

## FOR THE FIRST TIME WE CAN OURSELVES DECIDE WHAT WE REALLY WANT!

HOW AN SDC FUNDED PROJECT SUCCESSFULLY INTRODUCED LOCAL DEMOCRACY IN ALL  
VILLAGES AND COMMUNES OF TWO VIETNAMESE PROVINCES



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Regular visitors to Vietnam are impressed by the fast progress the country has made in recent years. A range of successful reforms has transformed Vietnam from one of the world's poorest countries 25 years ago to a lower middle-income country (MIC) in 2010. However, reforms were foremost in the economic sphere while the central planning system has largely remained, along with its top-down decision-making structures and processes.

It is in this area where SDC's PSARD project has managed to initiate and support a fundamental change in Cao Bang and Hoa Binh, two disadvantaged provinces with large numbers of ethnic minorities in the North of Vietnam. Today, the provinces have become pioneers in local democracy with the population able to voice their needs by participating in local level planning and decision-making.

PSARD stands for Public Service Provision Improvement Programme in Agriculture and Rural Development. It is an excellent example of a project that, while starting small with pilot activities, was able to complete the cycle to full institutionalisation and mainstreaming of its innovative approach and mechanisms.

### HOW PSARD EVOLVED OVER TIME

#### The 4 steps from piloting to mainstreaming

Before PSARD started, SDC had already been supporting three earlier projects in the disadvantaged northern provinces of Cao Bang and Hoa Binh, with their sizeable ethnic minority populations. The projects successfully piloted commune and village level planning, which was a totally new concept for Vietnam's standard top-down planning system. By 2007, basic elements of local democracy at the so-called grass-roots level had been successfully tested.

The second step was made when the governments of the two provinces and SDC decided to use these positive experiences to upscale and mainstream the piloted innovations. A new and larger project was designed, which was named PSARD (or Public Service Provision Improvement Programme in Agriculture and Rural Development).

From 2008 to 2010, new and simplified planning, financing and extension mechanisms were applied in three districts of Hoa Binh and two districts of Cao Bang provinces. HELVETAS Swiss Intercooperation was contracted to implement the project. After three years it became clear that the promoted approach did indeed work in the selected test districts.

Consequently, the provincial governments and SDC decided to build on these positive experiences and to go for the third step by institutionalising and mainstreaming the approach and expanding it to the entire provinces. From 2011 onwards, SDC established direct project agreements with both provincial govern-

ments while HELVETAS Swiss Intercooperation was contracted solely to provide technical assistance.

Now that PSARD has come to an end in 2015, the fourth step is ongoing with the provincial governments and departments independently funding and operating the established approach and mechanisms as an integral part of their provincial 5-Year Plans 2016-2020.

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## THE PROMOTED APPROACH

### Work on-system instead of creating parallel structures

The basic idea behind PSARD was to work from within the system by influencing existing planning and financing processes and by engaging the relevant government staff from the communes, districts and provinces right from the start. – This was instead of building up parallel implementation structures, as is still often the case in similar projects in Vietnam today. Devolution of functions to lower administrative levels requires piloting and testing of best practices and models within the existing system and is best started at a small scale. Leaders and agents of change at higher levels have to be convinced by facts on the ground, as resistance from the higher level bureaucrats may arise because decentralisation also means devolving not just functions but also budgets and power.

The main argument against decentralisation (usually voiced by the immediately higher level) is that local people and staff are not capable of planning and implementing projects themselves. It is therefore imperative to invest in a regular system for building up local capacities in the organisation of participatory planning, as well as to absorb and properly manage the decentralised funds.

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## THE MAIN MECHANISMS

PSARD introduced three new mechanisms in the communes and villages of Hoa Binh and Cao Bang Provinces.

### 1 Participatory planning

**SEDP** or Socio-economic Development Plans are the result of a simplified participatory planning process in communes

and villages. It allows people to participate in decision-making and to directly voice their needs. Cao Bang and Hoa Binh have become pioneers in integrating and institutionalising this new approach. It has transformed local level planning by making it more realistic and in line with the actual needs and priorities of the people in communes and villages.

