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Agence canadienne de  
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# Evaluation of CIDA's Investments in Vietnam

## Synthesis Report

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### Acronyms

ADB:	Asian Development Bank
ASEAN:	Association of Southeast Asian Nations
APEC:	Asia Pacific Economic Co-operation
CAS:	Country Assistance Strategy
CDF:	Comprehensive Development Framework
CDPF:	Country Development Programming Framework
CIDA:	Canadian International Development Agency
CPB:	Canadian Partnership Branch
CPRGS:	Comprehensive Poverty Reduction and Growth Strategy
DAC:	Development Assistance Committee
DCD:	Development Co-operation Directorate
DFAIT:	Department of Foreign Affairs and International Trade
DFID:	UK's Department for International Development
DID:	Développement International Desjardins
EFA:	Education for All
EIU:	Economist Intelligence Unit
FDI:	Foreign Direct Investment
FY:	Fiscal year
GDP:	Gross Domestic Product
GDI:	Gender-related Development Index
GoV:	Government of Vietnam
HDI:	Human Development Index
IFIs:	International Financial Institutions
IHA:	International Humanitarian Assistance
IMF:	International Monetary Fund
LMDG:	Like-Minded Donor Group
MDGs:	Millennium Development Goals
MoET:	Ministry of Education and Training
MPB:	Multilateral Programs Branch
MPI:	Ministry of Planning and Investment
NGO:	Non governmental Organization
OAG:	Office of the Auditor General
ODA:	Official Development Assistance
OECD:	Organisation for Economic Co-operation and Development
OGD:	Other Government Departments
PAD:	Project Approval Document
PBAs:	Program-based approaches
PEDC:	Primary Education for Disadvantaged Children
PMF:	Performance Measurement Framework
PRGF:	Poverty Reduction and Growth Facility
PRSP:	Poverty Reduction Strategy Paper
RPRP:	Rural Poverty Reduction Program
SBV:	The State Bank of Vietnam
SME:	Small and Medium Enterprise
SPC:	The Supreme People's Court
SWAPs:	Sector Wide approaches
SWIF:	Social and Women's Initiative Fund
UNDP:	United Nations Development Program
UNESCO:	United Nations Educational, Scientific and Cultural Organization
USD:	United States Dollar
VCA:	Vietnam Cooperative Alliance
VCEP:	Vietnam Canada Environmental Project
VCP:	Vietnam Communist Party

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VDGs: Vietnam Development Goals  
VEM: Vietnam Environment Monitor  
VWU: Vietnam Women's Union  
WB: World Bank  
WTO: World Trade Organization

## Executive Summary

### INTRODUCTION

Vietnam has a population of approximately 87 million. In 2008 its per capita income was approximately \$US 1000 at current exchange rates, and its per capita income, at purchasing power parity (PPP), was approximately \$US 2700. It has been moving from central planning and state ownership of production towards a mixed economy with a significant private sector. It has experienced 15 years of rapid economic growth and is likely to achieve most of the Millennium Development Goals by 2015. Canada and Vietnam have common interests, including poverty reduction, stability and peace, the global environment, health, and investment and trade. Trade between Vietnam and Canada exceeded \$1 billion in 2007 and has been growing at more than 20% per annum.

Vietnam is approaching two related transitions, one in its general economy and one in its aid relationships with donors. By 2020 Vietnam may be in the bottom of the World Bank's "upper middle income" category (\$3,706 to \$11,455 GNI P/c PPP). In the next five years Vietnam's access to concessionary finance from the multilateral development banks, and grants from some bilateral donors, will decrease substantially when it is no longer eligible for World Bank/IDA concessionary loans, or similar loans from other international financial institutions including the Asian Development Fund. These changes offer opportunities and challenges to CIDA.

Vietnam is one of CIDA's twenty countries of concentration. The focus of CIDA's programming in Vietnam, as outlined in the 2004-09 Country Development Programming Framework (CDPF), was on supporting good governance, agricultural and rural development and basic education. In nominal Canadian dollars CIDA's bilateral disbursements in Vietnam increased from \$C 23.9 million in 2005-06 to \$C 29.2 million in 2008-09, an increase of approximately 22% over the last 4 years. If one includes the money that CIDA attributes to Vietnam through its funding of multilateral institutions, then Canada's support to Vietnam for the FY 2004-05 to FY 2008-09 period amounted to roughly \$C257.3 million. CIDA is eleventh among donors to Vietnam and, over time, has contributed about 2.5% of donor aid to Vietnam.

### EVALUATION PURPOSE, METHODOLOGY AND LIMITATIONS

The main client for this first comprehensive evaluation of CIDA's investments in Vietnam is CIDA's senior management. Its objective was to assess the results and performance of the program and to make recommendations for improvement where possible. The methodology of the evaluation included extensive interviews and observations in Canada and Vietnam, document review, and an in-depth examination of a sample of 30 projects (some of which included several sub-projects) by a team of five senior evaluators. Twenty-five of these investments were through the bilateral program while 5 were through the Canadian Partnership Branch. The sample of investments, some of which were still operational, covered roughly 41.6% of the overall disbursements (of \$C 257 million) in Vietnam over the period 2004-05 to 2008-09.

The investments were assessed on nine criteria: i) Relevance, ii) Effectiveness, iii) Sustainability, iv) Coherence, v) Efficiency, vi) Management principles, vii) Gender equality as a cross-cutting theme, viii) Environment as a cross-cutting theme, and ix) Performance management (including Result based management and monitoring and evaluation).

The evaluation used rating a scale for assessing the performance of the investments, consistent with the scale used by the other country program evaluations: i) Highly Satisfactory (4.0 to 5.0), ii) Satisfactory (3.0 to 3.9), iii) Moderately Satisfactory (2.0 to 2.9), iv) Unsatisfactory (1.0 to 1.9) and Highly Unsatisfactory (0.9 and under).

### MAIN FINDINGS AND CONCLUSIONS

Canada is a relatively small donor in Vietnam, contributing a very modest 2.5 % of the external resources contributed by the donor community. Based on its mission of sustainable development for poverty reduction and Canadian values, the Agency articulated a vision and objectives for its program in Vietnam for the period evaluated, and focused in the thematic areas of governance, agriculture and rural development, and education, with gender equality and environment as cross cutting issues. The program operated at the national, provincial and local levels, using a mix of



projects and program-based delivery instruments complemented by investments in technical assistance.

### Thematic Areas

In the area of Governance, CIDA has worked with some of the most high profile, core institutions in Vietnam (the prime minister's office, the legislature, the judiciary, and the central bank). Through a series of investments, some of which were still ongoing at the time of the evaluation, the Agency has provided high level expert technical advice and assistance to effect reforms in a range of areas - legal, judicial, financial and banking. These investments have helped to improve the policy environment, strengthen the institutional capacity of the GoV to implement reforms, and lay the foundations needed to support Vietnam's economic growth and facilitate its transition from a closed, planned economy to an internationally-integrated market economy. The effects of these changes, which are systemic and transformative in nature, will take time. The contributions of Canada through these initiatives are appreciated by the GoV and well regarded by the donor community. The investments position the Agency to make a difference as Vietnam transforms itself into a middle-income country.

The economic growth portfolio of private sector and agriculture/rural development initiatives has achieved good results. Several of the investments built on the experiences of previous phases, taking into account the lessons from those. The investments working at the national level in the enabling environment (e.g in banking supervision and legal reform) have encountered challenges that have often delayed them but have contributed, or have the potential to contribute, to significant change in the enabling environment. The investments with a provincial and regional focus and a more direct orientation to poverty alleviation — such as the Rural Poverty Reduction Program and the Rural Enterprise Expansion Project — have been quite innovative and successful at the local level in improving the quality of life, incomes and assets of some of the poorest households in some of the poorest provinces and rural districts in Vietnam by supporting a range of agricultural activities and micro, small and medium enterprises (MSMEs). Besides the impact on individuals and households, the investments have had significant positive benefits for the communities involved. The positive results from the portfolio of investments in the private sector and agriculture/rural development

make a strong argument for continued programming in the area.

Improving human capital through education is a key factor in reducing poverty. Through joint efforts with other donors and the Ministry of Education and Training (MOET) on investments such as the Primary Education for Disadvantaged Children, the Targeted Budget Support for Education For All and the Basic Education Trust Fund, the Agency has contributed to improved access, quality and equality within primary schooling for children in some of the poorest districts and provinces in Vietnam. It did this through infrastructure development, provincial level planning tools and capacity enhancements, the provision of text books and training courses, strengthening the capacity of the MOET and key stakeholders, and enhancing the education system in general. Barring unforeseen circumstances, universal primary education will have been achieved by Vietnam by the time these investments finish in 2010- 2011 or soon thereafter.

Although CIDA contributed a relatively modest sum to these education initiatives, its participation was seen by the MOET and other donors as having been critical to the overall successes in the sector. It played an important role in their design, in helping to build effective working relationships among the partners, in helping to focus the policy concerns of all stakeholders on issues such as universal quality standards for schools and content of primary education, and in contributing to better performance and more coherence in the education system,

While working in the above areas, the Program did so with due care and attention to the equality between women and men and to the environment, mainstreaming them in its investments. The Program has made good use of different delivery instruments, evolving over time to include a good mix of project and program-based approaches (PBAs) at the national and sub-national levels. The use of more program-based approaches that relied on GoV systems, has fostered ownership and worked well. The program has also balanced its investments in PBAs with expert technical assistance in its areas of strategic focus, and invested in upgrading the financial and administrative systems of the GoV to improve the latter's capabilities. It has done so by working closely with other donors. There is also evidence that Program Management has taken corrective action to terminate a couple of initiatives which were not performing well.

The Program benefitted from continuity in three ways. First, its focus has remained fairly constant in thematic areas of economic growth (first in PSD in the rural areas and later Agriculture and Rural Development), education, and governance. Second, it has built on the experiences and lessons from previous investments to establish follow on phases in several cases, including expanding and replicating these in other areas. And, third, it has been fortunate with staff continuity, being able to retain a core group of key staff on the program over significant stretches of time. (For example, the program has only had two Country Program Directors over the last 10 years). This is important for building knowledge about the country, as well as establishing trust and confidence in relationships.

### Overall Performance

The evaluation examined a sample of 30 investments representing a good cross section of all aspects of the Agency's work in Vietnam. Of the 30 investments examined, 8 (or 27%) were rated "highly satisfactory" while another 14 (47%), were rated as 'satisfactory' for a combined total of 74% of the investments rating satisfactory or better. Another 6, or 20%, were rated as moderately satisfactory while 2, or 13%, were rated as unsatisfactory. The average overall rating on the performance of all of the investments in the sample, on all criteria taken together, was 3.5 on the 5 point scale, or "satisfactory". In the opinion of the evaluators this is a solid performance, comparable with the performance of other development agencies that publish their performance data, and a strong rating from an independent evaluation team. The highest ratings were on relevance (4.0), management principles and practices, such as adherence to the Paris Declaration principles of harmonization, alignment, ownership (3.8), results/effectiveness (3.6) and the cross cutting issues of equality between women and men (3.6), and environment (3.4). The ratings were lower, although still in the satisfactory range on sustainability (3.2), coherence (3.3), and efficiency (3.2), and on performance management (3.1).

### Performance Rating by Criteria

#### Relevance

CIDA can be proud of its record in Vietnam. It has supported economic growth and poverty reduction through governance reforms, agriculture and rural development, and education while taking into account environmental sustainability and equality

between women and men. The investments have been highly relevant to the needs of Vietnam and to CIDA's mission. This positive assessment by the evaluators was supported by interviews in Vietnam and by their assessment of the portfolio of CIDA initiatives. Of the 30 investments reviewed, 28 or 94 % had a rating of Satisfactory or better. Two of the smaller non-bilateral investments in the sample were rated as less. CIDA has worked in appropriate areas and in a balanced way. About half of Canada's aid to Vietnam was focused on economic growth; a quarter on governance and a quarter on social development. CIDA's work in governance in Vietnam has been somewhat dispersed but highly relevant.

### Results

Over the past twenty years, Vietnam has experienced very strong economic growth and poverty reduction. While credit is due to the Vietnamese, aid donors (including CIDA) have played an important role, especially in encouraging policy changes.

Regarding effectiveness in achieving results, the evidence suggests that CIDA's investments in Vietnam have been strong in results. Twenty-three of the 30, or 79% of investments reviewed rated satisfactory or better; with 16 rated as having highly satisfactory results. CIDA achieved very good results in several areas as indicated under the previous thematic section: expert technical assistance with a knowledge and policy focus; program-based contributions to funds led by multilateral institutions, such as the Mekong Private Sector Development Facility and the Poverty Reduction Support Credit; improved livelihood investments such as the RPRP and REEP in rural areas; pooled-funding initiatives in primary education; and small scale targeted projects funded by SWIF or Canada Fund for Local Initiatives.

### Sustainability

The sustainability of results in Vietnam is not easy to assess. The GoV has shown itself to be serious in building a new type of economy, and capable of sustaining gains. However, the operations of the Vietnamese Communist Party are opaque and change is slow.

A third of the investments reviewed were rated highly satisfactory on sustainability. The number that received sustainability ratings of satisfactory or better was 76%, meaning about one in four projects

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was rated as only moderately satisfactory or less on sustainability.

Under the criteria of sustainability two issues were considered: the financial and the institutional capacity to sustain the development activities at the end of the external interventions. Given the rapid economic growth in Vietnam, it seems that the financial aspect would not be problematic. Regarding the institutional aspect, there are still major 'capacity gaps'. The main constraints on sustainability included uncertainty about GoV commitment to certain types of reforms (such as privatization of State Owned Enterprises); and GoV's limited capacity to implement reforms (a tendency to wait for legislation and to assume the job is done when legislation is passed).

An important consideration for the Vietnam Program team would be the knowledge base to effect more robust design of investments, informed by baseline studies and specialized technical and sectoral expertise.

### **Coherence**

The evaluators reported a mixed picture in regard to the coherence of CIDA's investments in Vietnam. On the one hand CIDA has stayed with a coherent set of priorities over a long period, with some exceptions. The Vietnam Program conducts annual consultations with the GoV, alternately in Canada and Vietnam, which support coherence.

However, there are two important factors that diminish the coherence of CIDA's programming in Vietnam. First, although CIDA aims at an all-of-agency approach to programming, the different program branches make decisions independently and operate on different bases. This was evident from some of the non-bilateral investments examined in the sample. Admittedly, this is more of a corporate issue than specific to the Vietnam Program.

Second, the priorities of CIDA's Vietnam Country Program have been subject to changes and consistency in policy orientations.

Almost three quarter of the projects rated by the evaluators were satisfactory or better on "coherence". Seventeen percent were moderately satisfactory and one tenth were unsatisfactory.

### **Efficiency**

Sixty-nine percent of the projects in the sample were rated satisfactory or highly satisfactory in

regard to efficiency. The average rating was 3.2, (ie. in the lower part of the 'satisfactory' scale), with 9 of the 29 rated investments having a score of moderately satisfactory or unsatisfactory. The main challenges on the Canadian side were slow approvals, late starts and lack of access to information technology and communication tools available at HQ by field staff. Lengthy approval processes on the Vietnam side also contributed to delays in implementation.

### **Programming Principles and Practices**

CIDA's performance on management and programming principles and practices (such as articulated in the Policy on Aid Effectiveness and the Paris Declaration) received an overall rating of 3.8, which is in the upper part of the satisfactory range. Ninety percent of all projects that were rated on this criterion were rated satisfactory or highly satisfactory. Although three projects were rated moderately satisfactory, the performance of CIDA's Country Program, when assessed across all criteria, has been satisfactory with the majority of investments rated as highly satisfactory. .

### **Equality between Women and Men**

CIDA's record on equality between women and men programming in Vietnam was highly satisfactory, with an overall rating of 3.6 – similar to the results criterion and among one of the highest ratings. Eighty-nine percent of the projects were rated as satisfactory or highly satisfactory.

### **Environment**

The evaluators were only able to rate the environmental performance of 16 projects, given the information available. Of those that could be rated, 76% were satisfactory or better, and an overall score of 3.4.

### **Performance Management**

This criterion covered Results-based Management, monitoring and evaluation, and reporting. The Vietnam team in Asia Branch prepares useful Project Performance Reports annually for its portfolio of projects. Monitoring and project evaluations were highly satisfactory in 24% of the projects, and satisfactory in another 52%, for a total of 76% satisfactory or better among the 25 investments where the evaluators could assess this aspect. It was rated moderately satisfactory in another 5, or 21%, and unsatisfactory in 1 of the initiatives. The overall rating was 3.1.

### Program-Based Approaches

The Program has made good use of several types of program-based approaches (PBAs) as a delivery modality. The largest funding has been for its contribution to general budget support through the Poverty Reduction Support Credit (PRSC) that is managed by the World Bank, but it has also utilized sector budget support and other pooled-fund arrangements with other donors in areas of agriculture and rural development and education with decentralized levels of government, as explained further in the following section.

