income by 16.4 percent (ICR, paragraph 46).
 - Households in the targeted provinces accessed basic services for agricultural production. There was a dramatic increase in the level of access for all types of services including electricity, water, and internet connectivity. About 86 percent of households accessed basic services provided by local agricultural extension officers to help farmers cope with risks and diseases affecting crops (plant protection services) and livestock (veterinary services) in 2020. After the 2019 African swine fever outbreaks, disease control became a priority. The ethnic minority beneficiaries expressed higher than the average satisfaction with mechanization (for agricultural labor productivity growth) and small boats (ICR, paragraph 37).

Overall, the efficacy of the program to achieve this objective is rated Substantial with moderate shortcomings. One of the target values of the program outcomes was substantially achieved but the other was not because of conditions that accompanied the response to COVID-19. The omitted indicator on O&M supported socio-economic infrastructure would have been useful to signal sustainability of the completed assets. However, O&M was reported to be a factor in the achievement of DLI 3. The ICR acknowledged a lack of indicator to



better reflect how the improved access to the investments led to an increase in agricultural productivity. The program contributed to the green growth agenda of the government through the resilient infrastructure and livelihood sub-projects (ICR, paragraph 31).

Rating
Substantial

OVERALL EFFICACY

Rationale

The overall efficacy of the program to achieve both objectives is rated Substantial with minor shortcomings. The program interventions resulted in improved planning and governance related to the NTPs in the target provinces with minor unmet targets. The infrastructure provided through the operation and accessed by ethnic minorities and women, was relevant to their priorities, was of high quality and served the daily and livelihood needs of the beneficiaries. The composition of the infrastructure especially those related to improving agricultural production, was an important contribution of the PforR to addressing the constraints affecting the poor (low profitability and low labor productivity).

Rating
Substantial

5. Outcome

The relevance of objective is rated Substantial. The PDOs were relevant to the Bank's CPF, the government's Socio-Economic Development Plan (SEDP) and the National Green Growth agenda. The relevance of DLIs was substantial. The efficacy of the program to achieve the first objective is rated Substantial with minor shortcomings in achieving certain output targets. The efficacy of the program to achieve the second objective is rated Substantial with moderate shortcomings in the achievement of an outcome target and lack of sufficient indicators to address agricultural productivity increases. The efficacy of the program to achieve the overall objectives is rated Substantial with moderate shortcomings. Outcome is rated Moderately Satisfactory because of the minor shortcomings in the efficacy of the program to achieve the second objective. The delayed start and the unsynchronized implementation of the PforR with the NTP were factors in downgrading this outcome from Satisfactory.

Outcome Rating
Moderately Satisfactory

6. Risk to Development Outcome



The following pose risks to the development outcomes:

- **Technical.** This is a moderate risk. In this program, innovations were introduced in the use of websites, data gathering, and conduct of surveys, as well as in the use of data to make public the impact of the NTPs. These innovations would require frequent updating and continued training of capacity of both those who provide the data and those who use the data. Having a clear program of periodic roll out for updates would be useful to the provinces, districts, villages, and communes.
- **Financial.** This is a substantial risk. In this program, livelihood support sub-projects and infrastructure investments were completed. There is need to follow up on enjoining beneficiaries to maintain financial flows and viability of introduced sub-projects. Beneficiaries and their cohorts would benefit from continued support to maintain the infrastructure and livelihood subprojects. The incorporation of the key outcomes, such as improved program delivery and consideration of value chain integration in livelihoods subprojects under the new NRD and SEDEMA NTPs may help sustain program outcomes.
- **Social.** This is a moderate risk. In this program, the NTPs focused on supporting the EMs and women and the disadvantaged in rural areas. The impact on both nonparticipant and participant provinces in accessing the services provided under the NTPs were relatively high. The resulting increase in agricultural productivity was reported to have been significant (ICR, paragraph 42). Continued stakeholder support would be needed to encourage ethnic minorities and women to access these offered services.
- **Governance.** This is a low risk. In this program, outcomes informed the design of the new NTPs (NRD and SEDEMA), particularly on value-chain integration of ethnic minorities. This suggests that the NTPs (i.e., NRD and SEDEMA) would maintain the inclusive agricultural value chain models. The value chain contests supported under the PforR operation. Experience from the implementation of the PforR operation has influenced the design and the implementation plans for the new NTPs (i.e., SEDEMA). Several analytical works financed under the program, such as “Improving Agricultural Interventions under the new NTPs” highlighted experiences and lessons from other countries on enhancing agricultural and other related value-chain development among the ethnic minorities.
- **Government ownership/commitment.** This is a moderate risk. In this program, the government showed its support for the improvements introduced by the DLIs. Minor shortcomings remained in achieving targets for some DLIs that indicate continued commitment would be needed. Budgetary support for capacity building is one area that needs constant support.
- **Institutional support.** This is a moderate risk. In this program, agencies and/or related legal/legislative framework may affect how NTPs and SEMA may introduce redesign features of future PforRs. This risk affects how PforR programs are implemented at the same time as NTPs to support the NTP implementation. Vietnam was also considering changes in public investment law and regulations related to Official Development Assistance (ODA). Government decisions would affect the design of future PforRs.
- **Exposure to natural disasters.** This is a substantial risk. The country is highly vulnerable to natural hazards. In this program, there was no mention of this vulnerability.