### 2 Funding

**CDF** or Commune Development Funds provide block grant funding to communes for implementing their development plans, as devolution of planning power must go hand in hand with devolution of budgets. Initial enthusiasm tends to dry up if sufficient and predictable resources are not available for implementation of participatory plans. In addition, CDF financing allows communes to gain hands-on experience in managing small investment projects.

### 3 Knowledge transfer

**FFS** or Farmer Field Schools are a tested participatory agricultural extension methodology, which was introduced in the government's extension service. For the first time, local people can decide which type of agricultural knowledge and practices they want to learn. The agricultural knowledge is transferred directly through practical sessions to groups of farmers so that theory sessions based on top-down teaching approaches become a thing of the past.

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## WHAT HAS BEEN ACHIEVED AT THE END OF PSARD?

PSARD has by and large achieved what it set out to do: the three mechanisms have become standard procedures and are being applied in all 199 communes of Cao Bang and all 210 communes of Hoa Binh.

Already the first results showed a win-win situation. The population in the villages and communes participated enthusiastically in this new process and contributed substantial resources themselves. The resulting infrastructure works were of better quality and cheaper than government projects; and district and provincial authorities, departments and staff realised that local level planning and participatory extension was indeed more efficient and effective than their standard top-down procedures.

These early successes led to a full buy-in from provincial governments, which is a substantial achievement in the Vietnamese context. Changes to established systems and processes are only approved if benefits are evident and visible to decision makers. Consequently, the provincial governments also committed to finance around 30% of the total project budget since 2011.

## PARTICIPATORY PLANNING THROUGH SEDPS

Since the full coverage of both provinces in 2011, more than **780,000 households** participated in local level planning and more than **1,500 commune development plans** have been developed.

*"Now it is easier because we collect people's needs and because of that when having things built people are willing to support and participate unlike previously."*

Nguyen Thi Huyen, Deputy Head of Hoa Binh Department of Finance

*"I prefer the way we do planning now even though it is more time consuming. It is more effective because it helps to prioritise what needs to be done in the coming years."*

Ma Thi Phuong, Nam Quang Commune official in charge of planning, Bao Lam District, Cao Bang Province

## FUNDING THROUGH CDFs

Nearly **3,500 small infrastructure** and other projects were funded since 2011, benefitting more than **790,000 villagers**. The total cost of the works was approximately **CHF 13.5 million**, to which the **local population contributed** around **42%**.

The funds have allowed the implementation of small infrastructure projects, which have visibly improved the living conditions in the communes. Roads and



### Local decision making in action

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**Joint construction of a village access road**

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bridges were built; clean water is now available; and kindergartens, primary schools, culture houses and toilets have been constructed or renovated. Agricultural production could be increased through the construction of dams and irrigation canals.

*“CDF has had a great impact on planning; without CDF people might not be interested. CDF has increased people’s confidence in planning.”*

District staff from Thach An, Cao Bang Province

*“Only when the CDF is applied do we have something to compare. We could see the limitations in the normal process: firstly it is more costly in terms of resources, secondly the degree of transparency and democracy is not as high. The participation of the community in this CDF way is also much better.”*

Nong Quoc Khoi, Cao Bang Committee for Ethnic Minority Affairs

## **KNOWLEDGE TRANSFER THROUGH FFS**

More than **4,400 agricultural classes** have been organised since 2011, in which over 105,000 farmers participated. **19 FFS training curricula** were developed on a wide range of topics.

The newly transferred knowledge has resulted in an average increase of 25% in productivity of crops and livestock when compared with traditional extension and

production approaches. Also, ethnic minority people who cannot read and write Vietnamese can now easily follow the FFS sessions.

*“Farmers support the training because they already took part in the participatory SEDP and expressed their training needs.”*

Ms Tran Thi Huong, Vice chairperson Nam Quang Commune, Bao Lam District, Cao Bang

*“The income from chayote, which I started to plant after I learned how to do it, is seeing my daughter through university.”*

Bui Thi Dong, farmer, Man Duc Commune, Tan Lac District, Hoa Binh Province

## **YES, WE CAN!**

However, facts and figures are but one side of what has been achieved. Participating first in planning and then the joint implementation of small projects has increased the confidence of people in their own capacities, raised their self-esteem and boosted social coherence in the villages and communes. Of particular importance was the wide participation of women, poorer households and ethnic minorities. As indirect impact, people have also started to jointly engage in other projects for the further development of their villages and communes.