### Delivery Mechanisms and Channels

Overall, the sample included 30 investments, which were categorized into various delivery mechanisms and channels as outlined below

- i) Bilateral directive: 13 projects
- ii) Bilateral responsive: 6 projects;
- iii) PBAs -GBS; one project in two phases;
- iv) Other PBAs – SBS and pooled funds: 4 projects;
- v) Canadian Partnership Branch: 5 projects;

Concerning the performance of the various delivery mechanisms, all performed satisfactorily overall, although the PBAs, especially General Budget Support, performed better than the others, as shown in Table 6.3.

- Bilateral Directive projects (B1) were rated generally satisfactory (3.4): the highest ratings were for relevance, results effectiveness and management of the environment as a cross-cutting theme;
- Bilateral Responsive projects (B2) were also generally satisfactory but rated a little lower at 3.3: the highest scores were for relevance, management principles and equality between women and men as cross-cutting issue;
- Regarding PBAs, the general budget support interventions (B3), which include the two phases of the PRSC, received the highest rating of highly satisfactory (4.1). Both phases were rated highly satisfactory on almost all counts except cross-cutting issues;
- Other PBAs, such as the Sector Budget Support and other pooled funds projects (B4), were rated satisfactory at 3.5. The highest scores were on relevance, management principles and gender equality as cross-cutting issue while performance

management, efficiency, sustainability and results were rated lower but nevertheless satisfactory.

- The five Canadian Partnership Branch projects (P1) in the sample received an overall average rating of satisfactory at 3.4. (although three were rated highly satisfactory, the other two received ratings of moderately satisfactory and unsatisfactory). The highest ratings were on relevance, results, gender equality and efficiency. All criteria were rated satisfactory except performance management, which was rated as only moderately satisfactory.

It may be worth making a distinction between “core funding” where CIDA is deeply involved in policy dialogue (the World Bank PRSC, for example) and core funding where it is not. Jointly funded projects that are led by a multilateral agency with strong expertise in an area, such as the IFC in the private sector, tend to be both efficient and effective. General budget support funded by many donors and led by the World Bank or the IMF has tended to be an excellent vehicle for CIDA's inputs to policy dialogue with the GoV.

From a development effectiveness perspective, when the scores for relevance, results achievement, sustainability of these results, and cross-cutting issues of gender and the environment were aggregated, the combined average rating was 3.6, which is in the upper part of the “satisfactory” range (of 3.0 - 3.9), on the 5 point scale. This suggests a level of performance that is good, given the risks associated with the development business and the limited control over some of the factors which influence the outcomes

From an operational effectiveness perspective, the average combined rating for factors such as coherence, efficiency, management principles/practices and performance management (which includes RBM, monitoring and evaluation) was 3.2, which is still satisfactory but in the lower part of the “satisfactory” range

These assessments suggest a level of performance which is good, but also that there are areas where there is room for improvement.

### Areas for Improvement

From the foregoing analysis, the following are areas where improvements can be made to further

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enhance the operational efficiency and development effectiveness of the Agency's investments in Vietnam:

- Whole-of-Agency Coherence: initiatives in Vietnam through different program branches were not all well aligned with the priorities articulated in the CDPF. This is a corporate issue and not specific to the Program
- Decentralization: decentralization of the program with delegation of more decision-making authority to the field would enable staff to be closer to the action on the ground and be better able to respond to the challenges in a more timely fashion. With decentralization; there is also the opportunity to strengthen the sectoral/technical expertise in Hanoi in the thematic areas of CIDA programming, an important aspect of improving effectiveness.
- Efficiency: Implementation was sometimes hampered by slow approvals and late starts on the Canadian side as well as lengthy GoV approval processes. Lack of access to information technology and communication tools such as EDRMS, SAP, and *Entre Nous*. by field staff also affected efficiency.
- Results and Sustainability: With 20% of the investments rated as moderately satisfactory or less on results, and 24% rated as moderately satisfactory or less on sustainability, these are areas where more robust design of investments, informed by base-line studies and good sectoral/technical expertise could be helpful.
- Performance management: Objectives and results of initiatives were sometimes over-ambitious and not always specified in clear and measurable terms. Systematic technical monitoring during implementation and evaluation can be used to greater advantage.
- Policy dialogue: the results from the Program's policy dialogue efforts in the general budget support and sector budget support initiatives have been encouraging. In a context where reforms are key to Vietnam's success, there are opportunities for the Program to further strengthen its policy dialogue efforts through more deliberate strategies, informed by access to technical and sectoral expertise and knowledge products.
- Equality between women and men: the results have been excellent, with 89% of the initiatives rated as Highly Satisfactory or Satisfactory. To sustain this performance

and avoid slippage in the face of likely staff turnover, a specific action plan as a managerial tool for implementing the Agency's gender equality objectives during the next CDPF could be helpful.

### Corporate Considerations

Some of the above-mentioned aspects are areas where the Agency has already recognized the need for improvements and is taking action as indicated in its Aid Effectiveness Action Plan and its Management Response to the 2009 Fall Report of the Auditor General of Canada. For example:

- On whole-of-Agency coherence, the Agency has established a new CDPF implementation process through which better alignment and coherence through the different program branches is being addressed.
- On decentralization, the Agency has already decided to increase its field presence, is considering delegating greater authorities to the field, and is now working on the timing and best way to implement this, including securing the necessary budgetary resources, appropriate levels of delegation and the needed infrastructure and systems in the field. This should help to improve the effectiveness of the program, as staff will be closer to the action on the ground and be better able to respond to the challenges.
- On efficiency and the pace of approvals and implementation, the Agency is committed to business process modernization. The new process for directive programming is an early example of efforts to streamline CIDA's business processes and practices to reduce delays during the planning and implementation cycle. Other measures to streamline corporate support functions (such as HR, procurement) are also being taken.
- On Performance Management, the Agency has strengthened its Results-Based Management capacity by establishing a Performance Management Division (within the Strategic Planning and Performance Branch) which can advise and assist other parts of the Agency to improve the quality of their RBM and risk management tools.

Finally, going forward, it should be noted that the Agency has decided on the thematic areas of

strategic focus for the Vietnam program, which is finalizing the CDPF and accompanying Performance Measurement Framework for the next five year period. Considering that actions are underway to address some of the corporate challenges, these will not be the subject of specific recommendations.

### RECOMMENDATIONS

While the above-mentioned Agency improvements will benefit the Vietnam Program and enable it to improve the efficiency and effectiveness of its investments, there are a few specific areas where the Program could also make improvements.

#### **Recommendation 1: Respond to the changing ODA context in Vietnam**

In developing and implementing its next five-year CDPF, the Program should take into account Vietnam's anticipated transition towards middle-income status, adjusting its choice of programming areas and mix of instruments accordingly.

#### **Recommendation 2: More robust design of investments for results and sustainability**

The Program should strive for more robust design of its investments, informed by base-line studies and sectoral expertise that would help it to articulate expected results which are specific, measurable, achievable, relevant and time-bound, as a basis for managing and reporting progress on them.

#### **Recommendation 3: Enhanced Technical Monitoring of Progress as a Performance Management Tool**

As the program works in complex technical areas (such as banking and legal reforms, agriculture and rural development, governance), for which access to in-house sectoral and technical specialists is often a challenge, it should ensure the availability of adequate expertise to undertake systematic, periodic, technical monitoring of progress on its investments.

#### **Recommendation 4: Strengthening Policy Dialogue**

Given the importance of policy dialogue in Vietnam, the Program should develop a deliberate approach to policy dialogue which encompasses all of its aid instruments, and which focuses on specific policy questions in the context of Country Strategy/CDPF

priorities to strengthen its policy influence with the GoV and other development partners.

#### **Recommendation 5: Maintaining the Stellar Performance on Equality between Women and Men**

Although the results have been excellent, with 89% of the initiatives rated as Highly Satisfactory or Satisfactory, the Program should consider developing a specific action plan as a managerial tool for implementing the Agency's gender equality objectives during the next CDPF period to sustain this performance and avoid slippage in the face of inevitable staff turnover.

## 1.1 Vietnam

Vietnam's population is approximately 87 million. Its close neighbours are considerably smaller – Thailand has approximately 65.5 million people, Malaysia 25.3, Cambodia 14.2 million and Laos 6.7 million. The Vietnamese economy is substantially agricultural although this is changing rapidly. In 1989 agriculture accounted for about 40% of GDP; and now it accounts for a little less than 20% of GDP, and services and manufacturing about 40% each. Nevertheless in 2005 about 60% of the employed labour force was engaged in agriculture, forestry or fishing. In 2008 Vietnam's per capita income was approximately \$US 1000 at current exchange rates.

Vietnam has been moving from a centrally-planned economy dominated by state ownership towards a mixed economy with a significant private sector, with gradually more reliance on markets to set prices and to equilibrate supply and demand. It has experienced 15 years of rapid economic growth. Social conditions have improved markedly. For example, between 1993 and 2005 the incidence of poverty fell from approximately 60% to less than 20%, primary school enrolment rates increased from less than 80% to about 94%, and the under-five child mortality rate dropped from about 53 per 1000 to about 23.

Vietnam's rank on the UN Human Development Index is higher than its income at purchasing power parity would indicate. However serious economic and social problems remain, including political rigidities, corruption, pollution and poverty in rural and remote areas and, particularly among minority ethnic groups. For example fewer than 4% of the majority Kinh Vietnamese have less food than they need to meet basic nutritional needs. In contrast, more than one third of ethnic minority persons have less food than needed to meet their minimum nutritional needs.

The Financial Standards Foundation cites *“uneven progress towards a market democracy, as well as weak investment and financial freedom. The most problematic factors for doing business in Vietnam include an inadequate infrastructure, the lack of an educated workforce, an inefficient bureaucracy and ... serious problems of office abuse (corruption).”*<sup>1</sup>

## 1.2 Vietnam's Development Performance

Between 1991 and 2007, Vietnam's gross domestic product (GDP) increased from \$US 9.61 billion to \$US 71.22 billion, a greater than seven fold increase before adjustment for inflation. However the result was still a per capita income that, while higher than incomes in Laos and Cambodia, is far below that of its other neighbours. Its GNP per capita is less than half that of China and its economic dynamism is still constrained by central planning, a large sector of state-owned enterprises, and extensive bureaucratic controls. Over the past twenty years the growth of Vietnam's economy was similar to that of China, although not as strong. Growth rates in GDP in Vietnam varied from 5.96% to 8.48% and in China from 9.20% to 11.90%. The reforms that spurred economic growth began in 1986 with Doi Moi. These included official recognition of the private sector in the 1992 Constitution, the abolition of state price controls, and the introduction of macro-economic stabilization measures.

## 1.3 Progress Against Development Goals

Vietnam seems likely to achieve most of the Millennium Development Goals (MDGs) although unforeseen economic or natural disasters may set it back. The targets for HIV/AIDS and sanitation appear to be the most problematic. Vietnam has adapted the MDGs with Vietnam-specific development targets and results indicators. These include reducing vulnerability, ensuring good governance, eradicating poverty among ethnic minorities and ensuring cultural diversity, and ensuring

pro-poor infrastructure development. A key document is the Hanoi Core Statement on Aid Effectiveness (Hanoi Core Statement) which followed in the Paris Declaration on Aid Effectiveness. It includes 14 targets to be achieved by 2010. The five pillars of the agreement are ownership; alignment with the country system; harmonization and simplification; results-based management; and mutual accountability.

## **1.4 Canada's Connections with Vietnam**

Canada and Vietnam have common interests, including poverty reduction, stability and peace, the global environment, health, and investment and trade. Canada's current development assistance program dates from 1990, when Cabinet approved a new official development assistance (ODA) strategy for Indochina. Canada established diplomatic relations with the Socialist Republic of Vietnam in 1973. Canada opened an embassy in Hanoi in 1994 and a Consulate in Ho Chi Minh City in 1998. With some exceptions relations between Canada and the Socialist Republic of Vietnam have generally been smooth.

People to people connections are an important basis for the relationship between the two countries. The Foreign Affairs and International Trade Canada (DFAIT) web site currently claims that there are approximately 250,000 Vietnamese-Canadians. However this figure appears to be based on unsubstantiated estimates, as many people of Vietnamese origin may not have self-identified.

## **1.5 Trade and Investment**

In January 2007 Vietnam became a member of the World Trade Organization. In 2008 Canada and Vietnam discussed a Foreign Investment Promotion and Protection Agreement. Over the past five years Canada-Vietnam trade has increased rapidly from a low base. It exceeded \$1 billion in 2007 and has been growing at more than 20% per annum. The balance of trade is in Vietnam's favour. Although data is imprecise, it is said that investment commitments by Canadian companies in Vietnam are greater than \$US 6.2 billion, including a large project in oil and gas. At the end of 2007, actual Canadian investment in Vietnam (disbursement) stood at about \$US 490 million. The levels of Vietnamese investment in Canada are unknown. Another important element of the Canada-Vietnam economic relationship is the remittances sent from Vietnamese Canadians to Vietnam.



## Evaluation Objectives and Methodology

### 2.1 Purpose of the Evaluation

This is the first comprehensive evaluation of CIDA's Vietnam Country Program since it began in 1993-94. The main purpose of this study is to fulfill CIDA's accountability commitments. The evaluation was also to facilitate CIDA's learning from experience in Vietnam. The *Federal Accountability Act (2006)* requires CIDA to evaluate its programs every five years. This evaluation of the Vietnam Country Program is one of several country evaluations undertaken concurrently by CIDA in 2009. The evaluation included a review of CIDA's initiatives in Vietnam during the period 2004-05 to 2008-09, with reference to earlier periods where relevant. The evaluation was also designed to contribute to a wider review of program-based initiatives. In 2007, when approving the general Terms and Conditions for CIDA's appropriation, the Treasury Board asked CIDA to review its program-based initiatives (including general budget support) and to report the results of the review to the Treasury Board Secretariat by the end of fiscal year 2009-10. The present study contributes towards that review.

In summary, the evaluation of CIDA's Vietnam Country Program had the following objectives: (1) to analyze the performance of CIDA's Vietnam Country Program, mainly during 2004-05 to 2008-09, against stated criteria, based on an analysis of a sample of projects and on consultations and observations. (2) To draw conclusions in regard to evaluation questions, identify best practices and areas for improvement, to formulate lessons. (3) To make recommendations to CIDA for improvements at the Corporate and Program levels.

### 2.2 Evaluation Methodology

In 2008 CIDA Evaluation Division developed a generic *Statement of Work for Country Program Evaluations*.<sup>2</sup> The work plan for the Vietnam country program evaluation built on the generic statement of work<sup>3</sup> to facilitate synthesis of findings across all of the country program evaluations. CIDA's Evaluation Division set nine performance criteria to country programs, as follows: relevance; results (effectiveness and impact); sustainability; coherence; efficiency; compliance with CIDA's management principles and practices; management of environment as a crosscutting theme; equality between women and men as a cross-cutting theme; and adequacy of monitoring and evaluation.

Four main data gathering methods were used to generate multiple lines of evidence: document review; interviews; project visits; and roundtables. Interviews and roundtables were conducted with CIDA program and field staff, Vietnam Government officials, representatives of partner and implementing organizations and project/program beneficiaries. The evaluation team consulted with members of the international community, especially other OECD Development Assistance Committee (OECD DAC/DCD) members. Wherever possible, findings related to a criterion or questions were based on multiple sources of supporting information. In evaluating CIDA's Vietnam portfolio the evaluators used a project performance rating scheme against the criteria listed above. These criteria are similar to the standard evaluation criteria of the OECD DAC/DCD. Consistent with the other country program evaluations, the scale used was: i) Highly Satisfactory (4.0 to 5.0), ii) Satisfactory (3.0 to 3.9), iii) Moderately Satisfactory (2.0 to 2.9), iv) Unsatisfactory (1.0 to 1.9) and Highly Unsatisfactory (0.9 and under).

Note: The measurement scale for the Vietnam ratings (1 to 5) was slightly different from the scale used by other country program evaluations (0 to 5). For reasons of consistency, the data was reconfigured to conform to the scale used for the other country program evaluations. The net change in the outcomes was minimal. Also, some of the sampled projects include different components or sub-projects – such as SWIF (3), PIAP (4), Avian Flu (2), LERAP (4), and JUDGE (4) – which were assessed separately. As sub-projects of the same project, the assessments of these were regrouped to avoid double counting and distortion of the findings. In other cases there were assessments of different phases (PRSC 3-4 & PRSC 5-6). Based on this method the total number of evaluation units was reduced to thirty from forty-three.)

## 2.3 Scope of the Evaluation

The main period examined by this evaluation was 2004-2008. However, where necessary for a complete understanding, the evaluators reviewed information from earlier years of CIDA's Vietnam program back to 1993. During that time CIDA has developed and used two Country Development Programming Frameworks: (1) CDPF 1994-1999, with a major update in 1999; and (2) CDPF 2004-2009. The evaluation covered CIDA's activities in Vietnam, in all channels including the activities of Canadian Partnership Branch and the support implicitly provided by Multilateral Programs Branch, but focused mainly on the activities of Asia Branch's Vietnam Country Program. Links with the regional programming were looked at briefly. It also covered non-project initiatives (such as policy dialogue, donor coordination and harmonization).

