

Socialist Republic of Vietnam

Targeted Budget Support to the Education for All Programme
(TBS-EFA)

Budget Support Advisor (VIE0503211)

Exit Report

30th, June 2010



Acronyms

AusAID	: Australian Agency for International Development
BDC	: Belgian Development Cooperation
BSA	: Budget Support Advisor (Belgian Development Cooperation)
CIDA	: Canadian International Development Agency
CD	: Capacity Development
DFID	: UK Department for International Development
EC	: European Commission
EFA	: Education for All
E-NTP	: Education - National Target Programme
FM	: Financial Management
FMR	: Financial Management Report
FSQL	: Fundamental School Quality Level
FTI	: Fast Track Initiative
GoV	: Government of Vietnam
HCS	: Hanoi Core Statement on Aid Effectiveness
IDA	: International Development Assistance
JAR	: Joint Annual Review
JSAR	: Joint Semi-Annual Review
LMDG	: Like Minded Donor Group
M&E	: Monitoring and Evaluation
MDG	: Millennium Development Goals
MoET	: Ministry of Education and Training
MTEF	: Medium Term Expenditure Framework
MoF	: Ministry of Finance
MPI	: Ministry of Planning and Investment
NTP	: National Target Programme
NZAID	: New Zealand's Agency for International Development
OECD-DAC	: Organization for Economic Cooperation and development- Development Assistance Committee
ODA	: Overseas Development Assistance
PBA	: Programme Based Approach
PEDC	: Primary Education for Disadvantaged Children
PER-IFA	: Public Expenditure Review and Integrated Fiduciary Assessment
PFM	: Public Financial Management
PMU	: Project Management Unit
P135-2	: NTP for Socio-Economic Development in Communes facing Extreme Hardship in Ethnic Minority and Mountainous Areas Phase 2
SBS	: Sector Budget Support
SEQAP	: School Education Quality Assurance Project
SREM	: Support for the Renovation of Education Management
TA	: Technical Assistance
TABMIS	: Technical Budget Management Information System
TBS	: Targeted Budget Support
UNDP	: United Nations Development Programme
WB	: World Bank

Executive Summary

S1: The **TBS-EFA Exit Report**: Budget Support Advisor provides a synthesis evaluation of TBS-EFA from available reports and first hand evidence collected during the March-June 2010 period. The reports refer to the three external evaluations commissioned by DFID, the EC and the World Bank in 2009 and one internal evaluation of E-NTP 2006-2010 carried-out by MOET early 2010. The structure of the Exit Report is as follow: section 1 emphasizes the limits of such evaluations, section 2 consolidates key findings for five analytical areas against traditional OECD-DAC evaluation criteria and section 3 highlights lessons learned and potential recommendations for future targeted budget support in the education.

S2: The **key limitations** of the evaluation studies synthesized hereby come from: i/ a loose definition of what was 'TBS-EFA' with respect to potential features of Sector Budget Support, ii/ the absence of a sound evaluation methodology derived from a logical framework, iii/ the absence of a baseline describing the situation prior to TBS-EFA and iv/ the difficulty of undertaking a counterfactual analysis of donor support.

S3: The **findings** of the evaluation reports have been grouped into six analytical areas or stream of effects: i) education strategy and policy dialogue, ii) financing of education (including public financial management issues), iii) processes of planning, budgeting and accounting in the education sector; iv) data, monitoring and evaluation, v) capacity development and vi) aid effectiveness. A simple score method has been applied: positive findings vis-a-vis evaluation criteria are underlined with a '+' and negative ones with a '-'. **TBS-EFA can be rated satisfactory**. The latter assessment can be disentangled against five OECD-DAC evaluation criteria as follow:

- **Mixed relevance of TBS-EFA** (++) on objectives and aid modality but – on design and management arrangements). This is mainly explained by the fact that E-NTP existed prior to the development of TBS-EFA. Development partners bought into an existing budgetary support mechanism of the recipient country including strengths and weaknesses known or unknown at the outset of TBS-EFA.
- **High effectiveness of TBS-EFA** (majority of ++) looking at primary education development through pro-poor targeting, at policy dialogue and technical assistance for improving country systems and at implementation of Hanoi Core Statement on aid effectiveness. The positive achievements of TBS-EFA on primary education services delivery with respect to equity criteria are remarkable in comparison with international experiences of sector budget support which usually fail to deliver results beyond access.
- **Low efficiency of TBS-EFA** (majority of --) looking at the time invested for a full adherence of GoV to conditionalities of TBS-EFA, at the time spent by participating donors to unite their voice on PMF issues where they lacked capacities, and at the time taken to implement the capacity development component. As a result the transaction costs were not lowered as much as anticipated.
- **Mixed Impact/Sustainability of TBS-EFA**. (++) on E-NTP financial commitment from GoV and management mechanisms but -- on consolidation of a sector wide approach and cutting-edge aid modalities in the education sector). The MIC status of Vietnam is currently modifying the structure of incentives face by GoV and donors with respect to education sector priorities and preferred aid modalities. This challenges the sustainability of good practices delivered by TBS-EFA.

S4: The implementation of TBS-EFA had many learning points. **The key lessons learned relate to** relate to: i/ the emphasize on the design period of sector budget support with time and resources devoted to better understand the strengths and weaknesses of country's processes and systems for effective service delivery, ii/ the planning and sequencing of funding and capacity building support under sector budget support to ensure that basic systems in planning, management and M&E are in place , iii/ the structure of sector policy dialogue around a negotiated policy matrix fully integrated within the M&E framework and iv/ the reassessment of donors ways of workings to clarify and agree on priorities and roles within the partnership.

S5: The **recommendations (R)** for future TBS interventions in the education sector are as follow:

- **R1**: Document and disseminate **best practices** in meeting TBS-EFA programme objectives based on provinces, districts, communes and schools experiences.
- **R 2** (related to 1): Explore **the realignment of TBS** in education sector with the decentralized institutional mandates for basic education services delivery and **discuss options for providing provincial budget support** in substitution or in combination with central budget support.
- **R3**: Adopt a **medium term vision** (5-10 years) for predictable sector budget support in education with a **financial contribution large enough** to dramatically shift incentives towards strengthening of domestic systems.
- **R4** (related to 3): **Provide TBS to the next 5 year period** (2011-2015) whether centrally or provincially in order to ensure lesson learned to date are fully incorporated and focus on service delivery (access, equity and quality) is strengthened. The 2015 dead line would be consistent with international reporting on progress made towards EFA/MDG goals.
- **R5**: Confine **earmarking** of TBS to areas which are of key policy importance based on an agreed assessment of funding gaps in the sector, and when the budget process is unlikely to yield the required reorientation of resource allocations on its own.
- **R6**: Review **traceability** of TBS according to progress in budget execution to help reinforce domestic accountability, incentives and ownership in the context of the budget cycle, and minimizing distortions.
- **R7**: Make **capacity development central to the TBS operation**, tailored to decentralized needs and on stream when needed.
- **R8**: Focus the **conditionality framework** of TBS at the centre on a limited number of critical service delivery issues which MoET can influence and develop an additional specific conditionality framework at the decentralized levels (provinces/districts) which provide incentives for the strengthening of institutional capacity and systems.
- **R9**: Ensure **linkages between TBS and PRSC** so that cross-cutting actions supported through general budget support are consistent and responsive to the needs of the education sector (i.e. education trigger).

S6: All these recommendations come with the **caveat** of the peculiar context of Vietnam becoming a MIC country. Bilateral donors are increasingly unlikely to look to budget support modalities as a best value for money for their aid. In this context, the recommendations summarized above may be somewhat out of date. However they are general lessons that can be extracted from TBS-EFA experiences for existing programs in Vietnam and other sector budget support innovations across the world, especially in less developed countries.

Introduction

1. The TBS-EFA is a **multi-donor Programme** co-financed by the European Commission and by Belgium, Canada, Spain, New Zealand, the United Kingdom, and the International Development Association (IDA), together known as the TBS partners.
2. The **Programme's development objective** was to assist the Government of Vietnam (GoV) in the implementation of its National Education for All Plan through sector budget support for selected sub-components of the Education National Targeted Programme (E-NTP) designed to enhance the quality of basic education, and through strengthening of the administration of the E-NTP. During the life of the Programme, the share of schools achieving Fundamental School Quality Levels (FSQL), a minimum standard of school quality, would increase. In addition, the Programme would also promote an overarching policy framework in education finance, planning and governance that would act as an enabling environment for improved service delivery.
3. There were **two Programme components**:
 - **Component 1** strove to accelerate implementation of FSQL standards by channelling sector budget support (SBS) to five priority spending areas in the E-NTP:
 1. Illiteracy elimination, consolidation of Universal Primary Education and achievement of Universal Lower Secondary Education;
 2. Renovation of the curriculum and textbooks/teaching methods;
 3. Upgrading infrastructure of Teacher Training Institutions and teacher qualifications;
 4. Support for the education of ethnic minorities and disadvantaged regions;
 5. Infrastructure development.
 - **Component 2** aimed to provide support for institutional strengthening of E-NTP management, implementation and monitoring and evaluation. It was predominantly reserved for support to the central, provincial and district levels on planning, procurement, financial management, monitoring and evaluation. Funds were also allocated to independent implementation progress reviews (including procurement and financial audits), local-level monitoring by social organizations and commissioning of case studies on E-NTP administration, monitoring and impact evaluation.
4. The **two components were implemented successively**. Sector budget support (Component 1) was disbursed for each of fiscal years 2006, 2007 and 2008 for a total amount of USD 123 million. Capacity Development (Component 2) was to be jointly managed by all TBS-EFA partners and co-financed by CIDA and DFID from a parallel capacity building technical assistance fund for a total amount of USD 5 million. Its implementation started in 2009 and is scheduled to end in December 2010.
5. **Four reports** have contributed to the overall assessment of TBS-EFA and provided lessons learned for future targeted budget support in education: (i) an external evaluation

of donor support in supporting Programme 135¹ and TBS-EFA funded by DFID and carried out in 2009 (ii) two external evaluations of the TBS-EFA respectively funded by the World Bank and the EC completed roughly at the same time dec09/jan10; and (iv) an internal evaluation of the E-NTP (2006-2010) undertaken in the first quarter of 2010 by MOET following a request from MPI in January 2010. The exact title of these documents are given below (see Box 1):