*“My house is on the other side, we don’t use this road often, but when the neighbours were working on it we also joined. Our*

*family even contributed two extra working days. Having a better road is more convenient and we make it better for ourselves. We did not make the road for the government, the government does not come up here to use it, we use it several times a day.”*

Nong Thi Ha, Pac Rom village, Nam Quang Commune, Cao Bang Province

## **YES, THEY CAN!**

Equally important is the fact that communes have successfully demonstrated to districts and provinces that they can indeed manage funds and implement projects on their own, something that was initially doubted by many decision-makers and departmental staff.

The government realised that – when people can plan what they most need and in the right places – infrastructure is built more cost-effectively with beneficiaries’ own contributions and the resulting structures are more likely to be properly maintained.

As a welcome side effect, relations between administration and people have improved and there is now more trust, accountability and transparency between people and government in the two provinces.

*“Before we talked about decentralisation but there was no guidance nor training for the communes. No wonder the officials found it confusing. Communes now know how to organise and manage the funds, mobilise contributions from villagers and carry out the construction”.*

Nguyen Duc Chan, Bao Lac District Vice Chairman

## **SUSTAINABILITY IS SECURED**

Today, the provincial governments of Cao Bang and Hoa Binh have made the SEDPs, CDFs and FFSs formally part and parcel of their planning and implementation structures and procedures and agricultural extension systems. Consequently, provincial governments made funding available for the planning process and the CDF. Other national target programmes for poverty reduction have started to use the approach and mechanisms because they offer better outreach and anchoring of their activities.

Of particular importance is the fact that specific budget lines have been allocated in the new provincial 5-Year Plans 2016-2020 for conducting the participatory planning process.

In both provinces, government decisions have officially adopted the CDF principles for the implementation of small infrastructure projects in large national priority programmes. This relates in particular to programmes that specifically target poor communes and villages.

Hoa Binh has become the first province in Vietnam to commit resources from its regular provincial budget towards Commune Development Funds for infrastructure investments to those communes that do not benefit from other development programmes. Other provinces have expressed interest in the approach and want to learn from the experiences of Hoa Binh and Cao Bang.

In addition, successful PSARD experiences have also influenced donors and their projects: some have started to use the established mechanisms directly, to channel funding to communes and villages; at national level donors are advocating to include the PSARD approach in the design of the new phase of the National Target Programme on Poverty Reduction 2016-2020.

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### TAKE AWAY 1: DEPTH VERSUS SCALE OF IMPACT

The initial pilots that preceded PSARD had more human and financial resources available for each village and commune and consequently developed more elaborate systems and processes. However, coverage remained limited and mainstreaming was not practicable due to the limited human and financial resources available in the provinces and districts.

Consequently, PSARD intended to show that mainstreaming and large coverage is indeed possible and that this involves accepting a trade-off in terms of expectations related to quality of results achieved. The piloted procedures to plan, finance and implement local projects were therefore simplified and adjusted to the Vietnamese realities and the resulting standards were agreed with the decision makers beforehand.

In short, the position advocated by PSARD claims that the impact and sustainability potential of full coverage and institutionalisation, with realistic and relative modest ambitions, is superior to 'deep' impact interventions, which remain limited to a few selected locations. In this view, the final objective must be systemic change, which takes priority over achieving perfection with only narrow outreach.

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### TAKE AWAY 2: TIME AND COMMITMENT AS KEY SUCCESS FACTORS

The key factors instrumental for the success of PSARD can be summarised under the headings (1) time and (2) genuine commitment from both partners:

- (1) SDC committed its support for a sufficiently long period of time to allow PSARD to go through the necessary steps from initial testing to full-scale mainstreaming. It was not a quick-win process; decision makers had to be convinced at every stage.
- (2) To this end, SDC and Helvetas engaged in an extensive and pro-active policy dialogue with their partners in the provinces and districts. Core actors were invited to various field visits to gain first hand impressions and participated in a range of institutionalisation workshops.

It is, in other words, not enough for a project like PSARD to just provide funding and make good tools available. Genuine buy-in – in particular also to sustain financing beyond project duration – requires real partnership and commitment from both sides over a longer period of time.

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### IMPRINT

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This publication is also available in German and French.



**Hard work but still fun!**

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