



**Published by:**

Deutsche Gesellschaft für  
Technische Zusammenarbeit (GTZ) GmbH

Governance and Democracy Division  
Mainstreaming Poverty Reduction Project  
[QVA@gtz.de](mailto:QVA@gtz.de)

Dag-Hammarskjöld-Weg 1-5  
Postfach 51 80  
65726 Eschborn  
Germany  
Telephone: +49 (0) 61 96 79-0  
Telefax: +49 (0) 61 96 79-11 15  
Internet: <http://www.gtz.de>

**On behalf of the**

German Federal Ministry for  
Economic Cooperation and Development  
Division 310: Poverty Reduction, Social Development  
Contact: Ms. Astrid Böhm  
[Astrid.Boehm@bmz.bund.de](mailto:Astrid.Boehm@bmz.bund.de)

Friedrich-Ebert-Allee 40  
53113 Bonn  
Germany  
Telephone: +49 (0) 18 88 535-0  
Telefax: +49 (0) 18 88 535-35 00  
Internet: <http://www.bmz.de>

This study was conducted on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The views expressed are the independent conclusions of the authors. The BMZ views the study as a contribution to the international discussion on the monitoring of Poverty Reduction Strategy Papers (PRSPs). The complete study - the main report and the country cases - is available in German and English. The summary and the country cases studies of Burkina Faso and Nicaragua are also available in French and Spanish.

**Study conducted by:**

GFA - Management GmbH, Hamburg

**Coordination:**

Wolf M. Dio, GTZ GmbH

**Design, Layout and Production:**

Heidi Mohr, CrossLink, Frankfurt am Main

Eschborn, August 2004

# Table of Contents

## Volume 2: Country Study Vietnam

1.	Origin and Characteristics of Vietnam's Poverty Reduction Strategy	1
2.	Poverty Monitoring in Vietnam	4
3.	Monitoring Poverty Reduction Policies	6
3.1	Institutional position and organization	7
3.2	Structure and quality of the indicator system	9
4.	The Role of Donors in Supporting Monitoring	12
4.1	Multilateral donors	12
4.2	Bilateral donors	13
5.	Informational Value of the Monitoring System for the Donors	16
5.1	Multilateral donors	16
5.2	Bilateral donors	18
6.	Evaluation of the Monitoring System in Vietnam	19
7.	Conclusions for the Country Comparison	21
	<b>Bibliography</b>	<b>22</b>

## Acronyms and Abbreviations

ADB	Asian Development Bank
BWI	Bretton Woods Institutions
CPRGS	Comprehensive Poverty Reduction and Growth Strategy (Vietnam's PRSP)
DANIDA	Danish International Development Agency
DFID	Department for International Development
DPI	Department of Planning and Investment (provincial level)
EU	European Union
EUC	European Union Commission
GSO	General Statistical Office
HEPR	Hunger Eradication and Poverty Reduction Program
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
JSA	Joint Staff Assessment
LMDG	Like-Minded Donor Group
LSS	Living Standards Survey
MDG	Millennium Development Goals
MOF	Ministry of Finance
MOLISA	Ministry of Labor, Invalids, and Social Affairs
MPI	Ministry of Planning and Investment
MTEF	Medium-Term Expenditure Framework
ODA	Official development assistance
PPA	Participatory Poverty Assessment
PRGF	Poverty Reduction and Growth Facility
PRPA	Poverty Reduction Partnership Agreement
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
SIDA	Swedish International Development Cooperation Agency
UNDP	United Nations Development Program
VDG	Vietnam Development Goals (developed because MDGs have already been achieved in Vietnam)
VND	Vietnamese currency (dong)

## 1. Origin and Characteristics of Vietnam's Poverty Reduction Strategy

Vietnam is not a HIPC country and has no serious balance-of-payments problems. However, it remains a poor country with a per capita income of about USD 400 (in 2000), although no country except China and Ireland has been able to increase its per capita income as fast as Vietnam in the last 10 years. Since the policies of opening and transformation that began in the second half of the 1980s, Vietnam has succeeded in achieving high rates of economic growth and reducing the poverty rate (based on USD 1 per day, PPP) from over 58 percent in 1993 to 37 percent in 1998 and now to 29 percent (2002).

### PRSP to raise additional funds

As early as 2001, Vietnam presented an Interim Poverty Reduction Strategy Paper (PRSP) in order to obtain a special poverty reduction credit from the International Monetary Fund (Poverty Reduction and Growth Facility, PRGF) and the World Bank (Poverty Reduction Support Credit, PRSC). In May 2002, the Full PRSP was ready; its title, the "Comprehensive Poverty Reduction and Growth Strategy" (CPRGS), reflects the distinctly Vietnamese features.

### Poverty reduction even without the PRSP

Since the beginning of the 1990s, Vietnam has consistently pursued a development policy oriented to growth, poverty reduction, and general social development. This is anchored in corresponding planning documents: five-year plans, diverse sectoral strategies and development plans, the ten-year socio-economic development strategy 2001-2010, and the Hunger Eradication and Poverty Reduction Program (HEPR) of May 2001. The CPRGS summarizes the different strategies and plans, formulates clear timeframe and quantitative objectives, and has a comprehensive action plan, which makes the inter-sectoral interconnections fundamentally transparent and is a guide for action for both Vietnamese planning and the donors.

The CPRGS emphasizes the following main starting points for maintaining or strengthening the kind of growth that leads to greater poverty reduction (poverty reduction elasticity of growth):

1. creation of a favorable political and legal framework for growth and poverty reduction through comprehensive policy reforms, particularly transformation of the government sector, promotion of the private sector, and reform of the public financial system, the banking system, and the public administration
2. creation of favorable preconditions for broad participation and ownership, and also for good governance. Here, the CPRGS is supported by the Grassroots Democracy Decree, which ensures participation at the local level.

3. promotion of sustainable sectoral growth through measures benefiting the productive and social sectors. Here, the various sectoral development plans and strategies are integrated.
4. mobilization of resources for strategy implementation. There are estimates that in the years 2001-2005, around USD 60-70 billion in investment funds must be mobilized, of which about one-third will be externally financed (direct investment and official development assistance – ODA), while two-thirds will be raised inside the country. The private sector share is estimated to be 26 percent.

The following diagram pictures the relationships between the various planning documents and the CPRGS:



No existing MTEF, but ties to the five-year plan

The targeted programs include HEPR, which is also the most comprehensive of these programs.

Because there is no Medium-Term Expenditure Framework in Vietnam, the CPRGS does not directly correspond to the budget. However, the objectives of the CPRGS, based on the goals of the five-year plan for 2001-2005 approved by the National Assembly, were prepared in such a way that financing is fundamentally guaranteed. Nevertheless, Vietnam is currently examining the experiences of other countries with a MTEF.<sup>1</sup> Introduction of a MTEF on a test basis is planned for four regional and local governments for 2005.