Box 1. Evaluation reports

DFID: *Effectiveness of Donor Support in Supporting P135 Phase 2 and Targeted Budget Support for Education for All*, March 2009 (two distinct reports plus a joint synthesis) ;

The World Bank: *Targeted Budget Support for National Education For All Plan Implementation Program*, Implementation Completion and Results Report, Report No: ICR00001284, December 2009;

The European Commission: *Final Evaluation of Sector Policy Support Programme in Education- Targeted Budget Support for Education For All*, Agriconsult / Edburgh Consultants, January 2010;

6. **The Budget Support Advisory (BSA) position for Belgium** covered mainly TBS-EFA component 1 period. The first BSA was mobilized full-time during May 2007-January 2009 period and completed its assignment by drafting an overview and analysis of the implementation of TBS-EFA program during the period 2005-2009². Then the BSA position was vacant from February 2009 to February 2010: one year over which the TBS-EFA capacity development component started to be implemented. The second BSA was introduced to the newly launched School Education Quality Assurance Program (SEQAP) for Belgium in March 2010 and therefore did not focus primarily on the TBS-EFA remaining capacity development activities. However it contributed to the 2010 Joint Semi Annual Review (JSAR) of TBS-EFA component 2.
7. **The TBS-EFA Exit Report:** Budget Support Advisor provides a synthesis evaluation of TBS-EFA from available reports and first hand evidence collected during the March-June 2010 period. The structure of the Exit Report is as follow: section 1 emphasizes the **limits** of such evaluations, section 2 consolidates **key findings** for five analytical areas against traditional OECD-DAC evaluation criteria and section 3 highlights **lessons learned and potential recommendations** for future targeted budget support in the education.

1 Programme P135-phase 2 is Vietnam's National Targeted Programme for Socio-Economic Development in Communes facing Extreme Hardship in Ethnic Minority and Mountainous Areas – known as Programme 135-2.

2 Budget Support Advisor, Final Report (VIE0503211), 3 February 2009.

Section 1. Limitations of the TBS-EFA evaluations

8. The **four studies** mentioned above are different in scope and methodologies but they all focus principally on the implementation and outcomes of component 1 9 due to delays in implementation of component 2 in 2009) and provide consistent findings and recommendations. The key distinctive elements of each study is emphasized below:
- The DFID commissioned study has a larger scope as it reviews in parallel the donor's support to two national targeted programs (the education for all plan and the programme 135- phase 2³). It draws loosely on an evaluation framework designed in 2007-08 for the evaluation of targeted budget support and other forms of non-project support in Vietnam. It reports on the effectiveness criteria. The study was launched early 2009 and was the first of the four mentioned reports completed in March 2009.
 - The EC funded evaluation solely reports on TBS-EFA with a particular focus on the EC value added. The team compiled findings from field visits to six provinces. The evaluation doesn't rely upon a clear evaluation framework and simply reply to a series of evaluation questions which makes the reading and extract of key findings and lessons learned sometimes difficult. It synthesizes findings against six evaluation criteria (relevance, effectiveness, efficiency, impact, sustainability and coherence). The study was completed in January 2010.
 - The World Bank evaluation draws on the 'implementation and completion report' standard methodology designed for World Bank activities whether using project, program or budget support modality. It focuses more on the World Bank performance than on a balance evaluation of the whole TBS support. It reports against relevance, effectiveness, efficiency and sustainability criteria. The report was completed in December 2009.
 - The MOET internal review was undertaken following a request from the Ministry of Planning and Investment in January 2010 and was not a spontaneous initiative carried out by the Ministry of Education and Training. The study doesn't review TBS-EFA but the 5 year implementation of the E-NTP. It doesn't rely upon any evaluation methodology and is closer to an implementation monitoring report than a retrospective final evaluation.
9. The **key limitations** of the evaluation studies synthesized hereby come from: i/ a loose definition of what was 'TBS-EFA' with respect to potential features of Sector Budget Support, ii/ the absence of a sound evaluation methodology derived from a logical framework, iii/ the absence of a baseline describing the situation prior to TBS-EFA and iv/ the difficulty of undertaking a counterfactual analysis of donor support.
10. **Definition of TBS-EFA.** The specific characteristics of 'TBS-EFA' in Vietnam with respect to the definition of Sector Budget Support (SBS) have never been described in the above mentioned studies. SBS is not a homogeneous category and includes a large

³ The Programme 135 is the National Targeted Programme for Socio-Economic Development in Communes facing Extreme Hardship in Ethnic Minority and Mountainous Areas

spectrum of instruments with significantly different features and intended effects⁴. The evaluation findings would have been probably refined if the financial and non financial inputs delivered through TBS-EFA have been clearly stated from the outset with a focus on key changes overtime. We summarize in Box 2 below the features of TBS-EFA within the SBS family looking at the financial and non- financial inputs delivered. We then mention why some potential advantages attached to SBS might have been reduced due to the modalities selected.

Box 2. 'TBS-EFA' against SBS modalities (part 1)

The **funding characteristics**: TBS-EFA was both earmarked and traceable.

i/ *Earmarked*: TBS-EFA was justified against certain public expenditures in the E-NTP. However the earmarking was relatively broad as it covers five priority spending areas (i.e. 5 sub-projects) in the E-NTP¹ and did not target specific budget lines like procurement of textbooks and grants for schools within E-NTP selected sub-projects.

ii/ *Traceable*: TBS-EFA funds were traceable as they were separately identifiable in the expenditure classification of the country's budget. The introduction of additional ENTP accounting sub-codes was a requirement of TBS-EFA partners.

Such funding characteristics are not surprising as traceable SBS instruments tend to be associated with specific earmarking. Such SBS modalities can be assessed as relatively close to a big ministry program within the spectrum of SBS modalities which goes from earmarked and traceable SBS to non earmarked and non traceable SBS (see below). It reflects the relatively high level of financial risk perceived by donors in the country and/or their relative conservative position towards innovative aid modalities.

The strength of SBS is its focus on government policies and systems but not all SBS instruments/modalities manifest this potential advantage (e.g. traceable SBS focus energy on operational issues related to the funding stream and not on country systems; earmarked SBS biased dialogue on area of expenditure and not on overall sector policies issues).

Spectrum of SBS funding modalities

SBS Earmarked + traceable	SBS Non Earmarked + traceable	SBS Earmarked + Non traceable	SBS Non earmarked + non traceable
From large ministry project/program to full budget support modalities			

⁴ See *Making sector budget support work for service delivery* from ODI, Centre for Aid and Public Expenditure, and Mokoro, Feb 2010, available on ODI website

Box 2. 'TBS-EFA' against SBS modalities (part 2)

The **non financial inputs** of TBS-EFA can be grouped into 3 categories:

i/ *Policy dialogue*: TBS-EFA created its own dialogue structures as no equivalent of a SWAp dialogue preexisted in the education sector between GoV and donors. The first one was the bi-annual joint annual reviews (called JSAR in April/May and JAR in September/October). The second one took the form of the equivalent of a memorandum of understanding between Gov and TBS partners called 'new ways of working' creating thematic groups on 'ENTP budget cycle and achievement of fundamental school quality level' and 'financial management and procurement'. The second form was introduced after one year.

ii/ *Conditionality*: The core TBS-EFA conditionality focused on budgetary issues: commitment by GoV to reach and maintain a 20 per cent minimum allocation of central state budget to the education sector; pro-poor budget allocation and budgetary execution. The non budgetary conditional requirements of TBS-EFA related to public financial management issues with a clear focus on financial monitoring and reporting. Therefore TBS-EFA had its separate conditionality framework and did not entirely relied upon satisfactory education performance as assessed in education sector reviews.

iii/ *Capacity building*: the choice made was to support technical assistance and capacity building in parallel using project modalities. Such support was known as TBS- EFA component 2. An alternative modality would have been to directly fund relevant components of a capacity development sector strategy if it was available and already implemented.