The evaluation team, in conjunction with managers and staff of the Vietnam country program, selected a sample of 30 investments to examine, 25 of which were from the bilateral program and 5 from the Canadian Partnership Branch. Appendix 1 provides the list of projects reviewed. Information about all the projects in the sample was collected from files, documents and interviews.

The sample of projects was not random but was selected according to the following criteria: (1) The project was active during 2004-2008, although it may have started earlier; (2) The size of the project is substantive enough to justify the evaluation. In general the evaluators selected the larger projects for examination, some of which hold sub-projects that were also examined. (3) The whole sample of projects had a reasonable coverage of sectors, themes and types of project. The sample was stratified in three broad thematic areas: governance, economic growth and wellbeing, and social development. These included all areas in which CIDA was active, not only the priority areas. Also, because CIDA was particularly interested in evaluating its program-based initiatives, the sample of projects selected included all of CIDA's program-based initiatives (PBAs) in Vietnam during the period of examination. Finally, the evaluation team considered CIDA's intended future programming directions and the projects that are currently in the planning stage. These were not examined in detail but rather looked at in terms of general continuity in programming, relevance to elements of the country strategy and any lessons could be applied from the evaluation of earlier activities.

## 2.4 Limitations of the Evaluation

The information available to the evaluation team, including that gathered during visits to projects in Vietnam, was generally good, but had some limitations, mainly the lack of baseline studies related to the major interventions by CIDA in Vietnam. It should be noted, however, that some of these investments were the subject of evaluations. These evaluations were an important source of information on which the country program evaluation could draw. These and a program audit were useful.

The evaluators found that the information in CIDA's management information system was of uneven quality. For example in some areas of special interest to the evaluators such as the cross-cutting themes of gender and environment, information was collected, coded and reported inconsistently. Sex disaggregated data relating to activities and results were not always available. The Systems Applications and Products in Data Processing (SAP) system on disbursements over the 2004/5 to 2008/9 time frame was found to have problems, including inadequate revision of initial budget codes when the project changed; and miscoding of costs among sectors. The evaluators corrected misallocation errors where these were obvious – for example, the allocation of the full budget of the Program Services Unit (PSU) against the health sector. However the evaluators' resources were limited for checking budget codes. Where there were discrepancies between SAP and project financial reports, the evaluators used the SAP data.

**Chapter 3:**  
**Canada's Development Cooperation in Vietnam**

From 2000 to 2007 Canada provided about 2.25% of the development aid to Vietnam by the eleven largest donors. It was eleventh in the size of its contribution. According to DAC disbursement numbers, Japan was by far the largest donor, followed by France, Germany, Denmark and the United Kingdom.

### 3.1 CIDA's Priorities in Vietnam

CIDA has had two Country Development Programming Frameworks (CDPFs) for Vietnam and a major update in 1999. In addition, in 2008 and 2009, Asia Branch produced Strategy Summaries for Vietnam and in 2009 a new logic model and partial Performance Measurement Framework, as required, based on the new corporate guidelines introduced by the Agency. These strategic documents have set out CIDA's broad priorities and proposed budget. The priority areas for the Vietnam Country Program are shown in Table 4.2.1. In addition to these areas of specific programming, the environment and equality between women and men have been cross-cutting themes in all periods.

**Table 3.1.1 CIDA's Priorities in Vietnam**

Priority Area	1993-94 CDPF	1999 CDPF Update	2004-09 CDPF
Private sector development	√	√	
Governance	√	√	√
Agriculture and rural development			√
Basic (primary) education			√
<b>Other Areas</b>			
Health			
Environment-specific programming		√ (VCEP)	As a cross-cutting theme
Gender Equality targeted programming		√ (SWIF)	As a cross-cutting theme
Direct programming for the poorest	Canada Fund for Local Initiatives	Canada Fund for Local Initiatives	Canada Fund for Local Initiatives

Although details have changed, there has been a reasonable degree of strategic continuity in CIDA's programming in Vietnam over the past fifteen years. Notwithstanding shifts in CIDA policy and priorities, the country program has succeeded in maintaining consistency in programming which has been rooted in relevant and appropriate sectors for several years. Labels, not the substance of programming, may have changed. For example, similar programming was labelled "private sector" then "agriculture and rural development" and then "private sector" again.

Producing a new Vietnam CDPF could be timely and beneficial given the rapid increase in per-capita incomes over the past decade; Vietnam's approaching ineligibility for concessionary loans and grants from the World Bank and the Asian Development Bank; and the coincidence with the GoV planning cycle. The new CDPF, while focusing on the 2010-2015 period, could also take a longer-term perspective and consider how the program could evolve beyond 2015, if Vietnam continues its progress towards middle income status.

## 3.2 Disbursements and Delivery Channels

After Vietnam's withdrawal from Cambodia in 1989, the Government of Canada approved a new Indochina official development assistance (ODA) strategy in 1990. A Canadian Embassy was opened in Hanoi. In 1994, a Team Canada trade mission visited Vietnam and in the same year CIDA approved its first Country Development Programming Framework (CDPF) for Vietnam. In May 1999 the CDPF was updated to be more results oriented, to promote good governance, to contribute to rural poverty reduction, and to enhance private sector development.

In 2004, CIDA developed a new CDPF (2004-2009) that stated three priorities: governance, agriculture and rural development, and basic education. CIDA intended these objectives to be aligned with Vietnam's *Strategy for Socio-Economic Development 2001-2010*; and the *Comprehensive Poverty Reduction and Growth Strategy*. This was overtaken in 2006 by Vietnam's *Five-Year Socio-Economic Development Plan, 2006-2010*.

In the five fiscal years 2004-05 to 2008-09, CIDA disbursed approximately \$C 213.9 million in Vietnam. The main channels of aid from Canada to Vietnam were CIDA's Bilateral Program, 63.1%, CIDA's Multilateral Programs Branch, 21.5.% and CIDA's Canadian Partnership Branch, about 15% of Canada's contributions to Vietnam.

**Table 3.2.1 Disbursements in Vietnam by Branch (Fiscal Years 2004-05 to 2008-09)**

CIDA Branch/Area	Five Year Disbursements	
	Cdn Dollars	Percent of Total
Geographic Programs Branch -Asia h	\$134,889,331	63.1%
Multilateral Programs Branch (imputed)	\$45,969,981	21.5%
Canadian Partnership Branch	\$32,016,711	15.0%
Other Branches (Office for Democratic Governance, Communications)	\$980,920	0.5%
<b>Total</b>	<b>\$213,856,943</b>	<b>100.0%</b>

Source: CIDA's Chief Financial Officer Branch, February 2010.

About half of Canada's aid to Vietnam was focused on economic growth; about a quarter on governance, and a quarter on social development (categories developed by the evaluators to cover both projects initiated during 2004-2008 and legacy projects).

## 3.3 Bilateral Disbursements

In nominal Canadian dollars CIDA's bilateral disbursements in Vietnam have fluctuated between \$C 27.7 million in 2004-05 to \$C 29.2 million in 2008-09, dipping to \$22.6 million in 2006-07, and rising to \$30,6 million in 2007-08, as shown in the Table 3.3.1 below. Such fluctuation of funding makes for difficulty in planning from the point of view of predictability.

**Table 3.3.1 Bilateral Disbursements by the Vietnam Country Program, by Fiscal Year**

Fiscal Year	Disbursements
2004-05	\$27,661,357
2005-06	\$23,889,157
2006-07	\$22,645,509
2007-08	\$30,571,495
2008-09	\$29,215,000
<b>Total 2005-06 to 2008-09</b>	<b>\$133,982,518</b>

Source: CIDA's Chief Financial Officer Branch, February 2010.

### **3.4 Human Resources to deliver the Bilateral Program**

The Vietnam Program has a Country Program Director and staff at headquarters in Canada, where decision-making is largely centralized. At the same time, the Program has a strong field presence where Canada-based staff (CBS) and locally-engaged staff (LES) lead on the management of programme-based approaches and planning. With the exception of two support staff, all field based staff at the Embassy and the six in the Program Support Unit (PSU) are professional/technical staff. The overall staff complement has remained fairly stable from 2006-07 to 2009-10, with a slight increase of the field proportion recently as shown in Table 3.6.1 below.

**Table 3.4.1 Number of Staff (FTEs) in the Vietnam Country Program Team**

	2006-2007	2009-2010
HQ	10.5	9.5
Embassy	3 CBS, 4 LES	4 CBS, 5 LES
PSU	6	6
Total FTEs for the Program	23.5	24.5

The Vietnam Program staff is experienced and skilled, at headquarters and in the field. The evaluators' interviews in Vietnam indicated that the Aid Section team has strengths that are recognized by the other donors and by Vietnamese Government representatives. The evaluation team observed that the Head of Aid speaks fluent Vietnamese, which is a major asset for the team, especially in regard to policy dialogue. The Canadian team is an active partner in various donors' fora; and there is a well established system of annual consultations with GoV, alternately in Hanoi and Gatineau. The Country Program team in Hanoi has been active in donor coordination and aid harmonization.

### **3.5 Management Tools**

In addition to a five-year strategic plan (the CDPF) that paints the broad picture of CIDA's strategic priorities and approach in Vietnam, there are a number of tools that the Program has access to in order to bridge the implementation gap between the policy intentions in the strategic plan and the specific investments to achieve the expected results in each of the thematic areas of focus.

#### **Performance Frameworks**

At the time of the last CDPF, the Vietnam Program produced a Strategic Results Framework, as per corporate requirements at the time. This performance framework was among the first when the requirement for such a tool was introduced in the Agency, and was considered a best practice to be followed by others. With the benefit of hindsight and evolution of thinking on these tools, there was room for improvement. The evaluators also observed that previous project designs and project performance frameworks were sometimes unrealistic in terms of the results expected and the time and

resources that will likely be required to develop GoV capacity and systems before full implementation can start.

The latest draft Performance Measurement Framework to accompany the new CDPF, under preparation at the time this evaluation report was being written, promises to be an improvement on earlier versions. The Vietnam Country Program has also recently prepared a Program Risk Register as part of the new corporate requirements when preparing CDPFs. When fully institutionalised, the Risk Register, PMF and other management tools being introduced as part of the Agency's new CDPF process should help to improve the management of the Agency's programs, including the Vietnam Program.

### **Project Performance Reports**

Project Performance Reports (PPR) were prepared for the Vietnam Country Program team for each active project at the end of each fiscal year, along with a roll-up for the whole program. The evaluators found them a useful source of information. They described the project, assessed its performance, considered lessons, listed outputs and expected outcomes, addressed the gender equality issue (but not necessarily environment as a cross-cutting issue), and sometimes had information about beneficiaries.

While past PPRs did not necessarily report variances against performance targets set the previous year, and tended, in the evaluators' opinion, to be optimistic about the expected results, they were a useful summary and record of progress, and something to build on. A limitation was the absence of baseline, without which it is difficult to measure progress accurately.

A new and improved replacement tool for the PPRs, the Investment Management and Reporting Tool (IMRT), introduced by the Agency over the past year, should help with the quality in future.

## 4.1 Governance

The Socialist Republic of Vietnam is a one-party state. The Communist Party is the sole political party. The government, the army and the bureaucracy are subordinate to it. The party is entrenched in state institutions and mass organizations. In the World Bank's country governance ratings<sup>4</sup> Vietnam is rated at the 56<sup>th</sup> percentile on political stability, and from the 30<sup>th</sup> to the 40<sup>th</sup> percentile on government effectiveness, regulatory quality, rule of law and control of corruption. It rates extremely poorly on voice and accountability. Only 7% of countries rate worse.

Similarly, the Economist Intelligence Unit reports that Vietnam ranks 149<sup>th</sup> out of 167 countries on the *Democracy Index*, placing the GoV squarely in the "Authoritarian Regime" category. The only area in which Vietnam scores well in governance is under the category of "functioning of government and political culture", where it is noted that there is a sufficient degree of societal consensus and cohesion to underpin a stable, functioning government. Vietnam receives low governance scores in "electoral process and pluralism", "civil liberties", and "political participation."<sup>5</sup>

CIDA, and its like-minded donor peers, face a difficult task in working in governance in Vietnam. There are many aspects to this, including communications difficulties because of a lack of shared values and reference points, along with language and cultural barriers, resistance to changes that the donors deem essential, and risks that practical assistance and resource transfers will enable the regime to persist in practices that the donors deplore.

The promotion of good governance in Vietnam has been a central feature of all of CIDA's 5-year programming frameworks (CDPFs) for Vietnam beginning in 1994. After the 1999 CDPF update, its governance portfolio was significant. It included policy advice to Vietnam's Prime Minister and National Assembly, environmental governance, legal reform and support to non-state organizations. CIDA was also working with "provincial" governments and this had an element of supporting governance through decentralization. The 2004-09 CDPF built on this foundation. Its goals were good governance, agricultural and rural development and support for basic education. Its governance objective was to "support equitable economic growth through reforms that promote transparent and accountable governance". The CDPF argued that decentralization is an important part of governance reform. It said: "the Vietnam program will work to achieve its objectives through activities undertaken at national and sub-national levels". CIDA's programming was "designed to improve the policy environment and strengthen the institutional capacity of the GoV to facilitate Vietnam's economic transition and at the same time to contribute to more transparent and accountable governance."

## Evaluation of CIDA's Investments in Vietnam

Vietnam Project Ratings of Governance Sector												
#	Project Name	Rel	Results	Sustain	Cohere	Effic	Princ	Equal	Env.	M&E	Average	Rating
1	Social and Womens Initiative Fund II (SWIF)	5.0	4.8	4.3	4.8	5.0	4.3	5.0		4.2	<b>4.7</b>	Highly Satisfactory
2	Poverty Reduction Support Credit 3-5 (PRSC 3-5)	4.0	4.3	4.0	4.0	4.0	5.0	3.8	3.5	4.0	<b>4.1</b>	Highly Satisfactory
3	Poverty Reduction Support Credit 6-7 (PRSC 6-7)	4.0	4.3	4.0	4.0	4.0	5.0	3.8	3.5	4.0	<b>4.1</b>	Highly Satisfactory
4	Policy Implementation Assistance II (PIAP-II)	4.5	4.5	3.7	3.0	3.5	4.5	4.7	4.0	3.2	<b>3.9</b>	Satisfactory
5	Banking Reform Project	5.0	3.0	3.0	3.5	3.5	3.0	2.5		3.5	<b>3.4</b>	Satisfactory
6	Legal Reform (LERAP)	4.3	3.8	3.7	2.8	2.7	3.0	3.0	2.0	3.0	<b>3.1</b>	Satisfactory
7	Project Strengthening the Capacity of the Inspectorate System (POSCIS)	4.0	2.5	2.5	3.0	1.0	3.0	3.0		3.0	<b>2.8</b>	Moderately Satisfactory
8	Judicial Reform Project (JUDGE)-	4.3	2.5	1.8	2.2	2.2	2.0	3.2		2.7	<b>2.6</b>	Moderately Satisfactory
	<b>Total Average</b>	<b>4.4</b>	<b>3.7</b>	<b>3.4</b>	<b>3.4</b>	<b>3.2</b>	<b>3.7</b>	<b>3.6</b>	<b>3.3</b>	<b>3.5</b>	<b>3.6</b>	<b>Satisfactory</b>
i) Highly satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately satisfactory (2.0 to 2.9), v) Unsatisfactory (1.0 to 1.9) , Highly Unsatisfactory (0.9 and under).UAR = Unable to Rate												

This evaluation assessed eight investments related to governance using the nine evaluation criteria. Other than Relevance, which was rated as 4.4, highly satisfactory, all other eight criteria were rated as satisfactory between 3.2 and 3.7. The overall rating of 3.6, which is satisfactory, portends well for the future in the area.

Examples of some of the investments in governance are outlined below.

### Policy Implementation Assistance Project (PIAP)

CIDA funded a series of Policy Implementation Assistance Projects (Pre-PIAP and PIAP I, II and III) from 1995 to date. The PIAP is a project that depended for success on particular highly capable people in special circumstances. The initiative began in 1995 with discussions between the Prime Ministers of Vietnam and Canada. Both recognized the GoV's requirement for policy advice and assistance to support the transformation underway from a closed, planned economy to an internationally-integrated market economy. Initially, advisory services were provided to the Prime Minister's Research Commission by a former Deputy Minister in the Government of Canada, head of the Montreal Securities Commission, and senior law practitioner. This allowed Canada to build on its successes and broaden its work with other key institutions of the GoV.

PIAP I was in place from 1996-2001 with an initial budget of \$8.5 million, subsequently increased to \$10.2 million. The PIAP also provided policy advice to the Law Committee (LAW) and to the Committee on Social Affairs (CSA) of the National Assembly (NA). Lastly, PIAP included a Strategic Initiatives Fund (SIF) to support initiatives that came from other government agencies. The bulk of this Fund was in fact allocated to WTO-related projects carried out for the Ministry of Trade.