The PRSP process has five essential characteristics:

- The CPRGS assigns an important role not only to the objectives of growth and poverty reduction, but also to ecological sustainability and the promotion of decentralization and democracy (grass roots democracy), which are to be taken into account during implementation.
- The CPRGS assigns a relative role to overall economic growth in poverty reduction and recognizes that additional comprehensive

<sup>1</sup> A pilot Public Expenditure Review was carried out in 2000 by the World Bank and touches on rather general questions.

socio-political measures are required in order to ensure that the poverty reduction resulting from economic growth is sustainable. The HEPR program is an integral part of the CPRGS.

- The CPRGS supports the effective and transparent allocation of its own funds (regular budget, public investments, national programs) and external grants and credits.
- Improved coordination between sectoral policies, questions of decentralized implementation, and participation of the population are considered highly important.
- The CPRGS was initiated by the government itself and coordinated with the decentralized levels. Donor support is secondary. Thus, there are no ownership issues.

Responsibility lies with the MPI; data supplied by the MOF

Implementation of the CPRGS began in September 2002 when the Prime Minister established a steering committee and work was begun in the CPRGS Secretariat and the inter-ministerial working group at the **Ministry for Planning and Investment (MPI)**, which has 52 members (ministries, departments, and other government offices). The MPI is coordinating implementation and is responsible for monitoring. The **Finance Ministry (MOF)**, on the other hand, must provide the data on revenues and financial management. It is also responsible for the reforms in public budget management foreseen in the CPRGS.

According to statements by the MOF, the percentage of the budget for socio-economic infrastructure increased from 6.1 percent of GDP in 1996 to 7.2 percent of GDP in 2003.<sup>2</sup> Agriculture and rural development are given special attention, because 70 percent of the population and 80 percent of poor families live in rural areas. According to the MOF, more will also be spent for the areas of education, training, science, technology, the environment, and health. Expenditures for education and training, for example, increased from 11 percent of total expenditures in 1990 to 16.2 percent (2003) and are to rise to 18 percent in 2005. Mountainous or remote regions are strongly supported.

According to the MOF, a large part of the budget is spent on poverty reduction. In the period 2000-2003, total expenditures for this area comprised around VND 20,000 billion, including around VND 7000 billion for Program 135 (2300 poor municipalities in 41 provinces received additional support through this program). Currently, double-digit percentage increases are foreseen for social expenditures.

---

<sup>2</sup> Because there are shadow budgets and gaps in the data on all expenditures, budget data is of only limited informational value.

**First progress report and reaction of the JSA**

The steering committee presented the first CPRGS progress report in November 2003. The draft of the Joint Staff Assessment (JSA) by the World Bank and the International Monetary Fund (IMF) praised the progress report, which observed, among other things, that certain reforms were proceeding unevenly and more slowly than expected, especially reforms of the financial sector, reorganization of the government sector, and improvements in public budgeting.

The JSA positively noted that the progress report clearly addresses the country's social and political problems: growing inequality, widespread poverty among ethnic minorities, social discrimination against unregistered or temporarily registered urban migrants, obstacles to good governance and the fight against corruption. The progress report also describes the institutional and organizational steps taken to implement the CPRGS and monitor progress.

Execution of the first PRSC, co-financed by Denmark, Sweden, the Netherlands, and the United Kingdom, proceeded according to plan. A new PRSC is being prepared; additional countries and the European Union (EU) wish to participate.

**Vote for the PRGF diverges from the vote for the PRSC**

In contrast, the third tranche of the PRGF has not yet been paid, because the IMF has warned that essential structural reforms are proceeding too slowly and certain IMF conditions have not yet been met: (1) financial reporting is not done in accordance with international standards, (2) there are no independent audits of the accounts, and (3) the accounts are not made public. Vietnam counters that it is working on reducing the shortcomings in financial reporting and is also willing to accept IMF technical support, but that these conditions, as part of the new Safeguard Assessment policies of the IMF, were not a contractual part of the previously negotiated PRGF.

## **2. Poverty Monitoring in Vietnam**

**Different poverty lines**

In Vietnam, different methods of measuring poverty are currently being used. This means that, in addition to a national poverty line,<sup>3</sup> there is also a general poverty line. The national poverty line, used by government agencies for planning and program design, is set by the Ministry of Labor, Invalids, and Social Affairs (MOLISA).

**General poverty line**

The general poverty line is determined in the framework of the Living Standards Survey (LSS) of the General Statistics Office (GSO). It distinguishes between a lower line (the cost of acquiring 2100 calories) and an upper line (also includes the cost of other necessary goods and

---

<sup>3</sup> The national poverty line is fundamentally binding for the authorities, but there are exceptions in certain cases. Thus, provinces and cities may deviate if the local poverty rate is lower than the national average, if local income is higher than the national average, and the resulting additional costs can be covered by the local budget.

services). The upper line corresponds to the international poverty line of USD 1 per day, PPP. In contrast to its predecessors in 1993 and 1998, the most recent LSS of the GSO, carried out in 2002, was based on a large sample (30,000 households for the expenditures survey and another 45,000 households for the income survey). Its predecessors were able to include only 4800 and 6000 households, respectively. In the future, the LSS is to be carried out each year.

**Statistical gaps**

Despite the relatively large sample, it is not possible to determine statistically reliable poverty rates below the provincial level. This gap will therefore continue to be filled by MOLISA. Although the different poverty lines lead to disputes about the extent of poverty reduction, the national poverty line and the lower line of the general poverty line are no longer that far apart. Thus, it is to be expected that a unified poverty line will be defined in the course of time.

**Different objectives of poverty measurement**

With respect to disputes over poverty measurement in Vietnam, it must be borne in mind that the questions are framed very differently by the GSO and MOLISA. The GSO wants to measure national and regional poverty rates in such a way that they are comparable, both within Vietnam and with international statistics, while MOLISA measures poverty in order to identify the beneficiaries for targeted programs.

**MOLISA as the key actor in monitoring**

Since 1993, MOLISA has had the mandate to set the national poverty line. Definition of this poverty line is the foundation for the identification of poor people and poor municipalities and for their preferential treatment in targeted programs. In measuring poverty, MOLISA relies on household income data that it collects itself. Those who earn less income than the level of the current poverty line are poor. That line varies for rural, urban, and mountainous regions: its purchasing power corresponds to the consumption of 15 kg of rice per person per month in mountain regions; 20 kg in rural lowlands; and 25 kg in cities. Poor villages and municipalities are defined by a poverty rate of over 40 percent and by a lack of or inadequate infrastructure (streets, schools, health stations, electricity and clean drinking water, small irrigation systems, and markets).

The tasks that MOLISA has been carrying out since 1998 in the framework of HEPR and since 2001 as part of the five-year National Targeted Program for Poverty Reduction and Employment (also: Program 143) have contributed to the emergence of a national, decentralized system of monitoring poverty. Its main objectives are to guarantee an effective focus on the objectives and to measure direct and indirect poverty results. It is also used to assist identification of beneficiaries.<sup>4</sup> Twenty-four indicators are used to measure access of beneficiaries to

---

<sup>4</sup> The local poverty reduction committee decides on actual inclusion in the list of poor villages. The local poverty reduction system of MOLISA contains participatory elements, since village assemblies decide who should benefit from the targeted programs. On the other hand, this discretionary power also encourages local arbitrariness and social marginalization.

certain programs and services, gains achieved by the productive activities of the poor and social services accessed.