11. **Evaluation methodology.** The TBS-EFA evaluation framework was not in place at the outset, nor constructed as a first step. Only the DFID commissioned study relies upon an evaluation framework. However the latter was not directly tailored for the education sector but drew from a general framework designed to measure the effects of non project interventions in Vietnam (including budget support modalities)⁵. The absence of a sound evaluation methodology did not help to clarify the causality chain between inputs delivered by TBS-EFA and expected results and to clearly isolate the contribution of TBS-EFA.
12. Annex 1 provides what could have been a logical framework to assess the contribution of TBS to EFA goals through E-NTP for five anticipated streams of effects: education policy, education finance, education data, capacity development and aid effectiveness. Four of which echo the ‘gaps’ identified in the Education for All-Fast Track Initiative. Indeed, TBS-EFA can be seen as the in-country donor’s answer to the eligibility of Vietnam to EFA-FTI in 2003.
13. **Baseline situation and attribution difficulties.** None of the evaluations describe in details the entry conditions of TBS-EFA in 2006 with respect to the following:
- Quality of education policy and planning in relation to EFA (incl. development of minimum service delivery standards, teacher professional profiles, student achievements testing instruments, etc)
 - Adequacy of international and domestic finance to meet EFA targets, including features of past E-NTP (its relative size to the total education budget, both national and provincial) and diagnosis of public financial management;
 - Quality and use of data relevant for setting and monitoring education strategies focusing on EFA (including administrative data, household surveys, student learning outcomes assessments, etc);
 - Extent to which capacity is adequate for EFA targets at both central and decentralized levels;
 - Extent to which aid for education is efficiently and effectively provided through a review of the aid landscape in the sector.
- Therefore, the danger is to attribute to TBS-EFA much more than it effectively contributed, especially as TBS-EFA was one of many programs (within and outside the education sector) targeting similar investments⁶.

⁵ Evaluation Framework for TBS, SBS and Provincial Budget Support, Annex 4, Report on the Design of an Evaluation Framework for Targeted/Sector Budget Support and Provincial Budget Support, Ann Bartholomew, Mokoro Ltd, May 2008.

⁶ We can mention

- Within the education sector: the World Bank funded Primary Teacher Development Project (PTDP), the multi-donor funded Primary Education for Disadvantaged Children Project (PEDC), the EC funded Support for the Renovation of Education Management project (SREM), the Vietnam-Belgium project on teacher training (Improving pre and in-service training for primary and lower secondary teachers in the northern highlands of Vietnam) and a trust funded activity to support provincial education planning (BCEP).
- Outside the education sector: the support to programme P135 (National Targeted Programme for Socio-Economic Development in Communes facing Extreme Hardship in Ethnic Minority and Mountainous Areas)

14. The contribution analysis of TBS-EFA faces another limit specific to the education sector as the achievement of final, and even sometimes intermediate, outcomes span well beyond the implementation period of a somewhat fast-disbursing operation. Funding support to E-NTP run from 2006 to 2008 financial year, a very short period of time to measure changes on EFA goals. Capacity development support started in 2009 and will be completed at the end of 2010 and their effect on education outcomes likely to be measured with delay.
15. **Counterfactual analysis of donor support.** All the evaluations carried-out the analysis of the effectiveness of donor support to EFA in an absolute rather than a relative sense (compared to other types of support). Effectiveness has been largely assessed subjectively in terms of how effective donor support to EFA has been seen to be by the relevant donor representatives and GoV officials consulted, drawing on joint reviews field visits and aide memoirs, etc. The counterfactual analysis, i.e. the comparison of the results of TBS support with the outcomes secured under another type of instrument (project modality, general budget support, provincial budget support etc.) was seen as a complicated task due to constantly changing context and aid modalities within the sector.
16. The result is that the evaluations rarely review their findings in the light of what could have been achieved under another modality. Therefore some benefits might appear overrated (for example on the pro-poor budgeting or improvement of country systems which are likely to have been achieved with provincial budget support as well) and some critics might appear too strong (for example on the transactions cost attached to TBS-EFA which are likely to be lower than under seven projects run separately).

Section 2. Key findings from the evaluation reports

17. The Exit Report refers to the traditional five **evaluation criteria**: relevance, effectiveness, efficiency, impact and sustainability (see Box 3.)

Box 3. Evaluation criteria

The five DAC evaluation criteria are:

- **Effectiveness:** The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
- **Efficiency:** A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
- **Relevance:** The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.
- **Impact:** Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
- **Sustainability:** The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Source: OECD DAC 2002 (Glossary of Key Terms in Evaluation and Results Based Management).

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ings of the evaluation reports have been grouped into **six analytical areas or stream of effects**: i) education strategy and policy dialogue, ii) financing of education (including public financial management issues), iii) processes of planning, budgeting and accounting in the education sector; iv) data, monitoring and evaluation, v) capacity development and vi) aid effectiveness. A simple score method has been applied: positive findings vis-a-vis evaluation criteria are underlined with a '+' and negative ones with a '-'. Annex 1 provides for ease of reference detailed findings for each of the six analytical areas covered. The following paragraphs present a general conclusion against OECD-DAC evaluation criteria derived from the consolidation of findings.

19. **Relevance.** The focus on primary education sub-sector and the primarily attention paid to equity and quality dimensions of EFA were consistent with priorities and needs faced by the Vietnamese education system to ensure quality educational opportunities for all. The identification of E-NTP as a vehicle to promote quality investments was relevant as it doubled available domestic resources for non salary expenditures. The decision of seven partners to join their financial effort and use country systems through supporting E-NTP was consistent with the high fragmentation of aid in the sector and the multiplication of parallel administration units. It has also been a strategic response to Vietnam reaching middle income status in 2010 with the perspective of a decline. In concessional funding

after this point. Therefore it was important that any assistance provided is sustainable and working through GoV systems was one way to achieve this.

20. However, the merit of supporting E-NTP as a mean of leveraging education sector reform was questionable. Firstly, E-NTP represents a small budget (5%) within the state budget for education and *'is often seen as a vehicle for decentralized gap-funding, managing sector liquidity in the short term or (...) as a catalytic budget for attracting additional central and provincial funds for decentralized projects'* (Aslett, 2009). Secondly, there was no E-NTP logical framework describing channels of influence of E-NTP projects on education sector reforms and all EFA goals (including non formal education, etc.). The results and outcomes Policy Matrix included macro-education indicators related to PFM reforms that were mostly de-linked from E-NTP activities.
21. Moreover, *'comprehensiveness of TBS-EFA documentation and preparation did not provide an adequate basis for support to ENTP; and placed greater emphasis upon ideal criteria for budget support rather than the practical objectives of TBS-EFA. The design of TBS-EFA suggested a text-book approach to budget support rather than an application on budget support principles to the Vietnam context'* (Aslett, 2009). The absence of a strong institutional assessment led to two errors in the design and management arrangements of TBS-EFA. The first one was the neglect of the fundamental decentralization dimension of E-NTP administration and implementation with crucial role played provincial and district authorities. Such a lack of knowledge prevented the discussions of the relative advantages and disadvantages of delivering TBS at central level versus decentralized level. The second error was the over-estimation of the capacity of MoET to manage and report on the E-NTP effectively. Such an initial misunderstanding led to restrict and delay the implementation of a well tailored capacity development component of TBS-EFA support.

Conclusion: Mixed relevance of TBS-EFA (++ on objectives and aid modality but – on design and management arrangements). This is mainly explained by the fact that E-NTP existed prior to the development of TBS-EFA. Development partners bought into an existing budgetary support mechanism of the recipient country including strengths and weaknesses known or unknown at the outset of TBS-EFA.

22. **Effectiveness.** One of the key benefits of TBS-EFA has been that funding to the primary education sub-sector has increased (i.e. additionality of donor support) and additional attention has been paid to primary school development and achievement through monitoring of fundamental school quality level results (see Annex 3). It is clear that TBS-EFA support has facilitated significantly pro-poor budgeting, has targeting disadvantaged areas and student and has reached beneficiaries in ethnic minority's communities (poorest quintile). The Fundamental School Quality Level (FSQL) data and concept have been widely accepted and recognized as a useful and relevant management tool to improve focus on disadvantaged groups. Moreover little evidence has been gathered

demonstrating that Government and donor funds committed to the sub-sector have been misused.