PIAP II was established with a budget \$Cdn 10 million to cover 2001-2007, including funding of \$1.4 million for the SIF. The work seems to have been influential. The start-up of PIAP III was delayed until 2008, so that PIAP II was extended until then (with no new funds). A budget of \$Cdn 11 million was allotted to the project to 2013. PIAP II had several components, including assistance for two research commissions headed by Ministers advising the Prime Minister. The Group on External Economic Relations (GEER) – provided advice on the requirements of Vietnam's proposed economic integration globally, including accession to the World Trade Organization (WTO), which took until 2007 to



achieve. The Prime Minister's Research Commission provided policy advice on other matters. Following a decision by the new Prime Minister in 2006 to disband the commissions, PIAP undertook appropriate changes to reflect the new structure

PIAP III is focused on support of three National Assembly Committees (Law, Judicial, and Social Affairs), including a Parliamentary Initiatives Fund similar to the SIF.

Lessons drawn from the experience so far suggests that flexibility is important in a policy assistance project in a changing and highly politicized environment, and relationships with trust on both sides are important. On the other hand, however, flexibility and close relationships can bring along with them a risk of being co-opted to purposes of the regime with which Canada does not agree. The strengths of PIAP include the interest and involvement of high level politicians and officials, principled but flexible focus on reform, a well-chosen CEA, continuity, and a good track record. Its weakness is a paucity of measured results partly because its results are inherently difficult to measure, and partly because of the opaque nature of the policy formulation/decision-making process in Vietnam where key policy decisions are made within the Party rather than the Government. Nonetheless, PIAP support has contributed to policy and legal changes, such as the development of the Gender Equality Law.

### **Legal Reform Project (LERAP)**

CIDA's Legal Reform Project (LERAP), budgeted at approximately \$5 million, was operational from 2001-07. The project aimed to support the legal framework for international economic integration, strengthen capacities for legal analysis, and improve systems for civil judgement execution. It was undertaken in partnership with the Ministry of Justice (MOJ). Although it experienced problems in implementation, it was judged to have been successful overall. The skills and knowledge developed through the project contributed to Vietnam's successful accession to the World Trade Organization in 2007.

CIDA was slow to design and implement a follow-on to LERAP. In 2007 a new project was identified, the *National Legislative Development Project* (NLDP), also referred to as the Legal System Development Project (LSDP), which was approved in October 2009. Its proposed budget is about \$15 million for the period 2009-2016. This project will complement elements of PIAP III, as well as other legal system development projects being led by the UNDP, JICA, the EU, and the World Bank PRSC. Policy development and research will be required as part of the process of developing new laws. This project will strengthen the legal foundations required to support economic growth through an integrated program of reforms to the Vietnamese lawmaking process, including such issues as improving consultation with citizens and the private sector. Specific attention will be paid to legislation that supports a sound regulatory environment for economic growth

### **Judicial Development and Grassroots Engagement (JUDGE) Project**

The Judicial Development and Grassroots Engagement Project (JUDGE) is a capacity building project to increase independence, transparency and accountability of the judiciary, and to increase public knowledge of laws and legal rights and access to equitable and unbiased dispute resolution systems" It began in May 2006, with a budget of \$12,085,043 for 2006-2011. There were significant delays in the implementation phase due to difficulties in developing relationships between the Canadian Executing Agency and GoV partners, in particular, the Supreme People's Court (SPC) It has engaged participants in the project through study tours, workshops, surveys and policy dialogue.

Nevertheless many challenges remain, including capacity constraints at the SPC and difficulties, perhaps to be expected in Vietnam, implementing the grassroots component of the project.

## **Project of Strengthening the Capacity of the Inspectorate System (POSCIS)**

CIDA's Good Governance and Effective Aid Facility in Vietnam made a contribution to the Program of strengthening the Comprehensive Capacity of the Inspectorate System. (POSCIS) The aim of the investment was to strengthen the capacity of the Government Inspectorate System to address corruption and to improve transparency in public administration through enhanced organizational structure, operations and capacity within the inspectorate system. The Inspectorate is serving as the change manager for the project. It is not progressing as quickly as planned. The Inception Phase is almost a year behind schedule, in part because of donor consensus, harmonization and intervention management issues, but also due to internal capacity and organizational issues of the Government Inspectorate itself.

While this is a very relevant initiative in the Vietnam context, the process of support to an inspectorate function in an authoritarian context could face resistance by those who may be denounced or inspected. Petty corruption is a complex phenomenon with roots in many aspects of the society.

## **Governance and the Poverty Reduction Support Credit**

The first is the *Poverty Reduction Support Credit (PRSC) led by the World Bank*. CIDA is committed to contribute up to \$20 million to 2010, having already provided \$19 million from 2004-05 to 2006-07. The continuance of the PRSC program depends on the GoV's performance each year relative to certain performance targets (policy "triggers") negotiated between the GoV and the WB - based on consultations with contributing donors. Specific policy actions/ benchmarks also provide a structured basis for policy dialogue with the GoV.

Initially the PRSC series was centered on the 3 CPRGS (Comprehensive Poverty Reduction and Growth Strategy) pillars, which were eventually grouped into 4 pillars with the "social inclusion" goal being separated from the "natural resources and environmental sustainability" goal. CIDA joined the PRSC 3 in 2004, recognizing the close alignment between the CPRGS/PRSC priorities and the priorities in its country program for Vietnam. The main policy sectors of interest to CIDA in the policy dialogue were: trade integration, financial sector, private sector development, education, environment, gender, public financial management, anti-corruption, and legal reform.

As indicated in Chapter 5 under Budget Support,(Section 5.1), the Vietnam Program has been active in policy dialogue in concert with its PRSC partners. It is perceived by partners as being coherent over time in its policy preferences, ready to assume leadership on occasion and to actively support the fora in which it is not the leader. Equally important is the perception that GoV ministers and officials trust CIDA . CIDA has participated in the PRSC process in a number of ways. It has been active in the general joint-donor process and has participated in various working groups, including the education support group and the legal sector working group. The latter led to the inclusion of a trigger regarding the establishment of a National Bar Association, which was achieved in 2009. CIDA's technical assistance projects, including the VCEP, PIAP, LERAP and the Banking Reform Project, have contributed to the PRSC processes by providing expert advice to strengthen the quality of policies and strategies being developed as well as the capacity of Vietnamese partners to implement reforms that were promoted by the PRSC.

Whether progress is attributable to the PRSC process, and whether such progress occurs more quickly than might otherwise be the case is not easy to prove but it is plausible. CIDA provided input into joint working papers and processes in multi-donor initiatives, such as the Vietnam Development Report.

## **Banking Reform Project**

In July 2001 the State Bank of Vietnam (SBV) invited Canadian assistance with banking reform in Vietnam. In March 2005, a five-year banking reform project for \$C9.175 million was approved.

Implementation began a year later and at March 31, 2009, 67% of the budget had been expended. An estimated 35% of outcomes have been achieved.

In February 2009, four years into the project, a Mid-Term Review reported that some of the difficulties implementing the project stemmed from discomfort of the State Bank with the heavy weighting of project expenditures on staff of the Canadian CEA consortium and international evaluators; the unfamiliarity of the evaluators with Vietnamese conditions; and a preference of the SBV for capacity building activities rather than activities explicitly aimed at change and reform.

The mid-term review found it difficult to assess the effectiveness of the project for three reasons: first, the original objectives of the project were overly optimistic; second, the operations were only recently fully underway (in preceding years implementation was weak); and, third, attribution was made complex by multiple actors and circumstances.

By the time of the mission for this evaluation, key reforms to the State Bank in regard to modernization of banking supervision (separation of bank ownership from supervision responsibilities) and risk management by the State Bank were not yet achieved. Pieces of legislation (such as the Law on the State Bank of Vietnam and the Law on Credit Institutions) were in development, and the Law on Banking Supervision was drafted. How much influence the project had on the drafting of this legislation and in what form the legislation will eventually be adopted is unknown. At the time of the evaluation mission important structural changes (such as greater independence of the central bank from government dictates; and/or greater independence of banking supervision from the central bank) had not yet progressed much.

The project, nevertheless, has strengths, including its system of involving "interns" from the State Bank directly in the project office. The Mid-Term Review concluded that "the project is making a valued and visible contribution to supporting SBV ... and is well regarded by the donor community"<sup>6</sup>

### Summary on Governance

Experiences from the above investments highlight some of the inherently challenging nature of programming in the area of governance. CIDA has worked with the GoV in the area of governance since the mid-nineties and has gained the confidence and trust of several institutions in Vietnam, having worked with some of the most high profile and central entities (such as the National Assembly, the central bank - SBV, the judiciary – SPC and Ministry of Justice. Through a series of investments, some of which were still on-going at the time of the evaluation, the Agency has provided high level expert technical advice and assistance to effect reforms in a range of areas - legal, judicial, financial and banking. These investments have help to improve the policy environment, strengthen the institutional capacity of the GoV to implement reforms, and lay the foundations needed to support Vietnam's economic growth and facilitate its transition from a closed, planned economy to an internationally-integrated market economy. The effects of these changes, which are of a systemic and transformative nature, will take time. The contributions of Canada through these initiatives are well regarded by the donor community and appreciated by the GoV. These interventions position the Agency to make a difference as Vietnam transforms itself into a middle-income country.

However, depending on the availability of resources, CIDA may have to make choices about its future investments in governance, narrowing its focus to a selected few among the major national institutions it has supported in the past, supported by technical assistance in capacity building. CIDA's governance agenda in Vietnam could continue to be implemented through balanced investments in program-based instruments and expert technical assistance. Greater investment than hitherto in knowledge building, including substantive research, analysis and policy development that is country-sensitive and that can provide an expert basis for policy dialogue could prove beneficial for both CIDA and Vietnam.

## Evaluation of CIDA's Investments in Vietnam

Governance could also be integrated as a cross-cutting theme into all of CIDA's undertakings in Vietnam by systematically reviewing them for potential opportunities to integrate well-conceived governance objectives from the outset of their development. Given the complex features of modern democratic governance and the rapid development of Vietnam into a highly complex and modern society, the Program should be open to opportunities to impart an understanding of effective modern governance principles and practices among the people of Vietnam. This may require the Program to have access to greater governance expertise at the Post in Hanoi.

### 4.2 Private Sector / Agriculture & Rural Development

The Government of Vietnam has gradually moved the economy towards private enterprise as the engine of growth, starting in 1986 with *Doi Moi* (economic renovation). Reforms have included the recognition of property rights, integration into the global economy with a series of bilateral trade agreements and accession to the World Trade Organization (WTO) in January 2007, and increased clarity of the legal framework for firms and foreign investors through the 2005 Enterprise and Investment Laws. As a result, Vietnam has achieved an annual GDP growth rate of between 7 and 8 percent over the past decade, though this has slowed since the beginning of the global financial crisis. While Vietnam remains a highly regulated and controlled economy, there have been efforts to support greater decentralization. Slow progress, however, remains in the area of reform of state ownership of enterprises

The World Bank ranks Vietnam as a difficult country in which to do business - 92<sup>nd</sup> in the world in 2009, deterioration from 87<sup>th</sup> in 2008. The Economist Intelligence Unit is another source of country performance ratings that cover "the political environment, the macroeconomic environment, market opportunities, policy towards free enterprise and competition, policy towards foreign investment, foreign trade and exchange controls, taxes, financing, the labour market and infrastructure".<sup>7</sup> Vietnam ranks 62<sup>nd</sup> out of 82 countries rated - in the bottom quartile.

CIDA supported economic growth and private enterprise development by strengthening rural capacity to operate within a markets-based economy, mainly through funding for micro and small rural enterprises.

Vietnam Project Ratings of Private Sector / Agriculture & Rural Development Sector												
#	Project Name	Rel	Results	Sustain	Cohere	Effic	Princ	Equal	Env.	M&E	Average	Rating
1	Mekong PSD Facility II	5.0	5.0	4.0	5.0	4.0	4.0	4.5		5.0	4.6	Highly Satisfactory
2	Canada Fund Vietnam 08/09	5.0	4.5	4.5	4.0	4.5	5.0	4.5	4.0	4.0	4.4	Highly Satisfactory
3	Small Scale Infra Devt & Service III	4.5	4.0	3.0	4.0	4.5	4.5	3.0	4.0	3.0	3.8	Satisfactory
4	Rural Enterprise Expansion Project	4.5	3.5	3.0	3.0	4.0	4.5	4.5	3.5	3.5	3.8	Satisfactory
5	SOC TRANG Improved Livelihoods Project	4.5	4.5	4.0	3.0	3.5	3.5	3.5	2.5	3.0	3.6	Satisfactory
6	Tra Vinh Improved Livelihoods Project	4.0	3.5	4.0	3.0	3.0	3.0	3.5	3.5	3.0	3.4	Satisfactory
7	THANH HOA Improved Livelihoods Project	4.0	4.0	3.0	4.0	2.5	3.0	3.0	UAR	2.0	3.2	Satisfactory
8	Food and Agriculture Products Quality DC	3.0	3.0	3.0	2.5	2.5	3.0	UAR	3.0	2.5	2.8	Moderately Satisfactory
9	Agriculture Market Information Project	3.0	1.5	1.5	2.0	2.0	UAR	2.0	UAR	UAR	2.0	Moderately Satisfactory

## Evaluation of CIDA's Investments in Vietnam

10	Vessel Traffic Management System Training Program (VTS)	1.0	1.5	1.0	1.5	3.0	2.5	3.0	1.0	1.0	1.7	Unsatisfactory
	Total Average	3.9	3.5	3.1	3.2	3.4	3.7	3.5	3.1	3.0	3.3	Satisfactory
i) Highly Satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately Satisfactory (2.0 to 2.9) v) Unsatisfactory (1.0 to 1.9), Highly Unsatisfactory (0.9 and under). UAR = Unable to Rate												

Ten projects were assessed under the economic growth portfolio as Private Sector / Rural Development in this evaluation. The overall rating for the sector was satisfactory at 3.3. All 9 criteria were rated as satisfactory i.e. between 3.0 and 3.9, although monitoring and evaluation, sustainability and environmental performance were the weak areas at the bottom of the satisfactory range. Relevance, Management Principles, Results and Gender equality received higher ratings.

Examples of some of the investments in Private Sector/ Agriculture & Rural Development are presented below.

### Rural Poverty Reduction Program (RPRP)

This program has been CIDA's major focus of investment in the poorer areas of Vietnam over the past decade. The Concept Paper initially set out a program of "three or four projects, worth \$15 million over five years"; however, the program as implemented has in fact evolved to cover \$33 million over approximately nine years. The RPRP portfolio consisted initially of four projects in two of the poorer provinces Thanh Hoa and Soc Trang, with a fifth project and a third province, Tra Vinh, added later. Canadian executing agencies were contracted to deliver three of the four initial projects, with the lone exception being Small Scale Infrastructure (SSI). SSI support was made possible through counterpart funds, which provided an early model of the use of government systems, country ownership and government management over funds.

The Tra Vinh project grew out of the initial RPRP experience and was developed bearing in mind the experience and lessons of the projects in the other two provinces. CIDA decided to support the province directly in implementation of rural development activities rather than working through a CEA. Risks regarding fiduciary obligations were addressed through assessment of provincial capacity in this area, design of transparent funds transfer and management systems and provision of oversight through a qualified independent contractor, Price Waterhouse Coopers (Vietnam) Ltd. The experience of the RPRP suggests that for these types of projects, aimed as they are at a basic level of rural development and poverty alleviation and being relatively straight forward technically, may not require the complexity and cost of a CEA based model of technical assistance. In many areas, Vietnamese resources can provide the appropriate level of expert advice.

The RPRP was the subject of a 2004 Mid-term evaluation that found the RPRP at that time to be "an innovative and highly satisfactory program".

In terms of results achievement, the mid-term evaluation found the Thanh Hoa Improved Livelihoods Project "shows very great effectiveness in the delivery of outputs and it has a great number of rapid, visible results."<sup>8</sup> With regard to the other province reviewed, Soc Trang, the evaluation noted the project was "remarkably effective in delivering outputs, both in quantity and quality. The project has succeeded in covering the 15 Communes in the 4 Districts selected where nearly half of the beneficiaries reached live below the poverty line. Over 2,000 poor households have been involved in new agricultural activities – amongst which were dairy production activities that could constitute the starting point of a dairy industry in the area."<sup>9</sup>

The early findings of results of RPRP projects are supported by studies carried out by the responsible CEAs, and direct observation during the evaluation field visits confirm the trend has continued. Surveys carried out by SOCODEVI, the CEA for Soc Trang ILP, and reported in the final project report<sup>10</sup> indicate significant improvements in quality of life, assets and income among beneficiaries

based on their own survey. Of the 3500 households reached by the project, 44.75% were poor and 52.08% were Khmer; 94% of participating households reported only slight or significant increases in income over the past 7 years; 81% claimed to have more diversified sources of income and 86% claimed a more regular income; 92% claimed they were eating meat and fish more regularly; On average the assets of project beneficiaries went up by more than VND 3.3 million. 65% of Khmer girls in participating households attended school while only 48% of those in non-participating households attended (Note: This may reflect only the self-selection of participants into the program.)