**System still incomplete, expenditure flows cannot be tracked**

The system is not yet complete. It lacks intermediate indicators, i.e., inputs and outputs are not included. There is no budget tracking, so that it is impossible to judge the extent to which the allocation of funds is targeted and efficient. Furthermore, the quality of the data varies greatly between individual provinces, so that it is difficult to evaluate the overall results of HEPR, much less individual program components.

**Introduction of participatory monitoring approaches**

With support from GTZ and the United Nations Development Program (UNDP), MOLISA has been working for quite some time on far-reaching improvement of poverty monitoring. The focus of the efforts is on better data collection and evaluation as well as the introduction of new instruments, which are also suitable for monitoring processes and effectiveness. This also incorporates the somewhat altered demands that arose through the CPRGS process. In addition to continued strengthening of local capacities and close cooperation with the GSO, key characteristics of these efforts are the introduction of participatory monitoring approaches with the aid of Citizen Report Cards and the establishment of Poverty Observation Stations.

**Poverty Observation Stations**

The purpose of Poverty Observation Stations is to compile precise data on the movements of income and expenditures of selected households, insight into poverty processes, and direct results-based monitoring of poverty programs and changes in poverty rates related to persons, households, and municipalities. The Poverty Observation Stations being set up (they are planned for representative locations in the country's six economic zones) cover about 150 selected households each. The focus is on daily recording of income and expenditures. Reports are to be submitted to the provinces and MOLISA each quarter.

In addition to MOLISA, other line ministries also collect and report on key poverty-relevant information. However, before the CPRGS, it was primarily MOLISA that was entrusted with this task.

### **3. Monitoring Poverty Reduction Policies**

**MDGs already achieved, thus further with VDGs**

As the country had already met MDG 1 by the beginning of the 1990s, Vietnam has further developed the Millennium Development Goals (MDGs) into the Vietnam Development Goals (VDGs), which incorporate its own objectives. MDG 1 calls for halving the percentage of the population that lives on less than USD 1 per day within a period of 25 years (1990-2015): Vietnam succeeded in reducing by half the number of people living in extreme poverty in less than 10 years.<sup>5</sup> The VDGs also

---

<sup>5</sup> See, e.g., Vietnam Development Report 2004: Poverty, Joint Donor Report to the Vietnam Consultative Group Meeting, Hanoi, December 2-3, 2003, p. xi.

extend the objectives of the Vietnamese government beyond the other MDGs. They are the current measurement framework for the success of the CPRGS.

Passage of the CPRGS in May 2002 established a new basis for monitoring economic and social progress and thus also for Vietnam's poverty policies. Awareness of the importance of reliable and timely data for rational planning and political decision-making has grown substantially in many administrations. This is expressed in, among other things, the rising status of the GSO within the administration and the growing demand for its data and analyses, as well as increasing willingness to use statistical analysis in planning.

### 3.1 Institutional position and organization

<b>Organization and coordination of the M&amp;E system</b>	Responsibility for organization of the monitoring and evaluation (M&E) system and for its coordination and operation lies with the <b>CPRGS Secretariat</b> and the <b>inter-ministerial working group</b> . The <b>GSO</b> , which is also a member of the inter-ministerial working group, plays a key role in the review of current monitoring approaches, methodology development for the new monitoring system, and development of corresponding formats for reporting. According to assessment by World Bank staff, the GSO is among the best in Asia. It is supported by a large number of multilateral and bilateral projects (including those of France, Japan, and Sweden).
<b>Responsibilities at the provincial and local levels</b>	At the provincial level, the <b>Departments of Planning and Investment (DPI)</b> are responsible for integration of the CPRGS goals into local socio-economic planning and for monitoring. There has been a proposal to set up M&E committees at the local level, coordinated by the provincial statistical offices, in order to ensure broad participation by sectoral authorities and large-scale organizations.
<b>Individual actors gain greater status through the CPRGS</b>	The CPRGS not only strengthens the position of the MPI vis-à-vis other ministries but also helps the GSO to a higher status, as planning based on collected data has now become more important. The GSO, together with the MPI, coordinates the monitoring process. It does not have the formal mandate for this as yet, but it is expected. At the same time, the MOLISA is seeking an active role in CPRGS implementation and in setting up CPRGS M&E. This increases donor comprehension and recognition of the significance of the MOLISA as an important actor in poverty reduction. The MOF has played a less central role to date.
<b>M&amp;E activities specified in Policy Matrix</b>	The CPRGS Policy Matrix, which concretized implementation in the years 2003-2005, lists the following activities to help build up the CPRGS M&E system:

1. **improvement of macroeconomic statistics:** passage of a law on statistics;<sup>6</sup> expansion of statistical services at various levels; strengthening of the statistical data base; improvement of national accounting within two years; and improvement of the quality of budget data, so that they correspond to the fiscal statistical standard; creation of a website on Vietnam with the IMF.
2. **poverty monitoring:** collection of reliable data on the poverty situation and poverty trends, and regular publication and use of this data; implementation of company surveys in order to obtain reliable and timely data on economic growth and employment, which can also be published.

**M&E foreseen at all levels**

The M&E system provides information in order to keep the time and financial dimensions of the goals in view, thus contributing to successful implementation. On the basis of the evaluation of implementation progress achieved, the CPRGS M&E is supposed to help identify flawed developments, policies, and sectoral development measures and introduce the required corrective steps. It is to concentrate on three areas:

1. monitoring and evaluation of growth processes and their effectiveness in reducing poverty
2. monitoring the progress in mobilizing the required resources and their deployment
3. analyses of the effectiveness of policies and programs in reducing poverty, socio-economic analyses of poverty reduction processes.

Monitoring and evaluation of growth and poverty reduction is to be implemented at all levels, i.e., national, regional and local, sectoral, and taking into account gender aspects and social quintiles. Therefore, a system of indicators that is capable of the following should be used:

- measuring direct results (output) of economic development and poverty reduction
- monitoring and evaluating the use of (financial) resources (input)
- measuring the benefits (outcome) of the results when the goals were achieved
- measuring the effects (impact) of the programs and of the entire CPRGS on the poor and on society.

**Data must be regularly updated**

Regular updating of the database is a key prerequisite for an efficient monitoring system. There are therefore plans for the GSO to carry out the LSS every two years in the future. They should be designed in such a way

---

<sup>6</sup> In May 2003, the National Assembly passed a new law on statistics, which assigned great importance to data reliability and transparency. Currently, access to data remains somewhat limited for Vietnamese researchers and administrators.

that, in addition to fixed modules, special modules can also be inserted into each LSS to address specific questions. Analytic capacities must be strengthened so that government agencies can manage these demanding tasks.

**Data must be accessible to the public**

At the same time, publication of the data should be ensured, so that independent research organizations (NGOs, universities, etc.) are able to participate in monitoring and evaluation of economic development and poverty reduction processes, and so that a process of public consultation is initiated.