23. TBS-EFA has contributed to an increasingly frequent policy dialogue, especially through bi-annual joint reviews and the development of a more structured way of working within the sector. The progressive move on donor's side from a 'hands-off' supervision approach to a more 'hands-on' partnership approach with development of working groups along themes co chaired by GoV and donor's representatives provided a useful framework to open the 'black box' of processes of E-NTP.
24. In fact, another key benefit of policy dialogue initiated by TBS-EFA has been to get access to information and to open discussions on complex technical areas rarely debated before in the sector: planning, budgeting, and accounting systems. It is clear that TBS-EFA contributed to a better understanding of country systems at both central and provincial/district levels with an improved knowledge of horizontal and vertical imbrications in the decision making process.
25. Although delayed, the technical assistance provided at central and decentralized levels (DOETs and BOETs), evidence have showed significant improvements E-NTP management, implementation and monitoring and evaluation (e.g. dramatic increase of the number of financial reports submitted by provinces over time to reach 59 on 63 in 2009).
26. Such process has been formative for the participating development partners themselves providing a practical case for implementing the Hanoi Core Statement on aid effectiveness⁷. Improvements were noticeable with regards to the criteria of ownership (evidence of MOET leadership of the program), of alignment (effective use and support of country systems), of harmonization (increased cohesion among donors presenting a unified voice in discussion with GoV), of coordination (evidence of collaboration between TBS and traditional bilateral projects) and of management for results (esp. in the context of bi-annual joint reviews). However, no evidence has been gathered on the implementation of the mutual accountability criteria.
27. It is worth comparing TBS-EFA achievements in Vietnam and global findings on sector budget support effects. Indeed, international evaluations show that the effects of SBS are more important on increasing efficiency of country systems than in improving services delivery. Moreover, available studies insist that the impact on service delivery is usually mixed with significant expansion in the quantity of services being delivered, but far more limited progress in improving the quality of those services and the equity with which they are delivered. The evidence gathered on the positive effects of TBS-EFA on the equity with which primary education services are delivered (through pro-poor policies and

⁷ The Hanoi Core Statement on Aid Effectiveness is aligned with the Paris Declaration and the Accra Agenda for Change.

budgeting) is therefore a remarkable achievement that need to be emphasized in light of international experiences.

Conclusion: High effectiveness of TBS-EFA (majority of ++) looking at primary education development through pro-poor targeting, at policy dialogue and technical assistance for improving country systems and at implementation of Hanoi Core Statement on aid effectiveness. The positive achievements of TBS-EFA on primary education services delivery with respect to equity criteria are remarkable in comparison with international experiences of sector budget support which usually fail to deliver results beyond access.

28. **Efficiency.** It took time for reaching a point where there was a shared understanding, full adherence and consistent focus on TBS-EFA conditionalities. TBS-EFA conditionalities focused on policies issues of pro-poor budget allocation, budgetary execution and public financial management reforms. Included into the Policy Matrix, such conditionalities put too much reliance upon non TBS-EFA/MOET resource. Additionally, there was no means agreed on verifying achievements of policy goals. As a result the overly ambitious policy matrix weakened TBS-EFA policy dialogue at the outset.
29. The capture of policy dialogue on PFM issues failed to lower transactions costs as expected. On the donor side, this was due to the divergence of opinions among participating donors in relation to what policy dialogue is and how to go about it. This was amplified by the limited capacity of donor staff and consultants to engage in constructive policy dialogue with GoV on issues raised by TBS modality (i.e. budgetary and non budgetary conditional requirements). On MOET side, donor efforts to improve planning and budgeting (esp. pro-poor focus), procurement practices and financial monitoring and reporting have created a significant time burden to explain that PFM systems were 'owned' by MoF, State Treasury etc, and therefore that MoET had very limited ability to influence PMF processes.
30. The other area which generated a lot of frustrations on both sides was the time taken to design, contract and place technical assistant for implementing the capacity development component. Three inefficiencies have been identified. Firstly, the sequencing of funding and CD supports where the latter started two years after the former. This was not only due to cumbersome MoET TA processes but also to a lack of initial conviction in senior MoET management about the value and need for technical assistance. Secondly, the separation of the CD component in supervision and funding by 2 donors (Canada, DFID) on behalf of the seven which tend to dilute of interest and support from those partners not directly involved and play against the cohesion of the group. Finally, the too low capacity building allocations for step change in capacity in such a short period of support (2 years).

Conclusion: Low efficiency of TBS-EFA (majority of --) looking at the time invested for a full adherence of GoV to conditionalities of TBS-EFA, at the time spent by participating donors to unite their voice on PMF issues where they lacked capacities, and at the time taken to implement the capacity development component. As a result the transaction costs were not lowered as much as anticipated.

31. **Impact/Sustainability.** With Vietnam reaching the middle income status the education sector strategy and priority areas for domestic resources investments are about to change⁸. However there is no sign of a clear education sector vision where linkages across levels of education are fully taken into consideration. It looks that education levels are still analyzed and managed in silos. Vietnam claims that it has achieved 'universalization of primary education' looking at the positive trends from existing data on the quantitative indicators at national aggregate level. Challenging data on access and maintaining the focus on quality and equity -for which there is no quick fix and results are longer to materialize- are not fully aligned with MOET 'official' discourse on successes achieved at primary level.
32. In such context it is difficult to anticipate a continuous support towards equitable access to quality primary education services. Already, there has been concern that E-NTP (2006-2010) funding has shifted somewhat towards secondary education without prior discussion between GoV and donors. Such a tendency might be amplified in the forthcoming E-NTP (2011-2015) which provides room in many sub-projects for significant investments at secondary levels. On the other side, the inclusion of early childhood education as a new sub-project provides an opportunity to further support primary performances and maintain a focus on pro-poor policies and budgeting.
33. The education policy dialogue is not structured to discuss top priorities for integrated sector-wide policies, i.e: to inform decisions on budget allocations across levels of education, to debate trade-offs for the best use of available resources at each education level, to learn from the experiences of similar countries on transition policies and to reflect on how to improve internal and external efficiency of education investments.
34. The embryonic policy dialogue initiated around E-NTP processes and performances for the sub-sector of primary education might not even be maintained after the completion of TBS-EFA component 2. The last JSAR (May 2010) has shown a lack of interest from both GoV's leaders (only represented by MOET Department of Planning and Finance) and TBS donors in fully attending and actively participating in discussions. However, the almost completed E-NTP M&E framework includes 'review measures' which should achieve advantages similar to JSAR and JAR. Therefore, it can reasonably be expected that MOET

⁸ The 2020 Education Sector Strategy for which a first draft was circulated in 2008 is being revised and completed in line with the preparation of the next Socio- Economic Development Plan (2011-2015) and forthcoming decision of the 2011 Communist Party Congress. In parallel, MOET is in the process of updating its 5 year Education For All Plan (2011-2015) as part of the preparatory process for benefiting from the Fast Track Initiative-Catalytic Fund resources. Three issues: i/ time line for the completion of the two above mentioned documents, ii/ linkages between 2020 Education sector strategy and 5 year implementation plan for EFA, ii/ linkages between E-NTP (2011-2015) and updated EFA plan (2011-2015).

will continue to review E-NTP progress on at least an annual basis (particularly as funding to provinces is annual).

35. The knowledge generated on the administration of E-NTP in a decentralized setting is likely to be capitalized and used for further improving administration of the next E-NTP. The key E-NTP management mechanisms will be delivered by TBS-EFA at the end of 2010 and the impact on MOET/DOET/BOET's institutional strengthening is likely to be better achieved during the next E-NTP (2011-2015) for which GoV is still highly committed financially. However, the mainstreaming of the new practices introduced in planning, budgeting and accounting by the E-NTP is still in question. How these 'good practices' are transferred into the use of the normal state budget resources (non-salary) is critical but not yet apparent.
36. The willingness of donors to continue following-up issues related to PFM reforms is linked to the future of targeted Budget Support in education sector. The financial proposal for E-NTP (2011-2015) includes ODA resources for about 17% of the total (4.880 billion VND against an estimated budget of 28.136 billion VND). As of to date the donor community made no commitments with respect to E-NTP (2011-2015). Moreover out of the seven TBS-EFA partners, only three (Belgium, DFID and the World Bank) contribute to the School Education Quality Assurance Program (SEQAP). While SEQAP is presented as a successor of TBS-EFA, it is not entirely similar and presents a more hybrid nature combining elements of a project and a program with corresponding 'off budget' and 'on budget' financial management mechanisms. In addition, the fact that some TBS donors are phasing out their investment in the education sector is currently weakening the 'hands on' partnership approach initiated through TBS-EFA. Such approach requires a critical mass of skilled technical staff within the donor group to deliver results.
37. On the GoV's side there are no tangible signs from MOET to move to and lead a SWAP approach in the education sector. On the contrary, the tendency to spread different ODA projects over levels of education (esp. for pre-primary, upper-secondary, technical and vocational training and tertiary education) and provinces seem to continue to dominate. This movement is not solely observable in the education sector. The achievement of the MIC status is currently leading to a renewal of donor community strategy towards Vietnam, challenging at the same time further implementation of the Hanoi Core Statement on Aid effectiveness.

Conclusion: Mixed Impact/Sustainability of TBS-EFA. (++) on E-NTP financial commitment from GoV and management mechanisms but -- on consolidation of a sector wide approach and cutting-edge aid modalities in the education sector). The MIC status of Vietnam is currently modifying the structure of incentives face by GoV and donors with respect to education sector priorities and preferred aid modalities. This challenges the sustainability of good practices delivered by TBS-EFA.

38. Based on what preceded, **TBS-EFA can be overall rated as satisfactory** over the 2006-2010 period. The World Bank's evaluation awarded a rating of "moderately satisfactory" to

each of the component and to the program overall. The other two external evaluations did not award an overall rating for the program.

Section 3. Lessons learned and recommendations for future TBS

3.1 Lessons learned

39. The implementation of TBS-EFA had many learning points. The **key lessons learned** relate to: i/ the design period of sector budget support, ii/ the planning and sequencing of funding and capacity building support under TBS, iii/ the structure of sector policy dialogue and iv/ the organization and capacity of participating donors.