CECI, the CEA for Thanh Hoa ILP reported similar findings. The end of project report records a decline in the percentage of poor households in the target areas from 47.3% (2001 baseline) to 20.1% in 2006. However it noted that in addition to the THILP there were a number of other projects operating in the same districts, notably *Program 135*, the government's *Hunger Eradication and Poverty Reduction Program* (HEPR) and World Bank's *Community-Based Rural Infrastructure* project.

Overall, the decline in poverty is attributable to many factors including an improving economy generally, and the cumulative effect of many donor and GoV interventions. However, the SOCODEVI survey was in the project's specific locations of intervention and there appeared to be good avoidance of overlap with other projects, so a significant portion (if not all) of these changes can reasonably be attributed to STILP. In the area of savings and credit cooperatives (on which the CEA in Thanh Hoa placed strong emphasis), some 33% of members had moved above the poverty line by 2004. No statistics were kept that would identify minorities among these project beneficiaries.

The Small Scale Infrastructure project was found to be "highly effective in achieving its main purpose – support for the rural infrastructure development. It has increased citizens' confidence in the public administration and favoured healthier management of public funds."<sup>11</sup>

The latecomer to the RPRP portfolio, Tra Vinh ILP, is not yet complete but progress reports are positive in terms of impacts and again supported by field interviews and direct observation. The exception is the TA component delivered by a Canadian consortium, which has been noted by CIDA staff in headquarters and the field as well as by Vietnamese interviewees to be supply driven and slow, therefore reducing its ability to be responsive to the needs of government counterparts. The Tra Vinh Project Coordination Unit commissioned a recently completed evaluation that also considers the project to have been generally successful in terms of meeting its development objectives, with some specific reservations. The project has kept detailed statistics that identify the proportion of beneficiaries for each of the project output areas. For the most part, the Khmer minority comprise about two thirds of the beneficiaries. The exception was training for management of development projects; in this case, only 19% of participants were Khmer. Participants from poor households also represented about 75% of those benefiting from income generation training courses provided through the project. Over 40% of participants in agricultural skill development activities were reported to be Khmer.

### **Rural Enterprise Expansion Project (REEP)**

Another investment examined in this evaluation, REEP (implemented by OXFAM Québec), focused on supporting micro, small and medium enterprises (MSMEs) in poor rural areas in three provinces. Unlike the integrated RPRP projects, it took a more traditional stand-alone approach of putting in place business development services centers that would work with small rural entrepreneurs, mainly in the agriculture sector, to build their capacities to start up and manage their own businesses. Like RPRP, it was explicitly pro-poor in its orientation. It built on the previous, smaller scale success of OXFAM carrying out similar CIDA-supported work in Vietnam between 1997 and 2004. The program emphasizes participation by women and OXFAM is working with local partners, including the Vietnamese Women's Union and the Vietnamese Cooperative Alliance (VCA).

The most recent CIDA Project Progress Report notes that the first of two outcomes of REEP have been achieved through opening of Business Development Offices (BDOs) and training and coaching

of BDO staff. Although there is no evidence that the REEP model has been replicated elsewhere so far, either within or outside CIDA's programming, the evaluators were informed that stakeholders in the Soc Trang SME Project currently in the planning stages intend to visit REEP to review its experience. At this point, there is no systematically collected evidence available relating to actual viability and number of MSMEs that have been supported through the project. One unexpected result is the agreement between the two Vietnamese project partners—the Vietnam Women's Union (VWU) and Vietnam Cooperative Alliance (VCA)—to work together, an unusual arrangement in the Vietnamese institutional context, but a positive development. The project appears to have been reasonably successful so far. Its reach (some 1,119 participating MSMEs) is small relative to overall need in Vietnam (where there are around 380,000 MSMEs and growing). There are no formal project links with government that would ensure sharing of the knowledge gained in use of the service model REEP has adopted, although one project staffer noted the quasi-government character of VWU and VCA and suggested the project is being watched closely by the GoV through these partner organizations

### **Mekong Private Sector Development Facility (MPDF)**

The bilateral program also contributed, along with twelve other donors, to the Mekong Private Sector Development Facility operated by the World Bank (IFC). This project is active in three countries (Laos, Cambodia and Vietnam). It supports both specific entrepreneurial projects and general enabling activities. It works in a directly supportive way in several business areas including agribusiness, tourism and the garment industry. CIDA's inputs, however, appear to be largely restricted to a contribution to funds.

In November 2007, the Mekong Private Sector Development Facility received a very good evaluation rating by a reputable independent agency (Maxwell Stamp). The evaluation argues for a focused, strategic approach in future that recognizes and is respectful of context and responsive, along with the importance of carefully developing capacity for advocacy. It is considered a successful project, making it possible for CIDA to disburse money through a pooled funding mechanism in a priority area with some confidence. This offers good leverage, as CIDA, one of thirteen donors, contributed just under 8% of total project resources available to this cycle of project funding (US\$3.079M of \$39.785M, according to the PAD). The evaluation also found the project to be "a very sound basis for the development of a fruitful dialogue with the respective national authorities"<sup>12</sup> on tourism.

### **Other Projects**

It is too early to assess the results of the main part of the Food and Agriculture Products Quality Project (FAPQP), even on an interim basis, as the project has been very slow getting started. The Soc Trang Herd and Crop Quality Improvement Project, part of the FAPQP envelope, did start earlier and appears (based on interviews and a field visit) to be making progress.

The Agricultural Market Information Project was judged to be a failure and was closed early. The main issue in this case was reported to be significant differences between the GoV partner and the CEA.

Other enabling environment projects were generally rated as satisfactory. The LERAP/WTO component (also discussed in the governance section of this report) was rated highly by the Vietnamese partners. Vietnam's WTO accession exercise was successful, thanks in part to the contribution of the project and support from a number of other sources.

In the case of a Canadian Partnership Branch (CPB) project, the Vessel Traffic Management System, the files on this CIDA-INC project indicate that there was some activity reported on the project (which was closed in 2004), but results are indeterminate since it closed premature - the recipient of the grant went out of business and no follow-up other than that related to financial closure is on record. In this case, it was rated very poorly on a number of the criteria.

### Management and Programming Principles

The evaluation considered sound management and programming principles to be ones that clearly demonstrated ownership by the Vietnamese partners, harmonization with other donors and other development activities and alignment with the plans and needs of Vietnamese partners. The robust application of results-based management practice was also considered a key management principle.

On the question of ownership, the evaluation team found the record for the economic growth portfolio to be strong. The Vietnamese played prominent roles in most of the governance structures and, in the case of the RPRP group of projects in particular, clearly took the lead in planning and oversight functions

CIDA's activities in the field of economic growth have been reasonably successful, although mainly local in their impact and scope. It is too early to tell whether they will have a significant impact on private sector development in particular relative to the overall need in Vietnam.

The RPRP was an interesting and valuable experiment in program delivery in Vietnam. Component projects were individually reasonably successful in their own right, and the integrated approach provided an opportunity for learning at a more strategic level. Despite challenges in definitions and collection of data on poverty levels, it is clear that there has been significant positive impact on individuals and communities affected by the projects. The Country Program is building on its experience to date in extending its rural poverty alleviation/rural development activities into a new province (Ha Tinh), under the general rubric of food security, as with the Soc Trang SME under the rubric of economic growth. The integrative approach taken in each of the RPRP participating provinces benefited in terms of the partnership between CIDA and Vietnamese counterparts, and in terms of effectiveness of oversight and coordination.

### Summary – Private Sector/Agriculture and Rural Development:

As a whole, the economic growth portfolio of private sector and agriculture/rural development initiatives has achieved good results. Several of the investments built on the experiences of previous phases, taking into account the lessons from those. The investments working at the national level in the enabling environment have encountered challenges that have often delayed them but have contributed, or have the potential to contribute, to significant change in the enabling environment. The investments with a provincial focus and a more direct orientation to poverty alleviation — RPRP, REEP — have been quite innovative and successful at the local level in improving the quality of life, incomes and assets of some of the poorest households in some of the poorest provinces and rural districts in Vietnam by supporting a range of agricultural activities and micro, small and medium enterprises (MSMEs). Besides the impact on individuals and households, the investments have had significant positive benefits for the communities involved.

CIDA's investments in the economic growth area also have a good record of coordination with other donors. The 2004 evaluation found that "the RPRP appears to be a relatively avant-garde program and CIDA's chosen areas of intervention avoid duplication with other donors' programs."<sup>13</sup> In addition to working within the framework of the Consultative Group, CIDA coordinated closely with the World Bank and other donors working in the field<sup>14</sup>, particularly in relation to the choice of provinces in which to work and in the design of the Small Scale Infrastructure project.

The RPRP program, structured as it was with single partners in each case offered a model that was very efficient for Vietnam. The provincial focus of the program and contracting by CIDA of the services of the various CEAs involved in the RPRP projects allowed the Vietnamese to view the various projects as pieces of an integrated program. This significantly reduced what is commonly referred to as "transaction costs" of the different component projects—that is, the need to report separately on progress, attend Steering Committee meetings, etc. In the view of the evaluation team, this was a worthwhile investment for CIDA to have made.



## Evaluation of CIDA's Investments in Vietnam

These projects were also found to be functioning at acceptable levels of efficiency, with normal levels of overheads being incurred by implementing agencies (e.g., for REEP) and, often, good leverage of partner resources being achieved. This is equally true of projects like the Mekong Private Sector Development Facility, which was assessed in its independent 2007 evaluation as having operated with an acceptable level of overhead.

### 4.3 Education

The development literature, as well as CIDA's Vietnam CDPF, notes that improving human capital through education is a key factor in reducing poverty. Therefore it is important to place CIDA's efforts in education in Vietnam in the context of poverty reduction, especially for the poorest segments of society. It was recognized that the poor lived mainly in rural and remote areas with little access to either public or private education. Primary education for the poor was not universal in either rural or urban areas, but access was worst for those least able to afford the education services where they were available. This was particularly true of ethnic minority groups. Therefore, the overall educational strategy of the GoV has focused on universal access, quality and management, with emphasis on the special needs of rural areas. Donors supported this strategy.

As shown in the table below, six investments were evaluated in this sector. Although the overall rating was satisfactory, with a score of 3.3, this understates the achievements as it was skewed by poor scores on two of the smaller non-bilateral investments, for which mechanisms were not put in place to capture the results and which received poor ratings on the criteria that the evaluators were able to assess.

Vietnam Project Ratings of Education Sector												
#	Project Name	Rel	Results	Sustain	Cohere	Effic	Princ	Equal	Env.	M&E	Average	Rating
1	ACCC:Partenariats Collèges Communautaire - ph2	4.5	4.5	4.0	4.0	3.5	4.0	3.5		4.0	<b>4.0</b>	Highly Satisfactory
2	Targeted Budget Support for Education	4.0	4.0	4.0	4.0	4.0	3.5	3.5	4.0	3.5	<b>3.8</b>	Satisfactory
3	Primary Educ. for Disadvantaged Children	5.0	3.5	3.0	4.0	3.0	4.0	5.0	3.0	3.0	<b>3.7</b>	Satisfactory
4	Basic Education Trust Fund II	4.0	4.0	3.5	3.5	3.5	3.5	3.5	UAR	3.0	<b>3.6</b>	Satisfactory
5	Young Canadian Volunteers in Vietnam II	3.0	2.5	2.5	2.0	2.5	4.0	4.5	UAR	2.5	<b>2.9</b>	Moderately Satisfactory
6	Prog.Coop.Vol. Oxfam-Qc. 2004-2009	2.0		1.5	1.5	UAR	UAR	3.0	UAR		<b>2.0</b>	Moderately Satisfactory
	<b>Total Average</b>	<b>3.8</b>	<b>3.7</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>	<b>3.8</b>	<b>3.8</b>	<b>3.5</b>	<b>3.2</b>	<b>3.3</b>	Satisfactory
i) Highly satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately Satisfactory (2.0 to 2.9), v) Unsatisfactory (1.0 to 1.9 ), Highly Unsatisfactory (0.9 and under). UAR = Unable to Rate												

Details on the investments through the bilateral program are outlined below.

Through a small initial investment of C\$ 1.5 million in the Basic Education Trust Fund (BETF-1), CIDA worked with the GoV, the World Bank and other donors to lay the foundations for international support to the plans of the Government of Vietnam for improving national education within the Education For All (EFA) framework. This helped with the development of policies for educational reform, systems and mechanisms to improve planning and coordination, and the National EFA Action Plan for the years 2003-2015. The National Plan was endorsed by donors, who subsequently used it to shape their assistance. The work begun with BETF-1 continued under a second phase (BETF-2, to which CIDA contributed C\$ 5.4 million), aimed at consolidating gains under the first phase and prepare for and complement other initiatives such as capacity development of the Ministry of Education and Training (MOET) to support provincial planning, and ongoing monitoring and evaluation of the National Plan.

Specific action plans for the provinces, started under BETF-1, were completed under BETF-2 and an EFA sector coordination group as well as joint fora for policy reform and decentralized planning were also set up. The national and provincial plans integrated gender equality into their analyses and strategies (largely in response to CIDA's efforts). Sector management systems were also introduced, to be developed through later initiatives such as the Primary Education for Disadvantaged Children (PEDC) program, and the Targeted Budget Support for Education For All (TBS-EFA).

The Primary Education for Disadvantaged Children (PEDC, a \$US 245 million Pooled-Funding initiative involving the World Bank, UK, CIDA (C\$15M), Australia and Norway, was initiated in 2003 to advance the Education for All principles. Its objective was "to improve access to primary schools and for a better quality of education for 2.7 million children in 222 of the poorest districts in the 40 poorest provinces of Vietnam".<sup>15</sup> PEDC was an ambitious and complex undertaking, accompanied by a comprehensive decentralisation programme in the education sector and a significant investment in management capabilities and systems. It was slow in getting off the ground and needed significant donor oversight.

After experience with a partner government that was committed to reform and had shown itself to be reliable and able to implement a complex program of change, donors moved towards Sector Budget Support to achieve the objectives of the EFA Action Plan. CIDA, the World Bank and five other donors responded with the TBS-EFA in 2006, a \$US 135 million initiative (of which CIDA contributed C\$15.0 million) that would directly fund the National EFA Action Plan through the systems of the GoV and the MOET. Under the leadership of the Ministry, the TBS-EFA dealt with much the same domains as the PEDC (i.e., teacher training, training for principals and administrators, teaching aids and guides, teaching assistants for ethnic minority children, curriculum and textbooks, school pedagogical and administrative management and school infrastructure and buildings). While TBS-EFA was being set up and its initial implementation activities started, PEDC continued to provide direct assistance to targeted groups and localities (the poorest and most disadvantaged individuals and communities).

Beyond its relatively modest financial contribution, CIDA played a key role during the preparation of TBS-EFA, insisting on the inclusion of a capacity-building facility to respond to weaknesses during implementation. The policy dialogue and policy discussions CIDA has had with the TBS-EFA concerning universal quality standards for schools and policy content in primary education have also been important elements. Interviews with MOET officials and the EFA implementation support group suggest that the progress on governance and policy management within the TBS-EFA framework would not have been possible without CIDA's critical and ongoing support for this integrated capacity-building facility.

The Joint Review in December 2008 indicated that, although below original targets, many outputs (text books, training courses, etc) were being generated across the country. There had been a "greater improvement in PEDC schools and districts,"<sup>16</sup> although these PEDC schools were still registering the lowest levels of access, quality and scholastic performance. This was perhaps a reflection of the fact that the districts and schools chosen for PEDC implementation were the poorest and weakest, and started from a level that was much below the others. Despite the vast improvement relative to pre-project levels, much still needed to be done as some key outputs were not yet produced (schools in remotest areas) or were not functioning as planned (e.g. integration of EFA indicators into EMIS). These issues were being addressed when the evaluators visited provincial education departments and schools in 2009, but it was clear that the achievements were impressive compared to the pre-project levels and the projects were on track to meet most of their objectives.

### **Summary and Conclusions – Education**

The BETF, the PEDC and TBS-EFA formed a complementary set of initiatives in the education sector that has evolved in a context of rapid change, and deepening relationships to support EFA in Vietnam. CIDA contributed a relatively modest sum to these initiatives, but played an important role in their design and in helping to build effective working relationships among the partners. Through

these, Canada has contributed to better performance and more coherence in the education system. It played a decisive role in helping to focus the policy concerns of all stakeholders, to strengthen the working relationship between the donors and MOET officials, and to establish the education fora, which provided a mechanism for policy dialogue between the GoV and donors in the sector. CIDA's participation was seen by MOET and other donors as having been critical to the overall successes in the sector.

The evaluation team's field visits, interviews and its analysis of documents support the conclusion that, barring unforeseen circumstances, universal primary education will have been achieved by the time these investments finish in 2010-2011 or soon thereafter. The achievement also has a good chance of being sustainable, given the success of Vietnam's economic strategy and the resulting growth in government revenues, as well as the improving administrative and management capacity of the MOET. Important issues of access and quality of education remain to be addressed, but the GoV has the will and the capability to do so.

