

2015 Development Policy Financing Retrospective Consultation Meeting

FEEDBACK SUMMARY

Date:	June 3, 2015
Location:	Hanoi, Vietnam
Total Participants:	36

Overview and General Reactions:

Participants pointed out the important role that Development Policy Operations (DPOs) have played in Vietnam, thanks primarily to their flexible and fast-disbursing nature, and to the knowledge transfer they provide. At the same time, they noted some challenges associated with the move from the Poverty Reduction Support Credit (PRSC) type of DPOs to a sectoral and implementation-focused agenda. Suggestions were made to increase the effectiveness of the instrument in Vietnam.

Summary

Contribution of DPOs to Vietnam's development results

- The Bank's DPOs have been very important in helping the government achieve its development objectives.
- DPF is a very effective instrument for developing countries like Vietnam. DPF brings international expertise and knowledge transfer. The disbursement in one single tranche is also beneficial.
- The DPOs in the power sector have been very important in furthering critical reforms. Thanks to these DPLs, the government has developed a roadmap to restructure the power sector in Vietnam. The DPOs also helped restructure 3 SOEs in the power sector.
- DPO has been proven to be effective especially with its quick disbursement rate. Among the "good practice principles" to ensure the effectiveness of DPOs, transparency and predictability have been particularly important in Vietnam. Perhaps the team could review the impact of these principles in the Retrospective.
- While recognizing the benefits of the reforms supported by DPOs, participants also pointed out that DPOs add to public debt, and Vietnam's debt is relatively high.
- In Vietnam, the PRSC series was replaced by the EMCC series and its scope is much more focused and narrow than the PRSC. In addition, EMCC prior actions and triggers are more action-oriented, focusing on implementation rather than approval of laws. It can be difficult for line ministries to commit to such triggers as implementation takes time. Participants recommended taking a more phased approach.

- Also, there have been instances where delays in the preparation of a DPO occurred because one (out of several) policy action was not achieved. Such developments cannot always be foreseen, especially in the case of the approval of laws, which depend on the parliament. It is important that the Bank works closely with the government in developing policy actions that are realistic and suitable.
- One participant noted that DPF, as non-earmarked financing, flows into the general budget. It is therefore difficult to quantify how the financing has helped Vietnam achieve its development objectives.

Environmental and social aspects

- One participant inquired why, if DPF makes up one-quarter of the total World Bank portfolio, the instrument is it not part of the ongoing safeguards review.

Suggestions on how to make the instrument more effective

- Participants stressed the importance of capacity building for the agencies implementing the policies supported by DPOs.

Other comments

- Participants noted that the share of DPF in total World Bank lending is around one-quarter. They wondered whether there should be a target for this share, at the global and at the country level.
- Some participants also recommended linking more closely the policy reforms supported by DPOs to the climate change agenda.

Annex



*2015 Development Policy Financing Retrospective
Consultation Meeting*

PARTICIPANTS LIST

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	Participant Name	Organization Represented	Organization Type	Country
1	Mr. Aeron	Asian Development Bank	Regional Development Bank	Vietnam
2	An Ha Hai	International Cooperation Department, State Bank of Vietnam	Government	Vietnam
3	Anh Quynh Anh	Ministry of Natural Resources and the Environment	Government	Vietnam
4	Mr. Chau	Finance and Monetary Department, MPI	Government	Vietnam
5	Devine David	The Embassy of Canada	Government	Canada
6	Dung Tuan Tran	Electricity of Vietnam (ENV)	Government	Vietnam

7	Duong Tran Anh	Department of Environment, MOT	Government	Vietnam
8	Genevey Rémi	Agence Française de Développement	Bilateral	France
9	Gerda Binder	CARE	Non-Governmental Organization	Vietnam
10	Ha Dang Thu	Embassy of Australia	Government	Australia
12	Hoan Nguyen Duc	Ministry of Justice	Government	Vietnam
13	Ms. Hue	Ministry of Finance	Government	Vietnam
14	Hung Le Phu	Ministry of Industry and Trade (MIT)	Government	Vietnam
15	Hung Viet	Ministry of Housing (MOH)	Government	Vietnam
16	Lefur Elisabeth	Oxfam International	Non-Governmental Organization	Vietnam
17	Lien Tran Thi Kim	Ministry of Education and Training (MET)	Non-Governmental Organization	Vietnam
18	Lovrekovic Marko	NGO Center	Non-Governmental Organization	Vietnam
19	Mellor Dominic	Asian Development Bank	Regional Development Bank	Vietnam
20	Nhi Bui Quynh	Department of Finance, PPC	Government	Vietnam
21	Phuong Hoang Phan	Electricity of Vietnam (ENV)	Government	Vietnam
22	Thang Phan Thi	Department of Finance, PPC	Government	Vietnam
23	Nguyen Thu Trang	Government Inspectorate of Vietnam	Government	Vietnam
24	Tri Dinh Quang	Electricity of Vietnam (EVN)	Government	Vietnam

25	Hoai Tran Quang	Ministry of Agriculture and Rural Development (MARD)	Government	Vietnam
26	Tuan Vu Minh	Ministry of Housing (MOH)	Government	Vietnam
27	Hanh Pham Minh	Electricity Vietnam (EVN)		
28	Tuan Pham Le	Ministry of Housing (MOH)	Government	Vietnam
29	Trang Hoang Due	Ministry of Agriculture and Rural Development (MARD)	Government	Vietnam
30	Lien Nguyen Hong	The State Bank of Vietnam (SBV)	Government	Vietnam
31	Tung Pham Thanh	Ministry of Industry and Trade (MOIT)	Government	Vietnam
32	Tung Do Thanh	Ministry of Industry and Trade (MOIT)	Government	Vietnam
33	Hai Nguyen Thanh	Department of Meteorology, Hydrology and Climate Change (DMHCC)	Government	Vietnam
34	Thu Thi Le Nguyen	World Bank	Multilateral Organization	Vietnam
35	Mai Thi Hong Bo	World Bank	Multilateral Organization	Vietnam
36	Anh Phuong Nguyen	World Bank	Multilateral Organization	Vietnam