40. **Securing time for a preparatory phase to include an in-depth institutional assessment.**

All evaluations agreed that the fundamental lesson learned relating to TBS-EFA program design is that it is vital to undertake a rigorous situation analysis (including institutional assessment) prior to start of support. The purpose is to mitigate two risks: to avoid misalignment of financial support with institutional mandates for service delivery (e.g. decentralized setting of E-NTP) and to avoid an overestimation of inter and intra ministerial coordination and national capacities at both central and decentralized levels to deliver results. Such a preparatory phase can take time, especially if the existing knowledge on government systems and processes is outdated and sparse. DFID evaluation summarized the key areas to be investigated during the design phase:

“▪ How relevant Government systems and processes to be used in executing the supported GoV programme(s) operate in practice, not in theory, at both central and local level;

▪ What are the roles and tasks of the relevant GoV staff involved in key processes at all levels and especially at provincial, district and implementing agency level;

▪ To what extent the relevant lead ministry is able to manage fiduciary risks, especially with respect to financial reporting and accountability issues;

▪ How the programme of donor support fits within the overall policy and funding environment, given that multiple GoV, CSO and donor funding sources are often combined with state budget funds for the supported programme;

▪ Which evidence of the degree of commitment of senior officials and government ministers to the supported programme”. (DFID, synthesis of the evaluation to LMDG, p 9)

41. **Basic systems need to be in place with an upfront capacity development support if needed during an inception phase.**

Evaluations recognized that for decentralized implementation to be successful (a process supported by TBS-EFA through E-NTP), guidances on planning, financial management and monitoring and evaluation need to be produced prior to full programme implementation. The lessons learned are that an inception phase for TBS needs to be planned to set up management arrangements and that capacity development inputs of TBS support (incl. technical assistance) need to be delivered upfront – the second best would be in parallel- of the financial support but certainly not after if systems have been assessed weak. The WB evaluation highlighted the following:

“(…) there are basic minimum requirements that should be in place before implementation begins. (…).It is difficult to judge what is this “minimum” that should be in place before implementation, but it is clear that at least, the basic manuals that guide fiduciary and other aspects should be available at the outset, even if the assistance to be provided will support their improvement, strengthen and require the eventual updating of project requirements in those manuals, and also that all agencies involved in implementation are familiar with at least the initial basic requirements. This is all the more important when a program is implemented in a decentralized environment, which is often the case for SWApS” (WB, p42)

42. **Policy dialogue between donors and GoV needs to be structured.** It was widely recognized that the initial Policy Matrix weakened TBS-EFA at the outset. It did not provide a clear developmental road map for GoV and donors. Moreover it was supervised from inception as separate to the budget support and technical assistance. The main lesson learned derived from TBS-EFA experience is the importance of a policy matrix that is well tailored (negotiation of milestones consistent with responsibilities devolved to lead partner, i.e. MOET), clear (benchmarks, actions to meet the benchmarks and clear targets) and agreed by both parties prior to start of support⁹. A complementary lesson is to ensure that the review of progress towards milestones of the policy matrix is an integral part of the monitoring and evaluation framework of TBS. The policy matrix follow-up should be given the same weight than the review of service delivery processes, results and outcomes. The EC evaluation clearly stated the latter point as follow:

“In the design of any future TBS Programmes, greater attention should be given to local in-country and sectoral factors and to the leading role of GoV-led country approaches. Requirements imposed on the partner country should be more realistic in view of local circumstances. A key lesson is the importance of a policy matrix as a tool for agreeing milestones and targets that are jointly shared by GoV and donors and tracking these regularly over the Programme lifespan to assess the direction of travel” (EC, p9).

43. **Participating donors need to review their ways of working under TBS to guarantee common vision on issues/priority actions and set-up clear roles and responsibilities within the partnership.** All evaluations emphasized that working through existing government systems usually requires specific knowledge and skills (e.g. on PFM issues) different from those mobilized under traditional project modalities for which participating donors under TBS-EFA were not automatically prepared and equipped. Therefore the harmonization of donors through TBS needs to be specifically designed and agreed rather than assumed. This can be done through taking into consideration the value added of different TBS partners with respect to technical areas such as financial management, procurement, decentralization processes, monitoring and evaluation of education services delivery, etc. Such early division of labour would have allowed covering a large spectrum of technical areas while improving partnership with GoV.

3.2. Recommendations

44. The **recommendations** for future TBS operations in the education sector in Vietnam delivered in the evaluation reports can be reviewed in light of the **good practices** identified by a recent study on sector budget support in practice (See ten core principles for effective SBS in Box 4 and how to apply them during design implementation and M&E of sector budget support in Annex 4).

⁹ The targeted budget support to P135-phase 2 provides an example where a policy framework/results matrix has been drawn up and achieved greater focus on results improving both transparency of processes and service delivery.

Box 4. Ten Core Principles for Effective Sector Budget Support

- **CP 1:** Place the strengthening of institutions and systems for **service delivery at the heart** of the design and implementation of SBS.
- **CP 2:** Provide **SBS funds on a large enough scale** to ensure an expansion in sector resources commensurate with the needs of sustainable service delivery.
- **CP 3:** Ensure that provision of SBS funds is accompanied by **dialogue with the ministry of finance on sector resource allocation** (earmarking to be limited in time)
- **CP 4:** Do not require that SBS funds are separately identifiable in the budget, i.e. **use non traceable SBS**.
- **CP 5:** Insist that SBS packages include elements to address the **underlying causes of risk**, and do not involve unnecessary derogations.
- **CP 6:** ensure that SBS funding will **support financing systems** which are **aligned with institutional mandates for service delivery**.
- **CP 7:** Focus SBS inputs on **alleviating the critical constraints** to service delivery.
- **CP 8:** Gear **dialogue and conditionality** to strengthening **incentives** for domestic actors to improve service delivery.
- **CP 9:** Make sure SBS delivers **reliable funding** for service delivery.
- **CP 10:** Insist that sector donors and government actors work together to make **links to civil-service, decentralisation and public financial management reforms**.

Source: Making sector budget support work for service delivery, ODI/Mokoro, Feb 2010.

45. On the application of TBS (refer to Core Principles 1 & 6). The purpose of TBS is the strengthening of institutions and systems for delivery of education services. TBS-EFA has explored the *upstream issues* affecting the strength of service delivery and provided support to the GoV to take action to address them (e.g. Inter ministerial circular on E-NTP implementation between MoET, MoF and MPI, State Treasury internal co-ordination Handbook etc.). However the *downstream and front line issues* of education services delivery at school, commune, district and province levels have yet to receive full attention. The next challenge for TBS-EFA would be to contribute to establish systemic and incentive-based solutions to the human-resource and other challenges involved in the quality and equity of service delivery among districts and provinces.

Recommendation 1: Document and disseminate best practices in meeting TBS-EFA programme objectives based on provinces, districts, communes and schools experiences.

Recommendation 2 (related to 1): Explore the realignment of TBS in education sector with the decentralized institutional mandates for basic education services delivery and discuss options for providing provincial budget support in substitution or in combination with central budget support.

46. On the level and duration of commitment under TBS (refer to Core Principles 2 & 9). The *scale* of SBS matters not just in absolute terms, but also relative to overall sector resources and relative to other funding. TBS-EFA provided a marginal financial support in

relative terms as it accounted for 10% of E-NTP funds and 0,5% of education expenditure. While consistent with features of ODA in Vietnam (important in absolute amount but small in relative terms), such contribution needs to be assessed in comparison of the resources needed for sustainable service delivery. The same remark can be made for the capacity development component to ensure an effort commensurate with the needs at both central and decentralized levels. Moreover SBS in education sector requires a *medium term commitment* to the recipient country. The three year budget support to E-NTP (2006-2008) and the two year effective implementation of the capacity development component (2009-2010) have limited the leverage required to impact the education sector on core management issues.

Recommendation 3: Adopt a medium term vision (5-10 years) for predictable sector budget support in education with a financial contribution large enough to dramatically shift incentives towards strengthening of domestic systems.

Recommendation 4 (related to 3): Provide TBS to the next 5 year period (2011-2015) whether centrally or provincially in order to ensure lesson learned to date are fully incorporated and focus on service delivery (access, equity and quality) is strengthened. The 2015 dead line would be consistent with international reporting on progress made towards EFA/MDG goals.

47. **On the selected funding modalities of TBS** (refer to CP 3 & 4). The good practices recommend to limit in time earmarking and to not use traceable SBS. None of the evaluation critically looked at the funding modalities of TBS-EFA to suggest different instruments in Vietnam.
48. Firstly, the National Targeted Programme for Education was already an earmarked channel for disbursement of state budget funds to fulfill specific Government priorities. Then the additional earmarking decided under TBS-EFA led to an ‘over targeted’ budget support for education without clear rational for such restrictive choices.

Recommendation 5: Confine earmarking of TBS to areas which are of key policy importance based on an agreed assessment of funding gaps in the sector, and when the budget process is unlikely to yield the required reorientation of resource allocations on its own.