### 4.4 Health

Health was not a priority for CIDA in the 2004-09 CDPF. Canada's support to the health sector in Vietnam has been a small part of its programming, primarily legacy projects from the previous CDPF period and Canadian Partnership Branch initiatives. Funding from Asia Branch has totalled about \$C 5.6 million from 2004-5 to 2008-9. Funding from Canadian Partnership Branch has been a little less than \$C 3 million. Health expenditures in Vietnam attributed to CIDA's SE Asia Regional Program were also about \$C 3 million. Health expenditures by multilateral agencies attributed to CIDA's funding of those agencies amounted to about \$C 9.7 million, but the attribution is indirect. An additional \$1.64 million of disbursements in Vietnam was allocated to a multi-donor effort led by UNDP to support management of the threat of Avian Flu (essentially an emergency response initiative). In total, health has accounted for about 8.4% of CIDA expenditures in Vietnam. Of this, only about a quarter was bilateral. In a country the size of Vietnam these are not significant amounts of funding, and are not sufficient for CIDA to devote and develop expertise in the health sector.

Because of the ad hoc and heterogeneous nature of the health sector investments, it is difficult to set out an integrated picture of results. This is exacerbated by the limited monitoring and evaluation activity undertaken. That said, the evidence that was available to the evaluators indicates that they have been reasonably successful at the individual project level with some exceptions.

The Health sector is one that has been at the margins of the Vietnam program from the beginning, mainly with support from Partnership Branch, and without a coherent country based strategic vision. It has tended to respond to ad hoc targets of opportunity, resulting in a collection of activities that have produced some good local results and in the case of multi-donor supported activities have made contributions to programs that were judged to be successful but had little impact on the health sector overall. The level of investment in the sector has been too small and too unfocused to have had a significant impact.

There were four projects evaluated in this sector. Overall rating for these projects was 3.2, which is satisfactory on the rating scale. Relevance (3.6), management principles (3.6) and results (3.5) received the highest ratings among the nine criteria. Coherence (2.8), Efficiency (2.8) and M&E (2.5) were scored as moderately satisfactory.

## Evaluation of CIDA's Investments in Vietnam

Vietnam Project Ratings of Health Sector												
#	Project Name	Rel	Results	Sustain	Cohere	Effic	Princ	Equal	Env.	M&E	Average	Rating
1	T1/Montreal/Programme Gestion Urbane	4.5	5.0	5.0	3.5	3.0	5.0	UAR	4.0	UAR	4.3	Highly Satisfactory
2	Avian Influenza - Prevention and Control	4.0	4.0	3.0	3.3	3.3	3.5	UAR	2.5	UAR	3.4	Satisfactory
3	HIV/Aids Community Clinics Network	3.0	3.5	3.0	3.5	4.0	4.0	4.0	UAR	2.0	3.4	Satisfactory
4	Health Services Delivery for Rural Poor	3.0	1.5	1.0	1.0	1.0	2.0	2.0	UAR	3.0	1.8	Unsatisfactory
	<b>Total Average</b>	<b>3.6</b>	<b>3.5</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>	<b>3.6</b>	<b>3.0</b>	<b>3.3</b>	<b>2.5</b>	<b>3.2</b>	Satisfactory
i) Highly satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately satisfactory (2.0 to 2.9) v) Unsatisfactory (1.0 to 1.9), Highly Unsatisfactory (0.9 and under). UAR = Unable to Rate												

### 4.5 Environment

Vietnam faces significant environmental challenges. Risks to sustainable and equitable poverty reduction include environmental degradation due to population growth pressures, industrial expansion and urbanization, and resource exploitation practices. Soil degradation, chemical use in agriculture, water and air pollution, and industrial and hazard waste management are of particular relevance to CIDA's programming, which focus in economic growth areas such as SMEs development and agriculture and rural development.

Environment is not a CDPF priority. It is treated mainly as a cross-cutting issue. CIDA's policy is to integrate environmental considerations into its decision-making and activities, and to work with partners in Vietnam to improve their capacity to promote environmentally sustainable development. The Vietnam Country Program contains both environment-specific projects and projects that have the environment as a cross-cutting theme. Environment-specific projects included:

- The Vietnam Provincial Environmental Governance, a relatively recent bilateral project valued at \$C 15 million (2008 to 2013), whose purpose is to build the capacity of national and provincial institutions to effectively manage pollution.
- The Vietnam - Canada Environment Project (VCEP) - Phase II, a bilateral project valued at \$C 12 million (2000-2006), designed to extend the environmental monitoring and management capacity of various organizations and institutions in Vietnam.
- Building Local Capacity in Environmental Economics, a regional \$C 2.1 million project designed to support training and research in environmental and resource economics, with 10% of its budget dedicated to Vietnam.

There were two projects evaluated in this sector. The cumulative average score was 4.1, which translates to highly satisfactory. Efficiency was the lowest rated criterion at 2.8, moderately satisfactory, along with M&E just making the satisfactory threshold.

Vietnam Project Ratings of Environment Sector												
#	Project Name	Rel	Results	Sustain	Cohere	Effic	Princ	Equal	Env.	M&E	Average	Rating
1	T1/TORONTO/Waste-Econ. Program	5.0	4.5	3.5	4.5	3.5	5.0	4.5	5.0	3.0	4.4	Highly Satisfactory
2	Vietnam Canada Environmental Project (VCEP Phase II)	4.5	4.0	3.5	3.5	2.0	4.0	3.5	5.0	3.0	3.7	Satisfactory
	<b>Total Average</b>	<b>4.8</b>	<b>4.3</b>	<b>3.5</b>	<b>4.0</b>	<b>2.8</b>	<b>4.5</b>	<b>4.0</b>	<b>5.0</b>	<b>3.0</b>	<b>4.1</b>	Highly Satisfactory
i) Highly satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately satisfactory (2.0 to 2.9), v) Unsatisfactory (1.0 to 1.9), Highly Unsatisfactory (0.9 and under). UAR = Unable to Rate												

CIDA's environment specialist has visited Vietnam and examined the country program. She observed that specific environmental assessment was necessary in only a few projects. Strategic Environmental Assessments (SEAs) were prepared in 2005 for the agriculture and rural development sector and in 2006 on the overall Program. However, these assessments were not followed-up with an action plan and concrete measures and targets.

The Environment Specialist and the evaluators agree that there is too little environmental expertise and ongoing environment intelligence gathering in CIDA operations in Hanoi. According to a UNDP expert whom the evaluation team consulted, it is a full time task to keep up-to-date on fast changing environment issues in Vietnam and to be credible in discussions with donors and the GoV. The Agency HQ environment specialist has a limited budget to travel and limited and ad hoc access to field expertise for intelligence gathering in Vietnam. These factors limit CIDA's ability to plan and monitor sustainable development taking into account environment issues; and to provide sufficient coaching to project officers during the planning and implementation of their projects.

Our review of the sample of 30 projects, indicates that there was no specific oversight plan for environmental impact. There could be one, and it could cover the whole portfolio of projects and program activities, including a systematic approach to policy dialogue activities related to environment

Environmental awareness and understanding of the issues appears to be low in Vietnam. For example, a senior official of the Ministry of Planning and Investment of the GoV (MPI) stated to the evaluators that none of the projects were judged to need environmental review; all were small scale, and many were "good for the environment", like concretization of roads. Interestingly, the same comment came from commune level beneficiaries, who also saw improvement in their road access to be "good for the environment". Discussions with provincial officials of the environmental impacts of increasing the level of cattle rearing were responded to similarly, with suggestions that most cattle graze on public land (verges, etc.) and if specific land set-asides for feed crop production were needed, the province would arrange this. No mention was made of displacement of food crop production or other environmental effects of animal husbandry. The level of understanding of environmental issues appears to be low. Given the generally low level of awareness of environmental impacts of increased agricultural production and the prevailing view that physical infrastructure is "good for the environment", CIDA could take stronger measures in its work in the environment in Vietnam.

The evaluation team visited the Da Nang site of the Vietnam/Canada Environment Project (VCEP). The reception by the Da Nang City Environment Protection Department made it clear that this had been an important project for Da Nang. The local government has positioned Da Nang as "the environmental city" and is ambitious for tourism. The *Results Evaluation and Design Review* (2003) gives the project a good report on results. The Canadian support was important to the partners. No other international donor has provided support to the Environmental Protection Department (EPA). CIDA's long involvement, through two phases, was highly valued. The project in Da Nang focused mainly on water pollution and technologies for monitoring water pollution. However CIDA paid attention to policy dialogue and this was appreciated. The VCEP had an important policy impact through discussions with the Ministry of Natural Resources and the Environment, particularly in regard to "polluter pays" concepts and "green classification". The most important impact of the VCEP was the Programme for Industrial Pollution Management which was approved by Danang City, with support from VCEP, and is now being implemented for 2006-2010. It involved technical assistance and Canadian equipment. There were training sessions, and training of trainers, at DoNRE.

However the representatives of the EPA were also frank about the shortcomings of the project. For one thing, although industrial pollution management (IPM) was a well-chosen focus, the project was focused mainly on water pollution and less on air pollution and hazardous waste problems. The EPA representatives said that CIDA and the Ministry were slow to approve and implement the project. Communications were fine but decisions were made extremely slowly.

Another shortcoming of the VCEP, based on the one site the evaluators visited and feedback at that site on the typical situation elsewhere, was that the Canadian equipment that was provided was outdated from the start. This made it difficult to obtain spare parts when something needed replacing. As a result a substantial part (more than half) of the equipment in the Da Nang lab was not operational at the time of the evaluators' visit in 2009. The partner suggested that there was insufficient consultation on equipment selection. Only technical ingenuity, for which the Vietnamese are renowned, has kept any of the Canadian equipment operational. It would have been more sensible to buy equipment in Vietnam that was supported by a local distributor.

Environment has been integrated as a cross-cutting issue in the new draft CDPF and accompanying Performance Measurement Framework. It would be important for the Program to have ready access to environment expertise in Hanoi in order to be able to do proper intelligence gathering, research, analysis, monitoring and reporting, and advise on any environment issues associated with CIDA-funded investments.

### 4.6 Equality between Women and Men

As a country, Vietnam has a mixed record on equality between women and men. The UNDP's Human Development Report ranks Vietnam 90 out of 157 countries on the Gender Development Index (GDI) (2007 data), which compares well with its Human Development Index (HDI) rank of 114 out of 179 countries (2008 data). For the Gender Empowerment Measure, Vietnam ranks 62 out of 108 countries (2007 data). Vietnam rates highly, in fact first in the world, on the proportion of professional and technical workers who are female. It also rates highly on labour force participation of women in general. However, there is considerable room for improvement in its performance on the equality between women and men. It is rated 42<sup>nd</sup> out of 128 countries by the World Economic Forum, behind countries such as Tanzania, Kazakhstan, Uzbekistan and Jamaica, to mention a few. In particular it rates poorly in terms of the proportion of women in leadership positions. Ethnic minority women are particularly disadvantaged. There is a general lack of sex-disaggregated data and research on the topic in Vietnam.

Like environment, equality between women and men is a cross-cutting issue for CIDA's programming in Vietnam. The evaluators concluded that a preparation of a Gender Equality Action Plan as tool for assisting with implementation of the next CDPF could be beneficial in setting out concrete plans for mainstreaming of equality in projects and in the program as a whole, including policy dialogue in PBAs.

#### Selected Projects with Equality Aspects

The Social and Women's Initiative Fund (SWIF) It was envisaged as a relatively modest fund to empower women<sup>17</sup> through small grants, with funding of \$1 million spread across 40 short-term component sub-projects from 2001 to 2005 (subsequently extended to 2008 with no increase in funding). Its executing agent was CIDA's Program Support Unit (PSU) based in Hanoi, supplemented by staff from the Aid Section of the Embassy in Hanoi. It was effective and increasingly strategic and well-targeted, and despite the modest level of resources allocated to it, a great deal was accomplished with little. Its flexible management approach within a principled framework, combined with local decision authorities and its effective networking capacity, enabled it to achieve results well beyond what might have been expected relative to its modest level of funding.

The Canada Fund for Local Initiatives (Canada Fund) has been the other source of CIDA funds for specific equality funding by CIDA in Vietnam. The Canada Fund has operated in Vietnam since 1990. It supports small projects that are implemented by local organizations and offers direct social, economic or technical assistance to small communities. Many of the projects funded have in fact been proposed by the Vietnam Women's Union (VWU), involving virtually all provinces.

CIDA's Policy Implementation Assistance Project (PIAP) is an excellent example of integrated equality programming, with a number of successful achievements, going beyond what had been expected. Its accomplishments in the equality domain include involving stakeholders in significantly strengthening the draft Gender Equality legislation and in strengthening the capacity of women Deputies in the National Assembly. From the evaluators' interviews, it is evident that first hand observers consider that PIAP's initial efforts to increase official awareness of gender equality issues at high levels of the GoV was important in laying the groundwork that led to several initiatives on the status of women.

Many of CIDA's equality initiatives (particularly through the SWIF II and PIAP II initiatives) provided significant leverage on the Gender Component of the PRSC policy framework and the gender policy actions and results achieved. Our examination confirms a shift in the PRSC focus on important but limited economic issues (women's access to land titles) towards a more sophisticated appreciation of what might be necessary to achieve equality between women and men in Vietnam, including effective implementation of the Gender Equality Law.

All of CIDA's education investments and several in economic development also have significant equality dimensions, including the *Rural Poverty Reduction Program (RPRP)*, *Rural Enterprise Expansion Project (REEP)* (with components specifically targeted at women entrepreneurs), *Improved Livelihoods Projects (ILPs) in Three Provinces*, and the *Banking Reform Project*.

A recurring theme in some of these projects that was also encountered in other equality programming is the lack of an equality strategy and reliance on ad hoc action by people who take a personal interest in the topic and champion the issue.

## 5.1 General Budget Support

### The Poverty Reduction Support Credit (PRSC)

In 2000 the World Bank announced a new credit policy.<sup>18</sup> It would provide general budget support to low income countries that had a strong set of institutions and policies to promote development and that produced and adopted a Poverty Reduction Strategy Paper (PRSP) or its equivalent. The new support instrument, the Poverty Reduction Support Credit (PRSC), would not be earmarked to specific projects or expenditure items and would not be conditional in the traditional sense. Nevertheless it would be part of a package that would include triggers and policy actions (which are indicators of progress rather than legal conditions for disbursement), donor dialogue, technical assistance and capacity building, and donor efforts to influence and to align their efforts with GoV priorities.

A PRSC credit was granted to the Government of Vietnam in 2001. It had originally been planned as the Second Structural Adjustment Credit. The initial indicative budget was for a series of three PRSCs totalling \$US 450 million to \$US 550 million over four years. Up to 2008 there were seven credits totalling \$US 1.639 billion actually disbursed (approximately 90% of commitments were disbursed by donors). This is a significant sum but a small percentage of public expenditures over the same period.

**Table 5.1.1 Funds Committed and Disbursed in PRSC 1-7 in Vietnam**

	Committed (\$US million)				Disbursed (\$US million)	
	WB	Co-financiers	CIDA Contribution	Total	Year	Total
PRSC 1	250	45		295	2001/2	295
PRSC 2	100	31		131	2003	117
PRSC 3	100	116	7	216	2004	169
PRSC 4	100	120	8	220	2005	178
PRSC 5	100	156	4	256	2006	212
PRSC 6	175	190	10	365	2007	343
PRSC 7	150	212	5.5	362	2008	340 (e)
<b>Totals</b>	<b>975</b>	<b>870</b>	<b>34.5</b>	<b>1845</b>		<b>1639</b>

Source: IDA /R/2008-0180/1, Programme Document for Seventh Poverty Reduction Support Operation

Vietnam's reform agenda was initially supported by the International Monetary Fund (IMF) as well as the World Bank. An IMF Poverty Reduction and Growth Facility (PRGF) credit was approved at the same time as PRSC 1. However, PRGF disbursements were suspended at the end of 2002 due to a disagreement between the IMF and the GoV on the auditing of the State Bank of Vietnam (application of the state secrecy law to economic data) and the (very slow) pace of reform of state owned enterprises. The PRGF credit expired in April 2004. The IMF has a resident representative in Hanoi, and has remained engaged in monitoring macroeconomic policies. The IMF has provided an assessment of the macroeconomic framework as part of the preparation of each PRSC.

The State Bank of Vietnam has been the principal implementing agency for the PRSC series, chairing the Secretariat which oversaw implementation. It coordinates with the key ministries and agencies, especially the ministries of Finance, Planning and Investment, and Trade.



### Objectives and Evaluations of the PRSC

The “triggers and policy actions” were grouped as (1) transition to market economy, (2) social inclusion and environmental sustainability, and (3) modern governance. These correspond to the GoV Socio-Economic Development Plan (SEDP) 2006-2010.