### 3.2 Structure and quality of the indicator system

The indicator system is to be found in Annex 1 of the CPRGS. The details have now been worked out by the inter-ministerial working group under the technical leadership of the GSO.

The current system consists of 136 indicators.<sup>7</sup> Two of the indicators are composite indices: the Human Development Index (HDI) and the Gender Development Index (GDI). The other 134 indicators can be classified as follows:<sup>8</sup>

<b>Monitoring level</b>	<b>Number of indicators</b>
Input indicators	7
Output indicators	9
Outcome indicators	100
Impact indicators	17
Unclassified (consumer price index)	1

  

<b>Thematic area</b>	<b>Number of indicators</b>
General macroeconomic categories (GNP and sectoral distribution, exports, imports, etc.)	20
Goals related to poverty reduction	114

  

<b>Frequency of data collection</b>	<b>Number of indicators</b>
Monthly	1
Yearly	100
At least every two years	8
At least every five years	5

---

<sup>7</sup> To compare the range: to date, the GSO has regularly reported on a total of over 230 indicators at the national level.

<sup>8</sup> Compare the following with the tables in the annex.

At least every 10 years	1
Not stipulated	19
<b>Main source of information</b>	<b>Number of indicators</b>
GSO or other statistical offices	around 67
MOLISA	around 35
Ministry of Education and Training (MOET)	around 10
Ministry of Health (MOH)	around 10

In many cases, the sources are not clearly specified and sometimes several sources are listed for one indicator.

**Reliable data are not available for all indicators**

There are reliable data for 85 of the 134 indicators, including the consumer price index.<sup>9</sup> This includes the 20 general macroeconomic indicators and 64 that were chosen because of their relationship to poverty reduction. Of the indicators that can be measured using reliable data, 72 are outcome indicators and 10 are impact indicators. Only two of the available indicators are output indicators, and one indicator is neutral. That means that there are no easily available, reliable input indicators, such as, for example, total expenditures for national poverty reduction and food aid programs. Furthermore, the results of sectoral efforts are not reflected in such an indicator system, because the system does not have complete results chains (from sector input and output to poverty outcome or impact).

At this time, reliable data are not generally available for 49 of the 134 indicators - more than one-third of the selected indicators. All of these 49 indicators describe objectives related to poverty reduction.

**Because of the lack of data, only limited reporting is possible**

The annex of the CPRGS progress report of November 2003 provides corresponding data for only 28 of the 134 indicators. This was supplemented by data on 20 additional indicators, which are not part of PRSP monitoring, but for which the data are apparently easier to obtain.

Furthermore, in October 2003, the inter-ministerial working group issued separate data on the Vietnam Development Goals, which were available at the time of the JSA. Data were supplied on about 50 of the 134 PRSP indicators, some of which had already been disaggregated according to province and other criteria; it was also presented in time series. This compilation was also supplemented through related data in order to increase its informational value. For 10 of the reported indicators, there were data for the current year (2003 or 2002/03); for 29 indicators, the data were from the previous year (2002 or 2001/02). The other data were older.

**Gaps in data compilation**

Thus, the largest gaps in data collection currently arise in the following fields:

- use of resources for poverty reduction

---

<sup>9</sup> Thirty-one indicators are already published regularly in statistical publications.

- living standards and preservation and development of ethnic minorities
- sustainable environmental protection (including dwellings, water and sewage infrastructure)
- reduction of vulnerability to poverty
- gender equality and empowerment of women
- good governance for poverty reduction.

Irrespective of this, the selection of many of the indicators is not directly comprehensible from a technical point of view. Thus, what should be measured or is actually measured is not always relevant to the respective objective.

That means that currently the indicator system only partially meets the demands outlined in the CPRGS document.<sup>10</sup>

### PPAs prove to be useful

Currently, the CPRGS M&E obtains data from three sources, which combine quantitative and qualitative methods: (1) surveys (in addition to data collected under the auspices of the line ministries); (2) Participatory Poverty Assessments (PPAs); and (3) specific studies on the poverty situation. The most important continuous sources of data are the household and company surveys, for which the GSO is responsible. These quantitative analyses are supplemented by qualitative PPAs and specific poverty-related results-based studies.

After six PPAs had been carried out in 2002, PPAs were carried out in additional provinces and cities in July and August 2003, with broad support from the donors.<sup>11</sup> These PPAs yielded valuable information about the regional poverty situation, the effectiveness of poverty programs, the required expansion of basic social services, and the possibilities of reducing vulnerability to poverty and managing and implementing the poverty reduction strategy. The PPAs also point to important gaps in the household surveys.

Thus, the PPA in Ho Chi Minh City called attention to the specific problems of unregistered migrants. Because PPAs can be openly and flexibly designed, they should also be carried out in the future, so that new

---

<sup>10</sup> Nevertheless, it must be taken into account that this may also be due to the current availability of data. The choice of indicators will normally be influenced by their availability. Furthermore, the definition process is of a political and not purely technical nature. Thus, indicators may also reflect negotiated political compromises.

<sup>11</sup> Lao Cai (northern mountain regions), Ha Tinh (north-central), Quang Tri (coastal region, with GTZ participation), Vinh Long (Mekong Delta), and Ho Chi Minh City.

or previously unrecognized aspects of poverty and poverty reduction can be incorporated into regular data collection.

## 4. The Role of Donors in Supporting Monitoring

The CPRGS document (including CPRGS M&E) was drawn up by the MPI in cooperation with other ministries. However, the donors, particularly the World Bank, the Department for International Development (DFID), and the Japan International Cooperation Agency (JICA), provided crucial financing for preliminary and flanking analytical work. International experts were also engaged for this purpose.

### 4.1 Multilateral donors

ADB has points of intersection with the CPRGS	The <b>Asian Development Bank (ADB)</b> , a regional bank and the third largest individual donor to Vietnam, views its cooperation with Vietnam as an independent partnership, which cannot be reduced to the role of co-financing multilateral credits such as the PRSC. The Vietnam country strategy explicitly refers to the PRSP, pointing out that the Poverty Reduction Partnership Agreement (PRPA), signed with the government of Vietnam in February 2002, covers some of the PRSP sub-goals. However, it is not identical to the CPRGS, and the ADB portfolio goes beyond the CPRGS at some points.
UNDP is working on poverty monitoring	The <b>United Nations Development Program (UNDP)</b> has been working continuously on questions on poverty monitoring for some time now, with an emphasis on operationalizing the MDGs and VDGs. The UNDP also participates in HEPR monitoring with MOLISA, as does the GTZ.
CPRGS is very important for the EUC	Because the <b>European Commission (EUC)</b> decided on a new development strategy that focuses on SWAPs and budget financing, <sup>12</sup> the EUC is preparing to get involved with budget financing in Vietnam. Thus, in the spring it intends to evaluate whether it can become a co-financier of PRSC 3. This assessment will be highly interesting, because it would be the first case of budget financing by the EUC in Asia.