49. Secondly, the traceability request is often associated to unreliable budget execution and reflects agreement to protect budget disbursements for key sector budget lines as well as to ensure additionality of external resources. The experience accumulated through TBS-EFA show that donor funds have been additional to domestic resources to E-NTP. However, the EC evaluation reported the under spends by provinces of E-NTP resources¹⁰ suggesting that there are still room for manoeuvre in improving financial execution.

Recommendation 6: Review traceability of TBS according to progress in budget execution to help reinforce domestic accountability, incentives and ownership in the context of the budget cycle, and minimizing distortions.

¹⁰ See EC Evaluation, p143.

50. **On capacity development and technical assistance for TBS** (refer to Core Principle 5) TBS-EFA impact was undermined by the delays in capacity development support, especially the potential difficulty to recruit international TA through government systems.

Recommendation 7: Make capacity development central to the TBS operation, tailored to decentralized needs and on stream when needed.

51. **On sector dialogue and conditionality attached to TBS** (refer to Core Principles 7 & 8). Dialogue and conditionality (through Policy Matrix) initiated through TBS-EFA have mainly focused on cross-sector (e.g. PFM) and macro-issues (e.g. budgetary commitments and allocations) for which the Ministry of Education and Training had not the entire control. The good practices on SBS recommend to '*gear dialogue and conditionality to strengthening incentives for domestic actors to improve service delivery*'.

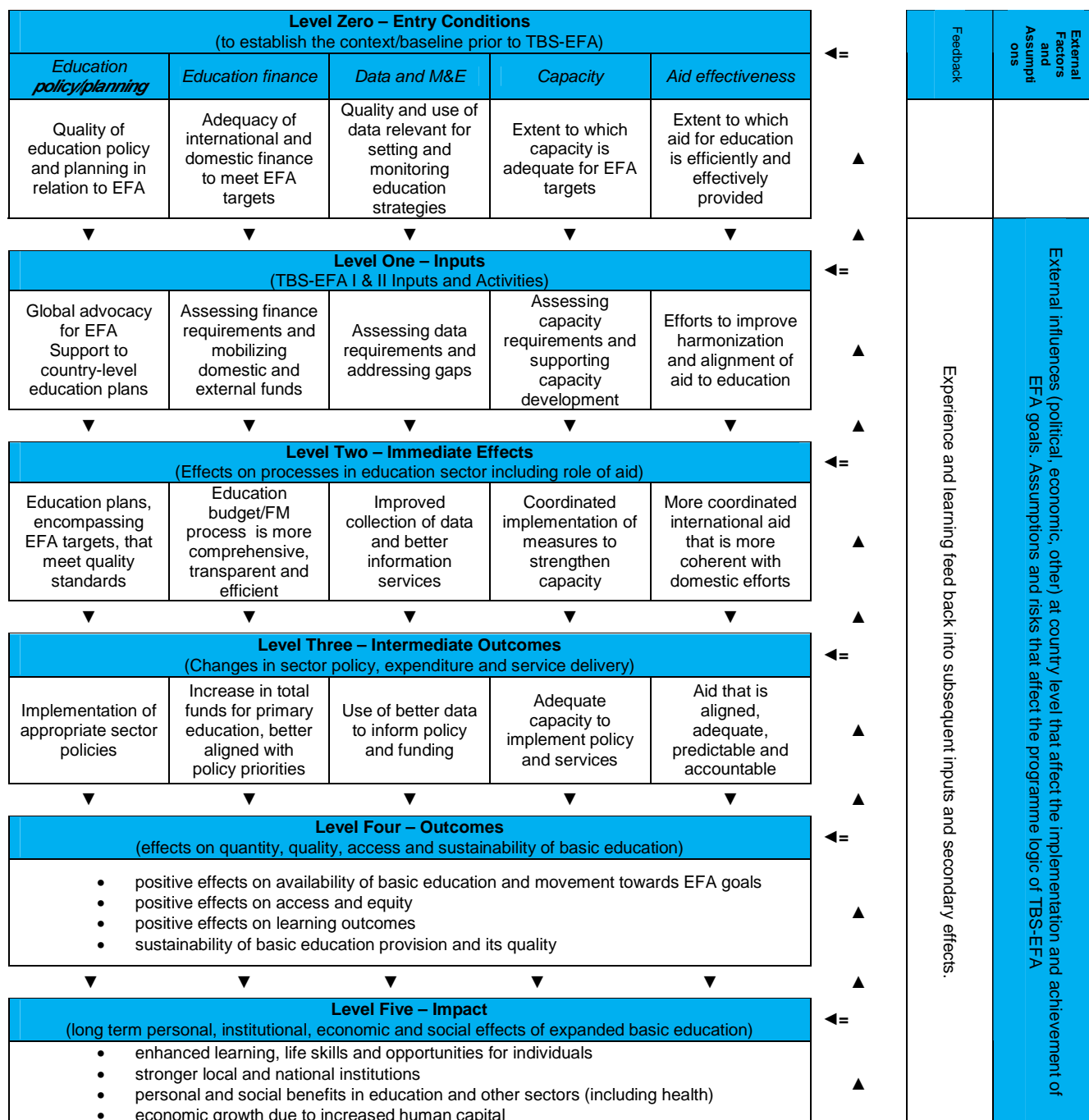
Recommendation 8: Focus the conditionality framework of TBS at the centre on a limited number of critical service delivery issues which MoET can influence and develop an additional specific conditionality framework at the decentralized levels (provinces/districts) which provide incentives for the strengthening of institutional capacity and systems.

52. **On the linkages between TBS and PRSC** (refer to Core Principle 10). While the evaluations sometimes refer to other education projects (especially PEDC), they do not mention the general budget support provided to Vietnam through the PRSC instrument. This is surprising as the PRSC does include a trigger on education. Greater mutual reinforcement between cross-cutting and sector reforms can be achieved through more joint working between donor staff working on PRSC and those involved in TBS.

Recommendation 10: Ensure linkages between TBS and PRSC so that cross-cutting actions supported through general budget support are consistent and responsive to the needs of the education sector (i.e. education trigger).

53. All these recommendations come with the **caveat** of the peculiar context of Vietnam becoming a MIC country. Bilateral donors are increasingly unlikely to look to budget support modalities as a best value for money for their aid. In this context, the **recommendations summarized above may be somewhat out of date**. However they are general lessons that can be extracted from TBS-EFA experiences for existing programs in Vietnam and other sector budget support innovations across the world, especially less developed countries.

Annex 1. Example of global Logical Framework for TBS-EFA evaluation



Annex 2. Summary of findings from the TBS-EFA internal and external evaluations with respect to 5 evaluation criteria and 6 analytical areas

Areas of investigation	OECD-DAC Evaluation Criteria			
	Relevance of TBS-EFA (objective, design, management arrangements, aid modality) to problems and needs	Effectiveness of TBS-EFA financial and non financial inputs (conditionality, dialogue, TA, etc.) to achieve purpose	Efficiency of the translation of TBS-EFA inputs into results (value for money?)	Impact/sustainability of TBS-EFA activities
Area 1. Education sector strategy and policy dialogue	<p>High relevance of objective to education system problems and needs (++) TBS-EFA documentation provides a clear analysis of education issues and a complex policy matrix.</p> <p>Medium relevance of design (+-): (i) Questionable merit of supporting E-NTP as a means of leveraging education sector reform. (ii) Too broad scope of policy matrix which put too much reliance upon non TBS-EFA/MOET resource to achieve much of the goals.</p>	<p>-EFA dimensions (++) i/ <u>Quality</u> (++) Understanding of key issues in relation of educational quality was a major achievement of TBS-EFA. However the quality inputs approach thru FSQI was not complemented by a quality outcome approach (e.g. teaching-learning process) - ii/ <u>Equity</u> (rural areas/poor districts/ethnic minority groups) (++): also a key achievement thru promotion of FSQI tool which helped targeting disadvantaged areas/students.</p> <p>-EFA goals (++) i/ <u>Primary education</u> (++) Donors support to E-NTP has helped to focus attention on primary school policy though the relative small size of donor E-NTP support compared to the E-NTP budget (around 10%) has limited the impact of support ii/ <u>Other EFA goals</u> (--) less evidence of results on illiteracy elimination, lifelong learning, early childhood etc.</p>	<p>-Policy Matrix (--): the policy matrix was recognized as too ambitious, poorly developed and possibly not negotiated. The confusion and overlap between expected results of PFM reform and conditionality of TBS-EFA made difficult and long for MOET to adhere to TBS-EFA conditionality</p> <p>-Policy dialogue (++): Policy dialogue has long been frustrated under TBS-EFA. (see area 3). As a result, donors report that policy dialogue has not been as full, or as fulfilling, as they expected. Responsibilities were shared</p> <p>- On GoV's side: policy dialogue may be seen by GoV as interference in their strategic management of the</p>	<p>-Access versus quality and equity (--): Vietnam claims that it has achieved UPC looking at the positive trends on the quantitative indicators at national aggregate level (access). Maintaining the focus on quality and equity for which there is no quick fix and results are longer to materialize is not entirely aligned with GoV 'official' discourse on successes achieved at primary level.</p> <p>The danger of accepting the universalisation –related scores from existing data sets is a serious issue. The establishment of instruments such as E-NTP M & E framework should also highlight the importance of good (better) data being available.</p> <p>- Continuous support to primary (++) There has been concern that NTP-E funding has shifted somewhat towards secondary education without discussion between GOV and donors. Such tendency might</p>