There have been several evaluations of the PRSC in Vietnam. These have included a case study as part of a *Joint Evaluation of General Budget Support 1994-2004*<sup>19</sup> that was funded by a consortium of 24 aid agencies, including CIDA and the World Bank, and seven partner governments. This case analysis was updated by the World Bank at the time of PRSC 5.<sup>20</sup> There was, in addition, a *PRSC Implementation Completion Report*, World Bank, for PRSC 5, which was reviewed by the Independent Evaluation Group and rated performance as “satisfactory”. Finally the World Bank Independent Evaluation Group has a study underway, the *Evaluation of the PRSCs Worldwide*, which was substantially complete in January 2008. It was scheduled to be presented to the Board of Executive Directors of the World Bank, Committee on Development Effectiveness (CODE), in October 2009. It covers seven countries in detail, including Vietnam.<sup>21</sup>

The “Joint Evaluation of General Budget Support 1994-2004” concluded that the PRSC supported pro-poor spending and provided an incentive for the GoV to keep reforms on track. “... The main effects arise from the implementation of budget-related policy actions included in the PRSC policy matrix. The primary effect has probably been on non-income poverty with only weak effects on income poverty reduction and empowerment of the poor.”<sup>22</sup> The recommendations of the study that are most relevant to CIDA included:

- Form a PRSC negotiating team that includes co-financiers other than the World Bank.
- Develop ongoing fora for discussion and coordination that bridge the annual PRSC negotiations cycles.
- Establish an agreed set of guiding principles that co-financiers agree to when they join.
- Widen the policy dialogue and consultations process to include a wider range of stakeholders – NGOs, the business community, sector ministries and non-co-financiers.
- Pay more attention to gender issues and gender mainstreaming within the PRSC policy matrix.
- Be clearer about what analytical work is highest priority in support of the PRSC.
- Coordinate more closely with other projects in Vietnam.
- Consider the scope for extending general budget support to “provinces”.
- Include capacity building and technical assistance within the PRSC activities.

The World Bank Vietnam Country Assistance Strategy (CAS) Completion Report, 2006, said: “The Poverty Reduction Support Credit (PRSC) process was associated with important policy breakthroughs as well, including separating policy and commercial bank lending, increasing education spending, adopting a more decisive anticorruption strategy with sound analytical underpinnings, and adopting an ambitious road map for banking reform.”<sup>23</sup> The tone is perhaps overly optimistic since the separation of policy and commercial bank lending, and the separation of bank ownership by the state from regulation by the state, are far from complete. Similarly the adoption of a “decisive” anticorruption strategy and a road map for banking reform reflect intentions more than realities, although intentions in the right direction.

The World Bank took the view that the pace of reform was a matter for the GoV to decide, not the Bank and donors. It is important to keep in mind that a “satisfactory” rating by the Bank does not mean that reform in a particular area has proceeded to a conclusion that donors would regard as a satisfactory end point.

As useful as these assessments undoubtedly were, their utility as indicators of the specific impact of the PRSC is limited. As well, the World Bank ratings appear to be accommodative. There are no “unsatisfactory” ratings despite clear indications that the situation remained unsatisfactory in a number

of areas (or even “very unsatisfactory” in some matters including the plight of ethnic minorities). The ratings demonstrate the reluctance of the World Bank to engage in issues that are politically sensitive, including issues of voice, freedom and civil rights.

The most critical PRSC process is the management of the policy matrix. The evaluators' interviews indicate that donors are generally satisfied with the nature and number of triggers and policy actions, but believe that they are written in terms that are more process-centered than results-oriented. However some donors are not satisfied with the ratings given to some triggers by the World Bank and have begun to seek a stronger voice in their evaluation.

### **CIDA's Contribution to the PRSC**

A little over half of the PRSC funds has been provided by the World Bank/IDA and the rest by other donors including CIDA. CIDA contributed \$C 34.5 million to PRSCs 3 to 7, approximately 5% of the amount provided by co-financiers other than the World Bank, or 2.5% of the total. CIDA makes a grant to an earmarked multi-donor trust fund that is administered by the World Bank for a fee.

“The rationale for CIDA's co-financing of the PRSC has more to do with a desire to contribute to the reform process and enhance aid effectiveness than with the relative size of its financial contribution ...” (PAD 2007). CIDA has participated in the PRSC process in a number of ways. It has been active in the general joint-donor process and has participated in various working groups, including the education support group and the legal sector working group. The latter led to the inclusion of a trigger regarding the establishment of a National Bar Association, which was achieved in 2009, albeit with many unresolved issues about its lack of independence from GoV and Communist Party control.

CIDA's technical assistance projects, including the VCEP, PIAP, LERAP and the Banking Reform Project, have contributed to the PRSC processes by providing expert advice to strengthen the quality of policies and strategies being developed as well as the capacity of Vietnamese partners to implement reforms that were promoted by the PRSC.

### **Factors that Influence Successful Participation in the PRSC**

There are several factors that affect CIDA's impact through the PRSC in Vietnam. These include its credibility as an aid donor, its engagement and its ability to bring well substantiated proposals to the discussion of policy. The World Bank's chief economist in Hanoi makes the following observations about donor impact.

“There are different ways in which donors exert influence. In my experience, the most important one is specific knowledge. When a donor has a strong TA program in a sector, knowing the counterparts and the policy debates well, it is almost natural to rely on its expertise for the policy dialogue in that sector. For instance, CIDA played this role in relation to the environment at some point. And that was extremely useful. At times, donors try to exert influence by coordinating their inputs, so that one entire group “speaks with one voice”. The EU/Like-Minded Donor Group has used this approach effectively in education and health. However, if the technical foundation for the proposals is not strong, or the knowledge of the political constraints is not deep enough, this approach results in triggers being accepted in the agenda but then being difficult to meet. Finally, there are times when a donor has a very important issue on which PRSCs can help (e.g. Japan on procurement after the suspension of its program in the aftermath of a corruption scandal) and we give due consideration to such requests. Still, in all cases we try to abide by a few simple principles: 1) the trigger needs to be aligned with government objectives, strategies or plans, 2) it has to have merit on technical grounds, 3) it has to be of strategic importance, and 4) it needs to be monitorable, in the sense of allowing us to say, at the end of the day, whether it was met or not.”<sup>24</sup>

A key factor in influencing policy reform in Vietnam is the quality of the analytical work produced by the World Bank and other donors, singly and jointly. It has been shown<sup>25</sup> in general that policy reform is

more likely to result from general budget support when it is supported by high quality analytical work. Some interviewees noted that while CIDA officials and members of the Canadian PSU were active participants in policy forums, and sometimes assumed a leadership role in thematic groups, they were not noted for the preparation of analytical work. On occasion analytical inputs from experts engaged by CIDA in other technical assistance projects in Vietnam have made valuable inputs to the PRSC process (for example in the environment area, at one time) but these depend on availability of appropriate expertise at the right moment rather than a systematic program of economic and sector research.

CIDA has been active in policy dialogue in concert with its PRSC partners. It is perceived by partners as being coherent over time in its policy preferences, ready to assume leadership on occasion and to actively support the forums in which it is not the leader. Equally important but not easily quantified is the perception that GoV ministers and officials trust CIDA to have Vietnam's best interests at heart. As with other donors, Canada comes to the dialogue without the historical burden of the former colonial power or war adversary.

The GoV has generally valued the structure and the professionalism of the technical meetings under the aegis of the PRSC. Interested donors were able to get together and work on those issues that were important to them. Nevertheless not every perception of the policy dialogue in Vietnam is positive. Some negative comments provided by interviews, or found in reports<sup>26</sup>, include:

- Some interviewees thought that the dialogue process was too complex and demanded a great deal of time from active participants.
- The PRSC process did not provide a clear accounting of the uses of the PRSC funds, according to some donors (as might be expected of general budget support).
- Some thematic groups were considered to have performed better than others.
- The quality of the dialogue was perceived to be better where the GoV had demonstrated commitment at senior levels and where performance targets had been set by the Minister.
- Some groups did not achieve clarity on their proposals.
- The dialogue tended to be less effective where there were two or more GoV institutions involved in the same area.
- The WB was sometimes perceived as wanting to lead all thematic groups, even if they did not have anyone with a specific expertise in the sector or theme.
- The line ministries had a tendency to send lower-level officials to dialogue forums, often from policy divisions and with little policy implementation experience. When policy divisions agreed with donors on a course of action without consulting their line divisions, the latter sometimes considered that the decision had been imposed and did not buy into it.
- The PRSC process depends upon the availability of expert technical assistance. Some windows closed before TA could be brought to bear, and actions were allowed to slip or were dropped.

While one might observe that the PRSC can be accommodative, the PRSC is admittedly (by co-financiers & the World Bank) not a mechanism to engineer policy reform breakthroughs. The GoV should rightly have significant influence on the definition and choice of triggers and policy actions (country ownership in action), especially given that the PRSC is ultimately linked to GoV reform priorities set out in the SEDP.

## 5.2 Sector Budget Support

CIDA has invested in sector budget support in Vietnam through the Targeted Budget Support for Education for ALL (TBS-EFA), a five-year initiative from 2006 to 2010. Canada contributed \$US 13 million; Belgium \$US 6 million; the EC \$US 20 million; the UK \$US 38 million; New Zealand \$US 3 million, and the World Bank \$US 50 million. Except for the latter, all of the above are grants; the WB contribution is in the form of an IDA loan. The TBS-EFA was implemented in two main components:

support to the implementation of the National EFA plan, and support for institutional capacity of the education sector's implementation institutions (mostly the Ministry of Education and Training (MOET). CIDA led the donor effort to insist on the inclusion of a capacity building component. If CIDA had not insisted on this capacity-building component, the MOET may not have been able to achieve the targets it did.

The TBS-EFA has been reviewed several times in 2007 and 2008 by a Joint Annual Review (JAR). However the evaluators note that targets for outputs are not clearly stated (for example, "Principals trained on satellite campus management" – how many principals? What does "trained" mean? By when?). The conclusions were generally positive although problems remain, including inadequacies of basic education for ethnic minorities and the poorest communities. There are still deficiencies in the capacity of the Ministry of Education and Training, especially in financial management and procurement, and inter-departmental cooperation is still poor. GoV policy requires that the education sector is to be decentralized, but many processes and policies are still being put in place. The MOET has not been as forthcoming as it could in the TBS-EFA process. It has not responded to audit findings in a timely fashion, and it has not provided several important reports to the donor community on time as promised. The evaluators concluded that the time and resources needed to achieve the educational administrative capacity objectives of TBS-EFA were underestimated, even though a work planning analysis was done at the outset.

The policy dialogue and policy discussions concerning performance standards and policy content in primary education that CIDA has had within the TBS-EFA have been important and useful.

### **5.3 Pooled Funds/Joint Projects**

#### **Primary Education for Disadvantaged Children**

The other pooled fund examined by the evaluation team in Vietnam is for Primary Education for Disadvantaged Children (PEDC), which is discussed in Section 4.3.

#### **Good Governance and Aid Effectiveness Facility**

CIDA's Good Governance and Aid Effectiveness Facility contributes to multi-donor projects and programs that support reforms of government systems and/or improvements in the effectiveness of aid to Vietnam. It was put in place in 2005 for five years, now extended to 2013. Its budget is \$C 10 million. Financial authority was delegated to the Vice President Asia Branch for contributions up to \$C 2 million to improve the speed of commitments. The potential partners include GoV departments and multilateral or bilateral donors. Utilization of the Facility has been slower than expected.

**Table 5.3.1: Sub-Projects under the Good Governance and Aid Effectiveness Facility**

Sub-Project	Lead	Total Budget	CIDA Expected Commitments
ODA Harmonization	DFID (then AusAID)		\$C 400,000***
GoV Inspectorate	Sida (Sweden)	\$US 14.3 million	\$C 2 million*
Multi-Donor Trust Fund –Public Financial Management	World Bank	\$US 7 million	\$C 1 million
Beyond WTO	AusAID	Up to \$US 35 million	\$C 2 million**
Poverty Reduction Support Credit, GoV Secretariat	State Bank of Vietnam	Different donors have made contributions in different years.	\$C 98,000
One UN	UN	One UN Reform Project	\$C 2 million
TOTAL (including projects in the approval process)			\$C 7,098,000

\* Actual commitments to the GoV Inspectorate sub-project are \$C 400,000 at the time of the evaluation, with \$C 1.6 million recently approved.

\*\* Not yet approved.

\*\*\* Initial budget was \$C 600,000 and approximately \$C 200,000 was returned undisbursed when AusAID assumed the lead.

## **5.4 Summary and Conclusions - PBAs**

CIDA's experience with PBAs in Vietnam is relatively recent and some of the investments were still ongoing at the time of the evaluators' field visit. While more time is needed to see their full development benefits and results on poverty reduction, early indications are encouraging. CIDA's investments through the different forms of PBAs (general budget support, sector budget support and pooled funds) have been highly relevant to the needs of Vietnam, and are achieving good results. PBAs have enabled CIDA to work in a more coordinated and harmonized way with other donors to dialogue with the partner country and leverage changes of a systemic nature that traditional projects have not been able to achieve in the past - needed institutional changes in areas such as public financial management, increased resource allocation towards more pro-poor initiatives, and specific public sector reforms.

Sector Budget Support and Pooled Funds, such as the TBS-EFA and PEDC, have had the advantage of being closer to issues of practical implementation. Policy discussions have tended to be less strategic than in the general budget support process under the World Bank/PRSC, but both are useful instruments and are potentially complementary to each other and traditional projects. CIDA could continue and if possible expand the program-based approaches that have proved an effective part of its program in Vietnam, especially its participation in the PRSC and its support for provincial governments in selected sectors.

The evaluators also found that, despite considerable effort by the Program and some notable successes, it has often proven difficult to integrate cross-cutting issues such as gender equality and the environment, due to the complex policy context surrounding PBA negotiations. The evaluators noted that there was room for the program to be more deliberate and systematic in the planning and management of its policy dialogue efforts, which could be supported by high quality analytical and knowledge products.

## 6.1 Overall Performance

The evaluators found that CIDA's investments in Vietnam are good and could be even better. The main areas for improvement identified by the evaluation related not to relevance and results, which are good, but to sustainability, coherence and efficiency. The evaluators examined processes at headquarters and in Vietnam, and noted that slowness to get things done is an issue. This was commented upon by other donors and Vietnamese partners.

The evaluators consider that decentralization of the program (enhanced country presence) would be beneficial. The evaluators found a consensus among CIDA's donor peers in Vietnam that, to be most corporately effective a program in Vietnam requires continuous face-to-face engagement in policy dialogue underpinned by program-based approaches (general and sector budget support and pooled-funded joint projects).

The performance of the Vietnam Country Program was assessed against nine criteria (counting the two cross-cutting issues separately): i) Relevance, ii) Results (effectiveness and impact), iii) Sustainability, iv) Coherence, v) Efficiency, vi) Management principles and practices, vii) Crosscutting theme: equality between women and men viii) Crosscutting theme: environment, and ix) Performance management (results-based management; and monitoring and evaluation.

The average for all of the investments reviewed in the sample was 3.5, or satisfactory. About 27% of projects rated "highly satisfactory" and 47% rated 'satisfactory" for a total of 74% with a rating of satisfactory or better. In the opinion of the evaluators this is an impressive performance. About 20% of projects were rated as "moderately satisfactory" while 7% were rated as "unsatisfactory".

**Table 6.1.1 Overall Performance Ratings (average of nine criteria ratings)**

Overall Performance: Projects rating		
Rating	Number of projects	%
Highly satisfactory	8	27%
Satisfactory	14	47%
Moderately satisfactory	6	20%
Unsatisfactory	2	7%
All	30	100%

This is comparable with the self-evaluated performance of the best international development agencies that publish their performance data; and it is a particularly strong rating from an independent evaluation team.

**Table 6.1.2 Portfolio Performance on Nine Performance Criteria**

<b>Criterion</b>	<b>Average rating</b>	<b>Performance Category</b>
Relevance	4.0	Highly Satisfactory
Results (Effectiveness and Impact)	3.6	Satisfactory
Sustainability	3.2	Satisfactory
Coherence	3.3	Satisfactory
Efficiency	3.2	Satisfactory
Management Principles/ Practices	3.8	Satisfactory
Crosscutting Theme – Equality between Women and Men	3.6	Satisfactory
Crosscutting Theme – Environment	3.4	Satisfactory
Performance Management (M&E, RBM)	3.1	Satisfactory
Average of all Criteria	3.5	Satisfactory

i) Highly satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately satisfactory (2.0 to 2.9), iv) Unsatisfactory (1.0 to 1.9 ), Highly Unsatisfactory (0.9 and under). UAR = Unable to Rate

The highest ratings of the investments were on relevance, results (effectiveness), management principles/practices, and the promotion of equality between women and men. The lowest scores, although still in the “satisfactory” range of 3.0 – 3.9, were for sustainability, coherence, efficiency, the cross-cutting issue of environment, and monitoring and evaluation. However, there is a gap between “relevance” (4.0 out of 5.0) and the “performance management (3.1) and ‘efficiency” (3.2).

From the perspective of development effectiveness, if one combines the ratings for relevance, results, sustainability, and cross cutting issues of equality between women and men and environment for the 30 investments in the sample, the average combined score is 3.6 – which is in the upper part of the “satisfactory” range. The other criteria combined (i.e management principles/practices, coherence, efficiency, and performance management) can be taken as an indication of the operational effectiveness, which is lower on the satisfactory range at 3.3.