From the perspective of the EUC, the CPRGS has been more successful in guiding the activities of donors than those of the Vietnamese government. In the latter case, socio-economic development planning and the five-year plans have more weight. Nevertheless, the EUC considers the CPRGS to be extraordinarily important and believes that the consultative conference plays a special role in monitoring.

---

<sup>12</sup> Budget support in particular sectors – e.g., education, rural development – limited to certain target groups.

World Bank seeks division of labor in monitoring

The **World Bank**, the second-largest individual donor to Vietnam and partner of the IMF in the JSA, is directly responsible for approving CPRGS progress in fulfilling the conditions for the award or extension of the PRSC and PRGF. The capacity for poverty monitoring at the World Bank is supported by two specialists provided by the DFID. They are taking over and organizing a large part of the special poverty-oriented activities in the World Bank office in Vietnam.

The World Bank is of the opinion that the ongoing collection and evaluation of data (e.g., regular statistical surveys) should be financed by the government, while analytical and innovative work should be financed by foreign donors, including the World Bank. It sees human resources and capacities in Vietnam as fundamentally good and also adequate at the national level. However, often the incentives necessary to fully mobilize these capacities are lacking. On the other hand, the provinces do not have sufficient capacity. Furthermore, it is the primary task of CPRGS implementation to design the planning process in a poverty-oriented manner, to base planning on data and facts, and to incorporate the participants into the planning process and monitoring of plan implementation.

## 4.2 Bilateral donors

Attempt at donor coordination

In an attempt to reduce the transaction costs of development cooperation, an ad hoc **Like-Minded Donor Group (LMDG)** was formed in Vietnam, united in a joint effort to use the CPRGS as a framework for planning and provision of ODA and to raise the quality of development cooperation in Vietnam.<sup>13</sup> The group is attempting to develop and formulate common positions. The LMDG is particularly concerned that CPRGS implementation in the provinces may be slowed by limited capacities and is therefore encouraging efforts and exchange of information at the decentralized level. As the annual objective for 2004, it is calling for the CPRGS to be reflected in the annual plans, the five-year plan 2006-2010, and at subsidiary levels, and for more LMDG members to co-finance a PRSC in line with the CPRGS.

The image of the LMDG remains mixed. Its position is not yet as binding as that of individual member countries, so that the group must be viewed as more of a discussion forum. There have been no special LMDG contributions to the CPRGS.

For Denmark, PRSP M+E would be ideal, but the project modus operandi remains

**Denmark**, the third largest bilateral donor according to current pledges, is currently unwilling to provide budget assistance, as public budgeting in Vietnam is not transparent enough and financial decentralization is not yet sufficiently developed. Nevertheless, since 1994, Denmark has fundamentally supported SWAPs and is thus very interested in the PRSP process. Cooperation with Vietnam continues in the framework of

---

<sup>13</sup> The members are Australia, Denmark, Germany, Finland, Canada, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

projects, even when individual projects have been combined into sectoral programs (water, fisheries, and agricultural sectors). With respect to support of the CPRGS process, the Danish International Development Agency (DANIDA) offered the MPI to support the establishment of the CPRGS Secretariat with technical cooperation. However, due to an inappropriate project proposal within the framework of a project appraisal, no agreement was possible.

**Germany sticks with projects as its modus operandi**

**Germany's** development cooperation has not yet been redirected to the CPRGS. Thus, there has been no PRSC co-financing from the German side to date. In part, this is because the MPI has strongly encouraged the Germans to continue with the current project orientation, which is already focused on poverty reduction.<sup>14</sup> Nevertheless, participation in the PRSC is being examined. The prerequisite for participation is transparent financial management, accounting, and auditing. This is another reason that German development cooperation is supporting the MOF in the area of budgeting. However, there are still fundamental questions regarding the role of the CPRGS in relation to socio-economic development planning and HEPR. Thus, from the German perspective, although analysis is good in the CPRGS, the policy proposals are not operational, and the CPRGS lacks real priority areas. Furthermore, HEPR and socio-economic development planning are strongly supply oriented (top-down), while CPRGS is designed as a demand-oriented strategy (bottom-up, participatory), which empowers the poor and aims to support them in their own economic activities, an approach that Germany supports.

**France sees the PRSP as one of several strategies**

**France**, Vietnam's fourth largest donor, is interested in cooperating with Vietnam because of the special past that binds the two countries. The cooperation priorities are laid out in the 2002 country strategy document and do not refer to the PRSP, but to Vietnam's socio-economic development plan and France's goals in Vietnam: solidarity, influence, and economic presence. Officially, the CPRGS is viewed as "one among several strategies" to develop the country and is thus also supported by France. France did not co-finance the PRSC, because it does not have the "appropriate instruments".

France does not unconditionally support the PRSP. It is France's view that the connection between growth and poverty reduction is not sufficiently detailed and that this dichotomy reflects a very liberal view. Furthermore, the political dimension of the reform process, in which there will be winners and losers, is not addressed. France is thus making greater efforts to take into account the evolution of the entire social fabric. In particular, it is seeking to help Vietnam's decision-makers guide the development process through innovations instead of managing it in a technocratic manner, as was the case previously.

---

<sup>14</sup> In October 2003, the GTZ presented a concept for a supra-priority area of poverty reduction within the agreed promotional areas to support decentralized implementation of the CPRGS.

**JICA wants more emphasis on economic growth and infrastructure investment**

**Japan**, the largest donor to Vietnam with 30 percent of total pledges, sees itself as having been continually involved in the PRSP process, though perhaps not with great visibility.<sup>15</sup> The contents of the CPRGS, including social policy and the promotion of grassroots democracy, are supported by JICA without reservation. Social stability and social security represent basic conditions for sustainable growth processes. However, JICA believes that Vietnam's PRSP has, up to now, lacked balance with respect to the relationship between economic growth and poverty reduction. Therefore, Japan assisted the Vietnamese government with the preparation of an additional section of the PRSP describing the contribution of large infrastructure measures to growth and poverty reduction. In December 2003, incorporation of this new section at the meeting of the consultative group was greeted by all donors as an important opportunity to strengthen poverty-oriented growth.

JICA emphasizes that the PRSP represents a process that must be more carefully linked to the country's own development planning system, thus recognizing the primacy of a national planning system, which can and should not be replaced by the PRSP process. Up to now, direct contributions in support of the PRSP and poverty monitoring have not been forthcoming from the Japanese side. Nevertheless, planned contributions to set up a health Management Information System and to improve industrial statistics are now being viewed in a new light as PRSP relevant.

JICA would like to see broader participation in implementation of the CPRGS: the absence of civil society involvement is an obstacle. However, it is already apparent that more government agencies are involved in the planning process than before. In principle, the sectoral monitoring systems operated by individual ministries must still be adjusted to the CPRGS. The establishment of CPRGS M&E is to occur through the gradual improvement of the existing systems. JICA believes that new indicators must be introduced whenever necessary.