		<p>-Education sector reforms (+-) i/ <u>Decentralization</u>: TBS EFA is supporting program whose implementation is decentralized. Through TBS-EFA donors have channeled funds for primary school achievements and development and this has to some extent focused GOV/s attention on this sub-sector which is implemented and controlled at the district and school level. ii/ <u>Other national reforms</u> Unclear how TBS-EFA helped support other appropriate sector reforms (e.g. at primary level: full day schooling reform).</p> <p>- Policy dialogue (-+) Increasingly frequent policy dialogue. The organization of bi-annual joint reviews for TBS-EFA helped structure the policy dialogue but these reviews never managed to supersede all parallel projects supervision missions to become <i>the</i> education sector policy forum.</p>	<p>education sector; - <u>On donor's side</u>: i/ Perception among some donors that MoET senior management have not been fully committed to EFA; ii/Divergence of opinion among donors in relation to what is policy dialogue and how to go about it; iii/ Limited capacity of donors staff and consultants to engage in constructive policy dialogue with GoV on issues raised by EFA support</p>	<p>be amplified in the forthcoming E-NTP (2011-2015) as its scope has been expanded to include pre-primary and upper secondary education levels. However, numerous studies have shown strong relationship between ECE and primary performances (access & learning outcomes).</p> <p>-Integrated education sector vision (--) There is no sign of education sector vision where linkages across levels of education are fully taken into consideration. Education levels are still analyzed and managed in silos.</p> <p>-Policy dialogue (+-): there is no evidence that the bi-annual joint reviews initiated during TBS-EFA will be maintained for the next E-NTP. (We can already see the lack of interest from both sides on the 2010 JSAR where few MOET leaders and donors' representatives participated). However, the E-NTP M&E framework includes 'review measures' which should achieve advantages similar to JSAR and JAR. In the future, it can reasonably be expected that MOET will continue to review NTP-E progress on at least an annual basis (particularly as funding to provinces is annual).</p>
	Relevance	Effectiveness	Efficiency	Impact/Sustainability
Area 2. Education finance	<p>High relevance of design (++) Total E-NTP funding</p>	<p>-Increased resources/additionality of aid (++) TBS-EFA has had a significant</p>	<p>Good value for money given the small size of TBS-EFA support in</p>	<p>-GoV's financial commitment towards E-NTP (++) -E-NTP budget allocations for</p>

	<p>represent around 5% of the State education budget, and since 95% of the latter is allocated to teachers' salaries; the effect of E-NTP funding is to double the funds available for non-salary expenditures in the education sector.</p>	<p>positive impact on levels of public expenditure. Total funding to primary education has increased, and examination of E-NTP state budget recurrent spending and donor contributions up to 2009 shows that donor funding is very likely to be additional.</p> <p>-Reaching beneficiaries/ pro- poor budgeting (++) i/It is clear that TBS-EFA support has facilitated significantly increased funding to ethnic minority communities and to the primary education sub-sector. ii/ Provincial and district allocations were as pro-poor as they could possibly be (needy proposals responded to, free textbooks for poor children, etc)</p> <p>-Effective use of funds (++) Although there have been concerns about the transparency and accountability of financial management, there is little evidence that funds committed have been misused (e.g. annual procurement audits demonstrate less than 10% material value of questionable transactions).</p>	<p>relative terms (++) Donor funds through TBS-EFA accounted for 10% of all E-NTP funding but represented only 0,5% of total budget for education.</p>	<p>2009 and 2010 - with no provision from donors- remain constant compared to 2008 - Proposal for E-NTP (2010-2015) suggest renewed commitment from GoV towards E-NTP with an anticipated increase mobilization of domestic resources</p>
	Relevance	Effectiveness	Efficiency	Impact/Sustainability
Area 3. Education Planning, Budgeting and Accounting	<p>Low relevance of design & management arrangement (--): <u>-Insufficient attention was paid as to how to achieve the policy</u></p>	<p>-Overall on opening 'black box' of processes linking inputs to outcomes (++)</p> <p>-Planning (--): TBS-EFA has helped to put in place improved</p>	<p>- Capture of policy dialogue between Gov and donors on administration issues (--) Need to address E-NTP management and FM</p>	<p>-There has been an inevitable learning process in TBS-EFA which has proven to be useful for both sides (GoV and Donors). The knowledge generated on the administration of E-NTP in a</p>

	<p><u>goals</u>. Focus was placed upon macro issues - Public Financial Management, Harmonization and Alignment, Poverty Reduction, etc - with insufficient knowledge of weaknesses and attention as to how to strengthen the system; and how to support the implementation of E-NTP</p> <p>-The design did not take into consideration the <u>decentralized setting of E-NTP</u>. TBS-EFA is an appropriate vehicle for sector support. Not clear that central-level TBS-EFA can always address provincial/district implementation issues.</p>	<p>planning processes. Progress is evident in the central determination of provincial need based on poverty incidence and school and resource performance.</p> <p>It is positive that E-NTP, BCEP and EFA plans are being increasingly integrated into education sector planning. But weaknesses remain:</p> <p>i/ Vertical coordination (the fact that PPCs are passing responsibility to various agencies at a local level is hampering effective local planning & MoET oversight)</p> <p>ii/ Horizontal coordination (e.. inter-agency plans on education thru E-NTP, P135 program, etc. are still not well coordinated)</p> <p>Moreover, MTEF not fully in place in education sector.</p> <p>-Budgeting (-+) Donors have sought to strengthen the link between E-NTP policies and spending. This effort was hampered by the fact that earlier donor efforts to improve financial management processes did not fully take into account the fact that GoV PFM systems are not 'owned' by line agencies but by central agencies (MoF, Treasury, MPI etc). Inter ministerial circular for E-NTP (MOET, MOF, MPI) was a key achievement.</p> <p>-Accounting (-+) Donors have thrown a spotlight on E-NTP accountability procedures and these are now more rigorous</p>	<p>issues (esp. financial reconciliation & reporting) initially biased and frustrated policy dialogue</p> <p>-Level of understanding and position among donors on E-NTP administration issues not aligned (-) This partly explained delay in implementing a well tailored capacity development component.</p>	<p>decentralized setting is likely to be capitalized and used for further improving administration of the next E-NTP (++)</p> <p>- However new planning, budgeting, accounting practices not yet in place for long enough to be sustainable, though taken up with enthusiasm. (+)</p> <p>- The mainstreaming of the new practices introduced in planning, budgeting and accounting by the E-NTP is still in question. How this is transferred into the use of the normal state budget resources (non-salary) is critical but not yet apparent. (-)</p>
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		(esp. financial regular reconciliation, public audit disclosure), though some way to go consider that E-NTP practices are fully acceptable.		
	Relevance	Effectiveness	Efficiency	Impact/Sustainability
Area 4. Education Data and M&E	<p>Low relevance of design & management arrangement for data and M&E (--)</p> <p>i/Linkages between EFA aspirations and E-NTP delivery were not well made</p> <p>ii/The E-NTP M & E framework was not in place at the outset, nor constructed as a first step, therefore it was difficult to identify/isolate contribution of TBS-EFA thru E-NTP to the intermediate results (FSQL) and outcome (EFA goals)</p> <p>iii/ The TBS-EFA Policy Matrix was too ambitious and focus on PFM issues delinked with E-NTP activities. It did not provide a clear operational roadmap for policy dialogue</p>	<p>-Data: the effects of TBS-EFA was not on data collection (--) but rather on data analysis (+) and use of data -esp. FSQ- (++) to inform policy decision making process</p> <p>-M&E: Level of results indicators/ Fundamental School Quality Level (++): Selection of FSQ by TBS-EFA partners represented a good opportunity to progress against a common framework. The FSQ concept has met with widespread acceptance as a useful and relevant management tool to improve focus on disadvantaged groups.</p> <p>-M&E: Level of outcomes indicators/EFA goals (--) The results chain between FSQ and access, quality and equity outcomes was weak.</p> <p>-M&E: Policy Matrix (--): the policy matrix (budgetary commitments and allocations) was modified and improved upon July 2007 and since then better documented and reviewed.</p>	<p>-Using available data (++) By not duplicating existing data set but rather utilizing those already in existence (esp. FSQ), TBS-EFA was efficient</p>	<p>- Data (-+): The E- NTP M & E framework is being designed to utilize as much as possible data available from MOET's institutions rather than the outputs of other projects (e.g. PEDC for DFA; SREM for VEMIS) so that sustainability should be assured. However, it might take long before the full institutionalization of data collection exercises supported by projects.</p> <p>-M&E (-+): The new E-NTP sub-projects will include measurable targets which should facilitate monitoring of progress. However, little evidence exists that the 'full' E-NTP M&E framework (incl. review of policy matrix with budgetary commitment and pro-poor allocations) sought by donors will be routinely applied and sustainable, without continual donor monitoring.</p>