7. Assessment of Bank Performance



a. Quality-at-Entry

The Bank's performance in ensuring quality at entry is rated Moderately Satisfactory. The Bank team designed this PforR to help strengthen the efficiency, effectiveness, and impact of the government's NTP-NRD and SPR-P135 programs. The team designed the program in line with the CPF priorities for Vietnam and the government's own SEDP priorities. The Bank team conducted sound assessments and concluded the need to strengthen capacity at the commune and district level because these were deemed to be the weak links in NTP implementation. Improvements and innovation to address issues surrounding poverty reduction and shared prosperity were to be accompanied by a mix of scalable and non-scalable DLIs, reflecting a strong focus on addressing poverty, gender, and social development aspects. The actions in the results area targeted EMs and women in the rural provinces because inequality in access to productive assets, decision making, and participation in economic activities were prevalent in these areas in Vietnam. The PforR was designed based on lessons learned from previous phases of the NTP and other predecessor projects. A broad-based stakeholder consultation was undertaken at preparation. Risks were identified, and mitigating measures were prepared. However, there were some shortcomings: (i) the design was overly optimistic about the scope of the operation and capacity of provincial officers to quickly internalize the training on the use of EOM; (ii) the design underestimated risks relating to government bureaucracy, especially those concerning lengthy approval processes; (iii) there was no indicator to measure increased agricultural production in the results framework even though the improvement in delivery and access to investments brought by the PforR operation were expected to lead to such outcome; (iv) O&M, critical to sustainable use of the socio-economic infrastructure, could have had separate DLIs or at least be included as a PAP action.

Overall, the quality of Bank performance at entry is rated Moderately Satisfactory because of these shortcomings.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank team satisfactorily supervised the program's implementation. The Bank team conducted 7 implementation support missions over the 4-year implementation period. Key technical experts, consultants, and technical, fiduciary, and environmental and social development specialists formed part of the missions. A Mid Term Review was conducted on May 24, 2021. The program closed seven months later as originally planned. At the request of the government, a restructuring was undertaken just before closing to cancel the remaining funds that were not likely to be disbursed in the remaining period. The delays in effectiveness and the mismatch in implementation of the NTP supported by this PforR operation led to unmet targets. The team was candid about ratings and reported on issues faced by the project.

Overall, the quality of Bank performance at supervision is rated Satisfactory.

Overall, the quality of Bank performance is rated Moderately Satisfactory because of the shortcomings at design. The Bank team provided adequate implementation support for the operation and was candid in evaluating performance.



Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

8. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design of the program was to use the government's own system to be improved during implementation. The TOC showed the causal link between inputs and outputs and outcomes reflected in achieving the actions that trigger disbursements. The objective supported the overall objective of the NTP. It was clearly stated but in a compound manner that had to be disassembled along two outcomes - improved delivery and improved access. The outcome indicators were specific, measurable, and linked to the two outcomes in the PDOs but lacked some useful indicators to measure the outcomes of the improved planning and investments on the lives and livelihoods of the beneficiaries beyond expressing satisfaction. The ICR acknowledged a lack of indicator to measure the increase in agricultural productivity that would have measured the success to achieve a long-term outcome. Another indicator identified at appraisal (IR 6 "percentage of socio-economic infrastructure supported by O&M") was omitted in the system results framework and was not tracked. That indicator was to have measured sustainability and resilience of the program. The DLIs were clearly defined and measurable and aligned with the PDO. An annual audit of reported achievements, a full paper audit, followed by physical inspections of a sample of reporting communes formed the verification protocol. The M&E design also established a baseline and end line surveys were to be conducted at closing.

b. M&E Implementation

The Ministry of Agriculture and Rural Development implemented the M&E system as designed, together with Ministry of Labor Invalids and Social Affairs (MOLISA) and Committee for Ethnic Minority Affairs (CEMA) using the government's M&E system. The State Auditor of Vietnam and the Institute for Policy and Strategy for Agriculture and Rural Development (IPSARD) implemented the verification protocols. The PforR implemented a baseline survey and end line surveys as planned. The M&E system further developed the NRD-MIS system and web portal with published semiannual reporting on physical and financial. The M&E system piloted the use of geo-tagging for real time monitoring of implementation progress. There were challenges with the regular updates of the web portal due to variable capacity. There were also instances where the provinces provided inadequate information which delayed identifying the required sub-project sampling for verification.

c. M&E Utilization

M&E data was used by the National Coordinating Office (NCO), the Bank team, MARD, and the government to monitor progress of the program with respect to the DLIs, PAP, individual investment,



livelihood sub-projects and overall program progress. There were noted lags in applying the M&E framework. For example, the late EOM approval left the program provinces little time to familiarize themselves with the PforR-specific requirements. In addition, the centrally based M&E system did not include sub-project-specific information.

Overall, the quality of M&E is rated substantial, with some minor shortcomings. The PforR designed and implemented a framework for data collection and verification of results. However, there were delays in verifying results and generating the needed data, and there was no outcome indicator to track the program's impact on agricultural productivity.

M&E Quality Rating

Substantial

9. Other Issues

a. Safeguards

Environmental and Social. The Enhanced Operations Manual (EOM) provided clear guidelines and procedures for screening all activities, such as commune level infrastructure investments and livelihood support subprojects. The Environmental and Social Systems Assessment called for environmental screening at the planning stage to determine eligible subprojects. The program adhered to core environmental and social principles. The verification exercise identified some environmental and social criteria that needed adjustment or required alternative documentary evidence. Adverse impacts were identified, assessed, and considered minor, temporary, localized, and manageable. Mitigating measures were included in the Environmental Codes of Practice, Integrated Pest Management, and the “three reductions, three gains” campaign facilitated by agricultural institutions and associations supervised by National Coordinating Office (NCO), Committee for Ethnic Minority Affairs (CEMA) and local communities.

Social: There was no displacement. Land acquisition was on a small scale in state-owned land. The voluntary land donation method of small pieces of farming land avoided conflicts. Implementation support missions confirmed that project information had been well communicated to people in the project areas and that ethnic minorities and women benefited from training on sustainable farming practices in coffee and rice production. No negative impacts on these groups were recorded. No occupational health and safety incidents were reported. No environmental complaints were reported. The program generated social benefits, such as increased livelihood activities, opportunities to increase income, social capital from participation in sub-project selection and consultations.

b. Fiduciary Compliance

Financial Management: The PforR operation complied with covenants on financial reporting. The financial management action in the PAP was implemented.