**SIDA has goals that extend beyond the PRSP**

The Swedish International Development Cooperation Agency (SIDA) has been active in Vietnam for a relatively long time, so that **Sweden** has gained the trust of the Vietnamese government to a correspondingly high degree. Basically, Sweden supports the CPRGS, which is why it co-financed PRSC 1. Sweden did not co-finance PRSC 2, since it does not unequivocally support the strong emphasis on growth as a means of reducing poverty. Sweden also sees the lack of a strategic perspective on improvements in human rights and democratization as shortcomings.

Thus, the framework for cooperation with Vietnam in the current country strategy explicitly includes both the CPRGS and a supplementary rights

---

<sup>15</sup> From the perspective of various western donors, in contrast, Japan joined the PRSP process relatively late. Japan's role may in fact have shifted somewhat through the most recent changes in JICA's organizational structure (in October 2003).

perspective. The Vietnamese government has been offered support beyond the government's own strategy with respect to progress in human rights, democracy, and good governance. SIDA is also preparing a technical cooperation project to support the CPRGS Secretariat, since the original offer by Denmark did not materialize.

**DFID wishes to fully orient itself to the PRSP and supports the World Bank with staff**

The **United Kingdom (DFID)** has become the third largest western bilateral donor after Denmark and France. The current British country strategy is directly geared to the PRSP. The objective is direct support of the PRSP and implementation of its policies and programs. There are also efforts to work through cross-cutting themes and participate more fully in the development of the educational system and the transportation sector. Current projects at the provincial level or in rural regions, for example, are to be studied in order to glean the most pragmatic lessons possible for poverty reduction. In addition, DFID provides two poverty experts to the World Bank Office in Hanoi, who are making crucial contributions to the quality of World Bank work in Vietnam in the area of poverty reduction.

Because DFID has for years oriented its bilateral development cooperation to advisory services and co-financing of national and sectoral reform processes for structural poverty reduction, the PRSP system has not significantly changed the system of objectives for British cooperation in Vietnam. Nevertheless, it has been pointed out that, in the case of Vietnam, the PRSP possibly forced the donor community, to a far greater extent than the government, to ascertain whether their own programs had verifiable poverty reduction effects.

## **5. Informational Value of the Monitoring System for the Donors**

### **5.1 Multilateral donors**

**Multilateral donors, including the BWI, have paid relatively little attention to M&E**

The **ADB** views the CPRGS indicator system as relatively important. It believes that some indicators are important for assessing the development of the country and for support of the CPRGS by the ADB. However, the CPRGS indicator system is inadequate for cooperation concentrated on certain sectors. Thus, the informational value of CPRGS monitoring is insufficient for ADB decision-making, so that special data are additionally generated or collected.

PRSP monitoring has limited significance for the **UNDP**, because the CPRGS is not a condition for cooperation with Vietnam. On the other hand, the UNDP is attempting to support Vietnam in setting up CPRGS M&E. Among the donors, the UNDP has a highly nuanced position on PRSP monitoring, so that further stimulus for PRSP monitoring in Vietnam can be expected from this side.

**UNDP sees no donor interest in information from CPRGS monitoring**

Summarizing the expectations of donors, the UNDP has observed: that donors who continue to prefer the project modus operandi for cooperation have no special demands on CPRGS monitoring; and that those who provide (or want to provide) budget assistance demand above all transparent budgetary policies and budget tracking.

With respect to their demands on CPRGS monitoring, the **EUC** has observed that in the PRSCs, the reforms that Vietnam has agreed to (and not the PRSP indicator system) represent the monitoring criteria, since payment of the credits is tied to their fulfillment. For the other forms of cooperation, it reserves the right to use its own criteria.

**BWI hardly use the current CPRGS monitoring system and want to adjust it**

Fundamentally, the **World Bank and the IMF** do not required fully developed PRSP monitoring for their decision-making process. Apparently, they also use the current indicator system, developed by the Vietnamese government to only a limited degree. The World Bank is satisfied with the development overall, because the quality of the data is continually being improved. Furthermore, the IMF needs financial data that are not part of the indicator system. If data important to decision-making are not available, it is collected or estimated by the two institutions themselves.

When deciding on the extension of the PRSC and the PRGF, the World Bank and the IMF rely far more on the CPRGS Policy Matrix than on the CPRGS indicator system. Correspondingly, the JSA of December 2003 urges that the CPRGS Policy Matrix be updated and more publicly discussed. With respect to the indicator system, it is noted that the objectives of good governance require accurate monitoring, and that therefore a corresponding framework must be prepared. Furthermore, the World Bank recommends a short list of core indicators, since it fears that monitoring may be too demanding, particularly at the provincial level. It is also (rightly) concerned that data about persons in the group of unregistered or temporarily registered migrants who are vulnerable to poverty will not be included in the indicator system. An adjustment to the LSS is therefore proposed (Are those surveyed registered or not?). In addition, there is criticism of the fact that the 2002 LSS results have still not been made broadly available for research purposes.

The IMF and the World Bank have proposed that future reporting be improved by, among other things: (1) more clearly working out the links between the results and the underlying policy measures; (2) undertaking an evaluation of the risks associated with the current policy positions; and (3) preparing a more comprehensive analysis of the identified challenges and the implementation of problem-solving approaches. Furthermore, the inter-ministerial working groups are called upon to reflect on ways to more fully incorporate the various ministries and departments in the debate on the CPRGS implementation process.

## 5.2 Bilateral donors

**Bilateral donors persist in using projects as their modus operandi and do not draw upon M+E for decisions**

The **LMDG** has not developed a joint set of demands on the CPRGS indicator system. Thus, CPRGS M&E has not so far been an important negotiation topic for the members as a group.

From the point of view of **Denmark**, the evaluation of the PRSP indicator series represents the ideal case that development cooperation seeks. However, given that Denmark continues to carry out its development cooperation with Vietnam through projects, PRSP monitoring is not consulted in practice. The demands of the Danish Treasury with respect to documenting the use of funds do not permit a shift to budget and program assistance. Nevertheless, DANIDA envisions a form of M&E that works with a reduced number of indicators at three levels and serves the following ends: measurement of progress in implementation and monitoring of budget assistance such as PRSCs and PRGFs (national level); monitoring of sectoral programs (sectoral level); project monitoring (project level). In processing the cooperation of individual projects, Denmark already takes pains to evaluate project success by way of individual indicators at the outcome level. That means that an indicator for which data are already being regularly collected (thus not imposing an additional burden) is used at the level of the project purpose or overall purpose. This consciously takes into account the fact that the special contribution of the project can no longer be directly calculated, because the project has an impact on the objective and the corresponding indicator in conjunction with other factors. Thus, Denmark, too, votes for slimmed-down CPRGS M&E.

No demands on CPRGS M&E reflecting **Germany's** perspective have been formulated up to now, because Germany does not co-finance the World Bank PRSC. If the PRSC is to be co-financed, the special criteria for monitoring will be formulated only within the framework of an appraisal which can take into account the analyses of third parties.

Because **France** bases its country strategy primarily on Vietnam's socio-economic planning, PRSP monitoring is irrelevant to France's current decision-making process.

Up to now, **Japan** has seen only limited benefits in PRSP monitoring. The political priority of supporting Vietnamese development results primarily from regional political concerns: Vietnam is a neighbor of China, has a relatively large population, and its economic growth is positive.