	Relevance	Effectiveness	Efficiency	Impact/Sustainability
Area 5. Capacity Development	<p>Low relevance of design (--): TBS-EFA did not place enough emphasis on capacity building.</p> <p><u>-TBS-EFA design over-estimated the capacity</u> of MoET to manage and report on the E-NTP effectively. As a result, the TBS-EFA arrangements for inter-ministerial coordination, financial reporting and M&E were not adequate or satisfactory.</p> <p><u>-TBS-EFA did not take into consideration past experience in Vietnam</u> that has found that an allocation of 7-9 per cent of total program spending is required for adequate capacity building. In reality, the amounts allocated for capacity building in TBS-EFA has fallen substantially short of this level of funding.</p> <p><u>-TBS-EFA design neglected the decentralized dimension of E-NTP</u> and need to focus CD activities at local levels</p> <p>- The design of a <u>CD component as a</u></p>	<p>-Use & impact of TA (+): Effects on E-NTP (2006-2010) were diminished through delays in starting of CD activities and recruitment of key personnel. Donors have provided technical assistance to improve E-NTP planning & financial management. Localized capacities seem to have been built within MoET (Department of Planning and Finance) and at decentralized (DoET, BoET) levels. E-NTP planning, financial management and procurement guidelines, as well as planning tools (VANPRO) are already used widely at each level. A structure for ongoing training in E-NTP related material is also in place and operates effectively</p> <p>-Linking CD activities across projects/programs (+) provinces are not yet taking full advantage of ODA project capacity building activities to create training synergies between donor project-funded training and TBS programme training to build province and district capacities</p>	<p>- Capacity building allocations too low (--) for step change in capacity in short period of support to date</p> <p>-Sequencing of funding and CD supports (--) Scheduling of the 2 components under TBS-EFA program was inefficient. CD component should have been implemented before or in parallel of funding support but not after.</p> <p>-Separation of CD component in supervision and funding by 2 donors (Canada, DFID) on behalf of the 7 (--): dilution of interest and support from those partners not directly involved.</p> <p>- Donor's approach (+) After a more hands-off approach, donor staff and advisers have engaged increasingly intensively (e.g. BTC devoted a full time BSA to the tasks of TBS management) helping to stimulate incremental improvements in management practices and</p>	<p>MOET/DOET/BOET's capacity vis-a-vis E-NTP (++): The key E-NTP management mechanisms will be delivered by TBS-EFA at the end of 2010 and the impact on MOET/DOET/BOET's institutional strengthening is likely to be better achieved during the next E-NTP (2011-2015).</p> <p>-Donor's capacity in education sector (+): 'hands on' active partnership approach likely to revert to a traditional 'hands off' supervisory approach as many donors are phasing out their support to the education sector (see area 6) Only Belgium committed to mobilize a full time budget support advisor for SEQAP.</p>

	<p><u>separate entity</u> was not relevant as i/ it led to a disconnect between the objectives of TBS-EFA and technical support designed to support achieving these objectives and ii/ played against the awareness of GoV on the objectives of CD component and on their requirements for action</p>		<p>enabling donors to learn more about the operation of GoV systems</p>	
	Relevance	Effectiveness	Efficiency	Impact/Sustainability
Area 6. Aid Effectiveness	<p>High relevance of aid modality (++) by : i/ taking largely in recognition that <u>projects find it difficult to generate systemic improvement</u> in GoV activity and financial management in education sector ii/ providing a concrete <u>answer to the high fragmentation of ODA</u> in education sector and supporting the implementation of the <u>Hanoi Core Statement</u> on Aid Effectiveness aligned with Paris Declaration and Accra Agenda for Action</p>	<p>-Ownership (-+) It took time for MOET to understand and adhere to TBS-EFA and finally manage the program -Alignment (++) TBS-EFA modality led to greater donor alignment on GoV policy (E-NTP) and on GOV systems as the latter were directly used, strengthened and supported - Harmonization (++) The multi-donor nature of TBS-EFA increased cohesion among donors, presenting a unified voice in working with MOET -Coordination (++) Coordination between TBS-EFA and sector projects has improved (e.g. between E-NTP and PEDC, SREM and BCEP etc.) - Management for results (-+) TBS has facilitated useful discussions and consultation with stakeholders on management for results, especially in the context of</p>	<p>-Transaction costs (-+) Total transaction costs are felt to have been lowered, though time/resource costs of supporting TBS-EFA for both donors and GoV systems are significant and have been higher than anticipated at the inception of support i/ <u>On donor's side (-)</u>: It took some time for donors to united around key issues that are required to be addressed for E-NTP to be effectively managed ii/ <u>On GoV's side (+)</u>: MOET has borne an extra time burden of responding to donor requests which themselves have been due partly to limited effectiveness of GoV/donor dialogue. However compared to a</p>	<p>Future of TBS in education sector (-+) - <u>On donor's side</u>: No donor's commitment announced to support the forthcoming E-NTP (2011-2015) Out of the 7 TBS-EFA partners, only 3 (Belgium, DFID and the World Bank) support the TBS-EFA successor program : the School Education Quality Assurance Program (SEQAP) - <u>On GoV's side</u>: no tangible sign from MOET to move to and lead a SWAP approach in the education sector; tendency to spread different ODA projects over levels/order of education (esp. for pre primary, secondary and higher education) and provinces still dominates.</p>

		<p>joint reviews (JAR/JSAR) but still a long way to go.</p> <p>- Mutual accountability (+-) Mixed picture with accountability not fully established. Donors seem not to have to render accounts on improving the effectiveness of their ODA programs</p>	<p>situation where TBS-EFA partners have to run 7 separate projects, transaction costs have been lowered for MOET.</p> <p>-Predictability of Aid (-+) i/ TBS-EFA has reduced fragmentation of resources. ii/Donor disbursements have met their conditions but 2006 donor contributions were provided late due to slow start-up of programme</p>	
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Annex 3. TBS-EFA Performance indicators trends (Source: TBS-EFA, Joint Semi Annual Review, May 2010)

Table 1: Outcome Indicators

Outcome Indicators School Year DFA Data Collection Financial Year	Baseline ¹ 9/03-6/04 May-04 (DPA) 2003	Updated B'line ² 9/04-6/05 May-05 2004	NTP-E 01-05 9/05-6/06 May-06 2005	NTP-E YR1 9/06-6/07 May-07 2006	NTP-E YR2 9/07-6/08 May-08 2007	NTP-E YR3 9/08-6/09 May-09 2008	NTP-E YR4 9/09-6/10 May-10 2009
Gross intake in Grade 1	90.10	100.00	108.00	104.60	105.00	106.90	Q4/2010
Net primary enrolment (DFA)	83.00	100.00	100.00	100.00	99.00	100.00	Q4/2010
Net primary enrolment (MoET EWIS)	94.43	95.00	95.28	95.96	96.06		Q4/2010
Dropout (Grade 1)	3.20	3.00	2.90	3.20	2.00	2.30	Q4/2010
Repetition (Grade 1)	2.70	2.30	1.90	2.00	3.40	3.60	Q4/2010
Completion (Primary)	92.30	89.00	96.80	94.80	97.10	98.20	Q4/2010
G5 maths (2001 / 2007) ³	79.90	n/a	n/a	n/a	86.70	n/a	n/a
G5 language (2001 / 2007) ³	51.30	n/a	n/a	n/a	61.00	n/a	n/a
Pupil-teacher ratio (Aggregate G1-5)	23.100	22.000	21.500	21.000	20.500	19.400	Q4/2010
Y/S spend on non-salary items (in VND million) ⁴	66,000		107,647	136,080			
Y/S spend on non-salary items as % of total school education expenditure							

Table 2: Results indicators

Result Indicators (% values) School Year DFA Data Collection Financial Year	Baseline 9/03-6/04 May-04 2003	Updated 9/04-6/05 May-05 2004	9/05-6/06 May-06 2005	NTP-E YR1 9/06-6/07 May-07 2006	NTP-E YR2 9/07-6/08 May-08 2007	NTP-E YR3 9/08-6/09 May-09 2008	NTP-E YR4 9/09-6/10 May-10 2009
Average district FSQI Input Index (District Fill) score	62.10	65.00	67.80	68.90	69.60	70.90	62.10
% of schools score ≥ 80 in FSQI Input Index score	16.00%	n/a	18.10%	19.90%	16.00%	24.00%	16.00%
% of schools score ≥ 60 in FSQI Input Index score	72.00%	75.45%	79.00%	82.00%	85.00%	90.00%	72.00%
% of teachers 5+ college-based in-service training	64.00%	42.96%	47.00%	41.00%	25.00%	64.00%	64.00%
% of teachers 10+ school-based in-service training	n/a	23.11%	30.00%	30.00%	21.10%	31.00%	n/a
% of grades to have Vietnamese/VLS teaching aids	75.00%	81.00%	83.00%	87.00%	89.00%	88.00%	75.00%
% of schools to have potable water	23.00%	28.00%	31.00%	35.00%	43.00%	48.00%	23.00%
% of classrooms to have a good blackboard	34.00%	49.00%	58.00%	91.00%	94.00%	96.00%	34.00%
% of schools to have no temporary classrooms	65.00%	61.00%	65.00%	68.00%	70.00%	73.00%	65.00%

Annex 4. Core principles for effective sector budget support

(Source: Making Sector Budget Support work for service delivery, ODI/Mokoro, Feb 2010)