Procurement: No significant procurement issues were reported. All procurement activities were of small value and not complex. However, the program implementing agencies were slow in publishing the list of



firms debarred or suspended from bidding in the World Bank-funded operations as required by the PAP. Procurement related activity#5 in the PAP was satisfactorily completed. There was no procurement related DLI. Procurement implementation contributed to the substantial achievement of DLIs 2, 3, and 8.3. At the provincial level there were some issues related to the use of public procurement method rather than the streamlined method agreed for the program.

c. Unintended impacts (Positive or Negative)

d. Other

10. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

11. Lessons

The ICR presented eight lessons from the operation (ICR, paragraphs 70-77), three to be considered for designing and five for implementing similar programs. One for design consideration and four for implementation are slightly paraphrased below:

- **Scalable DLIs can enhance implementation.** In this program, the scalable DLIs disbursed against targets met. This strategy allowed for rewarding partial progress. Government agencies and their learnings adjusted and adapted activities as implementation progressed. Scalable DLIs also offered some maneuverability with various agencies implementing different DLIs along varied delivery timelines.
- **Implementing a multi-faceted PforR program may need one lead implementing agency.** In this program, MARD coordinated the operation that applied to NTP-NRD actions while CEMA coordinated the operation of NTP-P135. Coordination affected the implementation in some program provinces. Cases of the two agencies taking a longer time to agree on implementation plans at that level led to overlapping of funding of sub-projects. Naming a single lead implementation agency may improve coordination and avoid delays.



- **Synchronizing the implementation period for the PforR and the government programs may be useful.** In this program, the effectiveness of the credit for the program was delayed by three years because of three factors: the lengthy process for signing the financing agreement, issuing a legal opinion by the government, and the late approval of the EOM. This late start meant the PforR program to support the NTP, which started its implementation in 2016-2020, had to catch up three years late. The unsynchronized implementation period was also evident in the delays experienced for verification for 2019 and 2020 due to a lack of budget allocation for 2021. These delays contributed to the cancellation of funds just prior to closing (see Dates above). This affected program performance in disbursement. Future programs need to closely synchronize program support with the government programs.
- **Participating provinces can benefit from being informed of incentives to implement results-based financing.** In this program, the government adopted a different incentive scheme in allocating program resources. The government previously implemented PforR programs using Bank resources as an incentive for participation by offering these as a top up to regular allocations. In this PforR program, all provinces (both participant and non-participant) were given the same budget allocation but only the target provinces were assured that resources were available after meeting the increased mandate, reporting responsibilities, and results that have been independently verified. The program implementing agencies drew on their previous experience to optimize the use of existing management systems (human resources, communication, and other approaches) to monitor, evaluate, and report on progress to overcome the reluctance of provinces to participate in the program. (ICR, paragraph 56). Future PforR operations would have to build in the need for periodically clarifying to target program provinces the incentives schemes designed to help them achieve program goals - from the time of appraisal to approval, to implementation, to monitoring and evaluation of results.
- **Use of a government entity to verify results may be useful.** In this program, the government used the SAV and IPSARD to verify that actions have been achieved to trigger disbursements. Other countries with PforR programs would hire an external agency (e.g., an international accounting firm, university, etc.) to conduct the verification protocol. The quality and rigor of SAV's verification proved to be high. SAV was also used as a verification agent in the Results Based National Urban Development Program in the Northern Mountains Region of Vietnam (P143596). The verification process has also built the capacity of the government agency to conduct verification audits for the government's own programs.

12. Assessment Recommended?

No

13. Comments on Quality of ICR

The report followed the guidelines and provided a clear picture of the operation. Lessons were based on the evidence provided by the operation. In particular, the benefit of having a government entity serve as verification agency and continuing to build its capacity to be the verification agency not just for the PforR programs but also



for the government's own programs. The quality of analysis was sufficient and summarized salient points. Analysis was clearly linked to the evidence provided by the improved monitoring and evaluation, baseline, and end line surveys that were part of the DLIs. The evidence of outcomes was supported by the data gathered as part of the program improvements. The report was results oriented. Various sections supported the outcomes. The ratings were supported by the evidence, particularly an overall Moderately Satisfactory outcome because of the implementation challenges - the delays in the initial years lessened the impact of what could have been a highly successful operation (ICR, paragraph 44).

a. Quality of ICR Rating
Substantial