In comparison, a justification based on the PRSP is secondary, regardless of the form of Japanese support.

**Sweden's** country strategy foresees monitoring of the CPRGS and the Policy Matrix agreed upon in the PRSC framework. Because questions of human rights and democracy are very important for Sweden's cooperation, the country strategy requires that, parallel to CPRGS M&E, SIDA carry out or submit its own observations on and evaluations of the questions not touched upon by the CPRGS. These latter evaluations carry greater weight in decision-making than the results of CPRGS M&E.

Furthermore, SIDA sees the risk that the CPRGS itself does not necessarily lead to changes in resources allocation, either on the national side or by the donors. Thus, SIDA reserves the right to consider not only government expenditures, but also the allocations of various donors, in its own decision-making.

For **DFID**, the fundamental decision to support Vietnam's development goals in the next decade is justified by the fact that Vietnam remains a poor country but has a good track record of efficient use of resources. However, the considerable increase of DFID resources in Vietnam from less than GBP 5 million in 2000/2001 to an expected GBP 60 million in 2004/2005 is justified on the basis of the PRSP, which is perceived to have been successful. In particular, the country strategy specifies that the increase in funds volume must be conditional upon progress in poverty reduction and that additional funds should be made available, as far as possible, in the form of budget and program assistance. Likewise, direct cooperation with other donors who have the same objectives should be expanded and the number of projects kept as low as possible. The success criteria of the Director's Delivery Plan include, for example, criteria such as the development of PRSP monitoring for the purpose of determining the impacts of the PRSP and a serious debate on PRSP progress reports. This is combined with the idea that the PRSP and its implementation will be adjusted on the basis of monitoring results, as needed. However, in the current DFID discussion in Vietnam, the value of PRSP monitoring must still be seen as low.

## 6. Evaluation of the Monitoring System in Vietnam

**PRSP guides activity of the donors more than that of the government**

To date, the CPRGS as such has guided the activity of the donors much more strongly than that of the Vietnamese government. However, the entire CPRGS process has helped push forward the reform processes that were already foreseen on the Vietnamese side. This is demonstrated by, among other things, important supplementary laws, for example, the statistics law and the budget law; the assessment of PRSC results; and increased awareness of the need for a balanced link between the growth strategy and poverty reduction. Both national actors and multilateral and bilateral Vietnamese partners now use the CPRGS to orient and refine their programs.

**There is ownership, and understanding of poverty has improved**

The CPRGS process was clearly initiated and shaped by the Vietnamese government, so that the ownership required for success is given. Currently, the CPRGS positively supplements national planning, particularly through the changed general understanding of poverty reduction (empowerment to earn income instead of social assistance), but in no way replaces it.

The analysis and overall strategy are comparatively good for this kind of strategy document. However, the strategy has not been sufficiently broken down and operationalized.

### **PRSP M&E still in the initial stages**

This lack of strategic operationalization is necessarily reflected in the quality of the CPRGS monitoring system, which is also, however, still in the initial stages. At the national level, an indicator system was developed to measure the success of the CPRGS on the basis of the VDGs (local MDGs). Although this indicator system is comprehensive, with 136 indicators, the value of the indicators varies greatly. The essential criticisms of the indicator system are:

- The changed understanding of poverty reduction is not yet reflected in the indicator system.
- With this system, it is not possible to fine-tune policies and programs sufficiently, as significant input and output indicators are lacking or cannot currently be reported. Thus, the system is primarily useful for the national and international policy dialogue. This is in part a reflection of the MDGs (or VDGs), which are of limited value for program and project formulation.
- Only some of the indicators can currently be reported, for statistical reasons. These are primarily the outcome and impact indicators.
- Individual policy fields are not very convincingly integrated into the indicator system (good governance, ethnic minorities, the environment).

There is need for action with respect to the institutional position and institutional organization in the following areas:

- The "missing middle" is not missing in the case of Vietnam; it exists in the form of sectoral plans and budgets. However, up to now, the sectoral monitoring systems of the individual ministries and departments have not been systematically studied with respect to their suitability as instruments for policy and program management (results-based monitoring) or integrated into CPRGS monitoring.
- Substantive cooperation, particularly between the MPI, GSO, MOLISA, and MOF should be further intensified in order to improve the indicator system. The GSO also requires a clear job assignment with respect to CPRGS M&E.

The conclusions for the role of donors can be summarized as follows:

- Despite their official affirmation of budget and program financing, many donors do not yet see themselves in a position to relinquish the reigning modus operandi of projects because convincing accounting and expenditure transparency is lacking. Therefore, currently the CPRGS indicator system does not really represent a benchmark for the awarding of financing.
- All donors should demonstrate real interest in PRSP monitoring with greater technical and financial involvement. Although participation in PPAs was successful, after stipulating the CPRGS goals, the donor community did not become more involved in the process of defining indicators.

## **7. Conclusions for the Country Comparison**

- The donors do not view PRSP monitoring as very important for a serious PRSP process and successful poverty reduction. Rather, the donors are satisfied with the generally observed trend of poverty reduction instead of seeking to monitor the specifics.
- PRSP monitoring plays no role for an extension of the PRSC if the general direction appears to be the right one.
- PRSP monitoring also plays no role for an extension of the PRGF. In doubtful cases, it cannot overrule the strict conditions of the IMF, in particular. Positive poverty reduction effects may not compensate for shortcomings in meeting security demands, such as, for example, the failure to apply international accounting standards or the lack of independent auditing and publication of financial reports by the central bank.
- In setting up PRSP monitoring, close cooperation with a competent statistical office fundamentally supports the quality of the indicator system. Nevertheless, the process of defining indicators remains a political process, one which is not determined by substantive or technical criteria alone.
- A PRSP monitoring process may improve the quality of the national government's discussion of the PRSP objectives in the medium term and may facilitate cooperation between the various departments.
- Monitoring poverty reduction or poverty statistics is supported by the PRSP monitoring process.

## BIBLIOGRAPHY

There is a wide variety of publications on the subject of PRSP: someone new to the topic would hardly know where to begin. This bibliography, partially annotated, selects individual contributions that represent core documents or in-depth literature.

The PRSPs, JSAs, and progress reports of all countries are now available to the public on the IMF and World Bank websites. Typing the keyword "PRSP" and the name of the country concerned into the search engine of the respective website quickly leads the user to the desired documents. However, the download time is sometimes still relatively long, as the documents were often scanned and the document size thus may comprise several MB.

- Asche, Helmut 2003. Einige Fragen zur gesellschaftlichen Kontrolle von Armutsstrategien – Hintergrundpapier zum GTZ-Konzept PRSP-Monitoring, Eschborn 2003.
- BMZ, Ref. 120, Evaluierung – Wirkungsmonitoring in der EZ – Synthesebericht, Bonn, November 2002.
- BMZ/GTZ 2002 (Publ.). Beyond the Review: Sustainable Poverty Alleviation & PRSP – Conference Report – Berlin, May 2002. Eschborn, 2002.
- Booth, David & Henry Lucas 2002. Good Practice in the Development of PRSP Indicators and Monitoring Systems. ODI Working Paper 172. London: ODI.  
*The first comprehensive contribution discussing the indicators that should be used in PRSP monitoring. This includes types of indicators as well as a discussion of the "missing middle."*
- Christiansen, Karin & Ingie Hovland 2003. The PRSP Initiative: Multilateral Policy Change and the Role of Research. ODI Working Paper 216. London: ODI.  
*Chronology of the short history of PRSPs, providing background on the institutional, human resources, and political situation in the donor countries and in the BWIs.*
- Coudouel, A., J. Hentschel, and Q. Wodon 2001. PRSP Sourcebook – Chapter on Well-Being Measurement and Analysis – Draft for Comments.  
*These authors have also published other clear, professional summary articles on the topic of measuring poverty, which efficiently provide technical depth to someone new to the topic.*
- DAC 2001. Glossary of Evaluation and Results-Based Management Terms. Draft. June, 2001.
- DAC 2002. Good Practice Reference Paper: Reporting and Monitoring.
- DAC 2002. Report: Meeting of Experts on Reporting and Monitoring.
- Department for International Development (DFID) 1997. Eliminating World Poverty: A Challenge for the 21st Century. White Paper on International Development. London: DFID.
- Department for International Development (DFID) 2001. Meeting DFID's Fiduciary Requirement When Providing Direct Budget Support. London: DFID.

*Investigates the question of how budget assistance can meet the fiduciary criteria of British financial regulations given the lack of international standards and procedures and with which means DFID can fulfill the corresponding demands for control in order to support poverty reduction policies in beneficiary countries.*

- European Commission (DG Development) 2002, PRSP Review: Key Issues, Brussels 2002.
- GTZ 2000 (publisher). Impact Assessment with a Poverty Focus in Policy Advisory Projects: Concepts, Questions and Cases, Alison Lobb-Rabe, Eschborn, September 2000.
- Heimans, Jeremy 2002. Strengthening Participation in Public Expenditure Management: Policy Recommendations for Key Stakeholders. OECD Development Centre Policy Brief 22.

*Describes opportunities and risks of citizen participation in monitoring public expenditures within a PRSP.*

- IMF & IDA 1999, Heavily Indebted Poor Countries (HIPC) Initiative – Strengthening the Link between Debt Relief and Poverty Reduction, August 26.

*Works through proposals by NGOs on the form of HIPC.*

- IMF & IDA 2002, Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Early Experience with Interim PRSPs and Full PRSPs. Washington, March 26.
- IMF & IDA 2002, Actions to Strengthen the Tracking of Poverty-Reducing Public Spending in Heavily Indebted Poor Countries (HIPC), Washington, March 22.
- IMF & IDA 2003, Poverty Reduction Strategy Papers – Detailed Analysis of Progress in Implementation, Washington, September 2003.
- IMF & World Bank 1999. Heavily Indebted Poor Countries (HIPC) Initiative – Strengthening the Link Between Debt Relief and Poverty Reduction, August 26.
- IMF & World Bank (Development Committee) 1999. Building Poverty Reduction Strategies in Developing Countries (DC/99-29), Washington, Sept. 1999.
- IMF & World Bank (Development Committee) 1998, The Initiative for Heavily Indebted Poor Countries – Review and Outlook. (DC/98-15), Washington, Sept. 22, 1998.
- Laderchi, Caterina Ruggeri & Ruhi Saith and Frances Stewart 2003. Everyone agrees we need poverty reduction, but not what this means: Does this matter? Helsinki: WIDER.

*Discusses typical problems of poverty measurement, with comments on individual procedures, e.g., PPA.*

- Northover, Henry 2000. PRS – Poverty Reduction or Public Relations Strategies? Catholic Fund for Overseas Development (CAFOD).

*A key technical contribution from the world of NGOs, one which has frequently been cited. It proposes, among other things, removing the IMF from evaluation / approval of the PRSP, as it has no jurisdiction to force the World Bank to stipulate ex ante the poverty results of policies through results-based analyses, and to separate the HIPC Initiative from the PRSPs in order to achieve rapid effects for debtor countries.*

- Pain C. & Renate Kirch 2002. Document Review on the challenges in monitoring the PRSP – An input paper to the working group on poverty assessment, prioritization of political steps and monitoring in the PRSP, Draft for Comments, Berlin, May 8, 2002.
- Prennushi G., G. Rubio & K. Subharao 2001. Monitoring and Evaluation, World Bank PRSP Sourcebook, (Draft for Comments, April 2001).  
*This is the fundamental contribution of the World Bank to the creation of monitoring and evaluation systems for PRSPs. It serves as an introduction to building up systems and results measurement.*
- United Nations 2002. The UN and the MDGs: A Core Strategy.
- United Nations Statistics Division 2004. Handbook on Poverty Statistics: Concepts, Methods and Policy Use. <http://unstats.un.org/unsd/methods/poverty>.  
*A work in progress, but at a high level. For anyone who wants an overview of poverty statistics.*
- United States General Accounting Office 2001. IMF – Few Changes Evident in Design of New Lending Program for Poor Countries. GAO-01-581.  
*This report concludes, for example, that the transition from ESAF (Enhanced Structural Adjustment Facility) to PRGF did not result in any visible changes in the form of IMF programs.*
- World Bank 1990. World Development Report. Oxford, etc.: OUP.  
*This is the first World Development Report that explicitly took poverty as its subject matter.*
- World Bank 1993. Poverty Reduction Handbook. Washington: IBRD.  
*This is the first World Bank handbook on the topic of poverty reduction.*
- World Bank 1998. Assessing Aid: What Works, What Doesn't, and Why, Oxford: Oxford University Press.
- World Bank 2001. Monitoring and Evaluation Technical Notes and Case Studies. World Bank PRSP Sourcebook, Draft for Comments, April 30, 2001.  
*Contains four technical annotations on various topics and 12 clear case studies in different countries, whereby two are more closely related to PRSP monitoring and others refer more directly to special measures.*
- World Bank 2003. Targets and Indicators for MDGs and PRSPs: What Countries Have Chosen to Monitor. World Bank Development Data Group.  
*Compares monitoring indicators from 27 PRSP countries and makes observations on the realism of defining goal indicators.*
- World Bank & DAC 2002. Harmonization of Operational Policies, Procedures, and Practices: Second Progress Report.  
*Describes various efforts to arrive at common procedures, including those for monitoring and evaluation, which might lessen the burden on recipient countries.*
- World Bank & IMF 2001. Guidelines for Joint Staff Assessment of a Poverty Reduction Strategy Paper.  
*Brief suggestions for implementation and core questions that should be addressed by the JSA. There are similar suggestions for the JSA with respect to Interim PRSPs.*

- World Bank & IMF 2002. Guidelines for Joint Staff Assessments of PRSP Annual Progress Reports on Implementation.  
*The BWIs are guided by these suggestions in their evaluation of the PRSP progress reports.*
- World Bank / IMF, Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Main Findings and Issues for Discussion, World Bank, Washington 2002.