The assessment above points to the conclusion that it is a highly relevant Program which is achieving good results but there are areas in which delivery can be improved. Some of these weaknesses, the evaluators noted, appear to be generic to CIDA rather than exclusively related to the Vietnam Country Program.

## **6.2 Performance by Evaluation Criterion**

### **6.2.1 Relevance**

CIDA has a proud record of relevant programming in Vietnam. It has supported governance reforms, economic growth and poverty reduction, environmental sustainability and equality between women and men. The Country Program has been highly relevant to the GoV, to the Vietnamese people and to CIDA’s mission. This positive assessment by the evaluators was supported by interviews in Vietnam and by their assessment of the portfolio of CIDA initiatives. Only two projects out of 30 projects in the sample were rated as less than satisfactory on relevance. CIDA has worked in appropriate areas and in a balanced way.

**Table 6.2.1.1 Results Ratings**

<b>Relevance Ratings</b>		
<b>Rating</b>	<b>Number of projects</b>	<b>%</b>
Highly Satisfactory	23	77%
Satisfactory	5	17%
Moderately Satisfactory	1	3%
Unsatisfactory	1	3%
<b>Total</b>	<b>30</b>	<b>100%</b>

Twenty three of the 30 investments reviewed, or 77% were considered highly satisfactory in terms of relevance. If we combine the satisfactory and highly satisfactory categories, 94 % were relevant in relation to the Government of Vietnam objective and to CIDA country strategy.

About half of Canada's aid to Vietnam was focused on economic growth areas, a quarter on governance and a quarter on social development.

CIDA's work in governance in Vietnam has been highly relevant, although somewhat dispersed (working in several complex areas of governance at once, for example). The Agency's work in "private sector" and "agriculture and rural development", areas that have overlapped in the Vietnam Country Program, have been more relevant to "agriculture and rural development" than to the private sector. The Mekong Private Sector Facility, a World Bank IFC project to which CIDA contributed, is an exception that has been highly relevant to key areas of private sector development in Vietnam. As well, CIDA has supported governance efforts that are indirectly important to the private sector, such as Vietnam's accession to the WTO and improvements in the legislative framework for business enterprise. There are other important areas of the private sector that CIDA has not significantly addressed, in particular the transition of state-owned enterprises to private enterprise.

CIDA's work in basic education has also been relevant to poverty reduction and long-term growth. Its programming in the environment and in equality between women and men has also been highly relevant.

**Relevance to Poverty Reduction**

Over the past decade poverty has become increasingly concentrated in the ethnic minority peoples. Vietnam has approximately 54 ethnic minority groups and eight main language groups.<sup>27</sup> Although they are only about 14% of Vietnam's population, the ethnic minority groups contain about 44% of all poor people in Vietnam (where poor is defined as having an annual income less than \$US 365 at purchasing power parity). This income imbalance between the minority ethnic groups and the majority Kinh and Chinese populations has become more marked over the past five years. Essentially the ethnic minority peoples have been left behind by the general economic growth that Vietnam has experienced.

Vietnam is an authoritarian single-party state with a generally poor record of human rights. The ethnic minority peoples are subject to the same constraints as all Vietnamese, but there are additional aspects. Over the past decade, but with a much longer history, there has been tension between the minority peoples in Vietnam and the Government of Vietnam, in the central highlands, the northern mountain areas and in some southern provinces. The stresses are based on many factors, including historical factors and cultural, linguistic and religious differences.



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CIDA's poverty reduction mission makes the situation of the ethnic minorities in Vietnam particularly relevant. In the past ten years, in addition to supporting economic growth in general, CIDA has worked in several areas that were directly relevant to poverty reduction, including:

1. The Rural Poverty Reduction Program (RPRP), including the Livelihoods Projects (Soc Trang, Tra Vinh, and Thanh Hoa), a small-scale infrastructure project, and a capacity development and Enabling Environment Project.
2. Primary Education for Disadvantaged Children (PEDC) for children at risk who are, to a considerable extent in Vietnam, ethnic minority children.
3. Small grants from the Canada Fund for Local Initiatives
4. Grants under the Social and Women's Initiative Fund (SWIF)
5. Pro-poor policy reforms and governance reforms

### Relevance of the Canada Fund for Local Initiatives

Although a small part of the total disbursements (less than 1%), the Canada Fund for Local Initiatives is, in the evaluators' opinion, a significant part of CIDA's poverty reduction effort in Vietnam because it is targeted to the poor and disadvantaged. In 2008-09 the budget was \$C 215,000, a very large decrease from earlier years.

In 2007-08 CIDA approved 14 Canada Fund grants for a total of VND 8,022,052,000 (\$C 515,000). Of these six were for recovery and reconstruction related to damage caused by storms and floods, including Typhoon Peipah, in late 2007, in which more than 200 people died. At least five projects targeted ethnic minorities and five targeted women. The evaluators found that the funds were used for the purposes intended, and were focused both on the poor and on women and girls.

Interviews throughout Vietnam indicated that the effect of the Fund on goodwill is significant albeit difficult to measure. It seems reasonable to assume that the contribution of the Fund to the goodwill that Canada enjoys in Vietnam, and to its ability to work effectively on policies and values at the provincial and the national level, is significant.

## 6.2.2 Results

Over the past twenty years Vietnam has experienced very strong economic growth and poverty reduction. Of course the credit is due to the Vietnamese themselves, although aid donors have played a role, most significantly in regard to policy changes. Vietnam has not been dependent on aid.

Within the donor community CIDA has been a small player in terms of resources but more significant in terms of expert technical assistance and policy dialogue. It has been better at having an influence than at measuring that influence. CIDA's Country Program in Vietnam has been strong in results. About four in five projects rated satisfactory or better; and more than half were rated as having highly satisfactory results.

**Table 6.2.2 Results Ratings**

Results (Effectiveness and Impact) Ratings		
Rating	Number of projects	%
Highly Satisfactory	16	55%
Satisfactory	7	24%
Moderately Satisfactory	3	10%
Unsatisfactory	3	10%
<b>Total</b>	<b>29</b>	<b>100%</b>

CIDA achieved highly satisfactory results in three areas: (1) expert technical assistance with a knowledge and policy focus; (2) program-based contributions to funds led by multilateral institutions, such as the Mekong Private Sector Development Facility and the Poverty Reduction Support Credit; and (3) small scale targeted projects funded by SWIF or Canada Fund for Local Initiatives. However the differences between these areas and others were not large, most having satisfactory results on the whole.

### **6.2.3 Sustainability**

Sustainability of development results in general in Vietnam is not easy to assess. On the one hand Vietnamese partners have shown themselves to be serious about building a new type of economy, and capable of sustaining gains. On the other hand the operations and intentions of the Vietnamese Communist Party are opaque and change is slow. It is impossible to judge how durable the gains in openness and market focus may prove to be under stress, and the transition from a low-income rural-based country to a middle-income urban and industrialized country will not be short of stress. This is particularly true of the sustainability of governance reforms and economic policy reforms. However, for twenty years the GoV has sustained a slow but consistent reform process and seems likely to continue in this path.

**Table 6.2.3.1 Sustainability Ratings**

<b>Sustainability Ratings</b>		
<b>Rating</b>	<b>Number of projects</b>	<b>%</b>
Highly Satisfactory	10	33%
Satisfactory	13	43%
Moderately Satisfactory	2	7%
Unsatisfactory	5	17%
<b>Total</b>	<b>30</b>	<b>100%</b>

The evaluators' ratings of the sustainability of CIDA's initiatives in Vietnam show this ambivalence. On the one hand a third of projects rated highly satisfactory on sustainability, and 43% as satisfactory. On the other hand 24% rated as either moderately satisfactory or unsatisfactory (which signals opportunity for improvement). The main constraints on sustainability included uncertainty about GoV commitment to certain reforms; and limited capacity to implement reforms (a tendency to wait for legislation and to assume the job is done when legislation is passed).

CIDA has significant expertise in Vietnam. The evaluators concluded that it might consider investing more in knowledge products such as baseline studies and in-depth working papers in specific sectors to inform the design of its investments.

### **6.2.4 Coherence**

The evaluators reported a mixed picture in regard to the coherence of CIDA's investments in Vietnam. Seventy-four percent of the projects rated by the evaluators were satisfactory or better on coherence, while seventeen percent were moderately satisfactory and ten percent were unsatisfactory. On the one hand CIDA has stayed with a relatively consistent set of priorities over a long period, with some exceptions. The Program conducts annual consultations with the GoV, alternately in Canada and Vietnam, which supports coherence.

However there are two important factors that diminishes the coherence of CIDA's programming in Vietnam. First, although CIDA aims at an all-CIDA approach to programming, the mandates and structures of its Branches militate against this. It is difficult to maintain a fully coherent program when

the Branches make decisions independently and operate on different bases. Second, CIDA, and therefore its Vietnam Country Program, has been subject to frequent changes in priorities as ministers have changed. The long life cycle of many projects means that the Country Program at any point in time has contained some legacy projects that are not coherent with current priorities. Rather than an issue under the control of the Program, this is a corporate issue which the Agency has recognized and is in the process of addressing.

Coherence also depends on coordination, both with other departments of the Government of Canada (especially Foreign Affairs and International Trade), and with donor peers in Vietnam. Coordination within the Government of Canada is largely informal. The Embassy in Hanoi is small, so communications, say between the trade commissioner and the aid section, are straightforward. Coordination with other donors in Vietnam is demanding but is a CIDA strength. CIDA officials are members of several donor coordination groups in Vietnam and, despite being a small donor (around 2.5% of development aid from 2000 to 2007), CIDA has been successful in having its voice heard and contributing to the coherence of the overall efforts of donors.

**Table 6.2.4.1 Coherence Ratings**

<b>Coherence Ratings</b>		
<b>Rating</b>	<b>Number of projects</b>	<b>%</b>
Highly Satisfactory	11	37%
Satisfactory	11	37%
Moderately Satisfactory	5	17%
Unsatisfactory	3	10%
<b>Total</b>	<b>30</b>	<b>100%</b>

The evaluators concluded that stable long-term priorities in Vietnam would facilitate coherence across Branches and delivery mechanisms. But more effort is needed to encourage different Branches of CIDA to work within a single strategic framework in Vietnam. While this goal can be pursued to some degree by the Vietnam team alone, it requires a CIDA-wide effort.

## **6.2. 5 Efficiency**

In 2005, an audit of the Vietnam Country Program by CIDA's Internal Audit Division said: "Our audit found that many of the management systems and practices and operations are functioning well. This leads us to conclude that the country program is generally well managed."<sup>28</sup> However, efficiency ratings were not high. Approval process is slow, and projects frequently start late and run late.

The efficiency of CIDA's Country Program is not easy to assess because, apart from planning and financial management milestones, the Agency does not have formal efficiency standards for program delivery and does not monitor efficiency metrics. Therefore the internal audit concluded that efficiency could be improved by better use of data. "The financial information would be more useful for decision making if additional analysis were performed and documented – that is, variance analysis and certain ratio analysis."<sup>29</sup> In essence, the basic information is available but it is not used to construct efficiency metrics that might usefully inform management decisions.

As the Agency acknowledged in CIDA's Policy Statement on Aid Effectiveness (2002) said: "Over time, CIDA's business processes have become complex and an inordinate amount of staff time has been taken up with managing the processes rather than making optimum use of development knowledge." A project in 2007 to improve the efficiency of CIDA's business processes concluded that little had changed. In the Public Service Employee Survey (2008) 89% of CIDA staff in the geographic branches reported that too many approval stages and unreasonable deadlines affect the quality of

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their work. These figures are much higher than the average for the public service as a whole. This is not specific to the Vietnam Country Program but it is important context

The main effect in Vietnam of these deficiencies in efficiency has been slowness. This was a consistent theme in feedback from donor peers and project beneficiaries (many of whom could compare the performances of various donors from whom they had received funds). The general opinion expressed in Vietnam was that CIDA's approval process is slow. Our analysis of the projects of the sample coupled with interviews with different stakeholders revealed that the Agency's contracting process is very slow. It can take more than a year and a half for a contribution agreement to be approved. But part of the delay can be due to Vietnam's Ministry of Planning (MPI), the complex inter-ministerial approval process, the MOU negotiation process, etc , which also contribute to the slowness in approving projects on the Vietnam side.

Field staff in Hanoi do not have access to the corporate tools and good communication linkages to "Entre Nous", the Agency's internal web site, nor to the electronic documents and records management system (EDRMS) at headquarters, nor access to financial information system (SAP). This has a negative impact on the efficiency and effectiveness of field operations. Field staff reported that they have difficulties monitoring contribution agreements with Canadian Executing Agencies (of all Branches) since they do not have access to all the functionalities of SAP. Another example was the difficulty for field staff to manage the recording and reconciliation of data related to staff attendance and accumulated leave, which contributes to inefficiencies, and uncertainty over the status of employee benefits. In summary, the Hanoi Aid Section has not been provided with up-to-date information management and communications technologies. Their toolkit consists of word processing, spreadsheet, internet access and e-mail.

The evaluators' ratings of efficiency in the specific investments, which is a more limited matter than country program efficiency because the program encompasses activities other than projects, indicated that about a third of the projects in the sample were highly satisfactory in regard to efficiency, but that almost a third were only moderately satisfactory or less.

**Table 6.2.5.1 Project Efficiency Ratings**

Efficiency Ratings		
Rating	Number of projects	%
Highly Satisfactory	9	31%
Satisfactory	11	38%
Moderately Satisfactory	7	24%
Unsatisfactory	2	7%
<b>Total</b>	<b>29</b>	<b>100%</b>

Decentralization of the Vietnam program to Hanoi, supported by appropriate levels of delegation of contractor selection and project approval authority to the Country Director could help to improve the pace of decision-making. Decentralization would also have to be accompanied with provisions for staff in the Aid Section in Hanoi to have up-to-date information management and communications technologies that allow them to have access to the systems at headquarters.

### 6.2.6 Management Principles and Practices

CIDA manages its programs in accordance with principles of good programming and management practice as articulated by the Policy Statement on Aid Effectiveness (2002). The principles include country ownership, transparency and accountability, and alignment and harmonization with other donors. They cover alignment of CIDA's development aid program with priorities agreed with the

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country, use of in-country systems wherever possible (where financial and procurement systems are reliable, for example), and the use of program-based approaches such as general budget support and sector budget support that rely on the recipient government for implementation. Harmonization with other donors implies coordination, standardization of procedures, agreement on strategy and task sharing, and, where appropriate, joint projects.

The audit of the Vietnam Country Program by CIDA Internal Audit Division (2005) found that alignment with CIDA's development priorities was good, the Vietnam Country Program team had an excellent record in regard to donor coordination and harmonisation, and financial management systems were adequate although more analysis to support management decision making is desirable. In 2004 CIDA approved an *Action Plan to Promote Harmonization*. The Vietnam Country Program has, in the opinion of the evaluators, generally followed the prescriptions of that plan, has been an active participant in various donor and donor/government fora in Hanoi, and has shown leadership on various occasions.

**Table 6.2.6.1 Management Principles and Practices at the Project Level**

Management Principles/ Practices Ratings		
Rating	Number of projects	%
Highly Satisfactory	15	54%
Satisfactory	10	36%
Moderately Satisfactory	3	11%
Unsatisfactory	0	0%
<b>Total</b>	<b>28</b>	<b>100%</b>

Overall, CIDA's performance on management principles and practices at the project level was good. Fifteen of the 28 projects (54%) that were rated on this criteria were rated as highly satisfactory, and 90 % were satisfactory or better. Only three were rated only moderately satisfactory and none unsatisfactory. The overall rating by the evaluators is 3.8 out of five.

## 6.2.7 Cross-Cutting Issues

### 6.2.7.1 Equality between Women and Men

CIDA's record on programming in Vietnam related to equality between women and men was satisfactory but it relied substantially on action by people who took a personal interest in the topic and championed the issue, rather than a well articulated equality strategy. Performance ratings on this measure were among the highest compared with the other evaluation criteria. Eighty-nine percent of projects were either satisfactory or better.

**Table 6.2.7.1 Promotion of the Equality between Women and Men**

Crosscutting Themes – Equality of Men and Women Ratings		
Rating	Number of projects	%
Highly Satisfactory	9	33%
Satisfactory	15	56%
Moderately Satisfactory	3	11%
Unsatisfactory	0	0%
<b>Total</b>	<b>27</b>	<b>100%</b>

The evaluators had the following observations.

- The cross-cutting theme of gender equality (GE) are generally without the benefit of a coherent strategy at the program level, and sometimes at the project level. The 2004 evaluation of the RPRP noted that: *“There is no “gender equality” strategy per se for the RPRP, but the three CEAs have developed their own strategy and this preoccupation is omnipresent in the implementation of the projects. In the two provinces, the Women’s Union has played an important role in the “Improved Livelihoods” projects (especially in the savings and credit activities), it has been a major partner for CDEEP and it has participated in the PPSC, as a member of the Vietnamese delegation.”*
- The “end of project” Project Performance Report (PPR) for the Thanh Hoa livelihoods project notes “adequate gender results”. In the Tra Vinh Improved Livelihoods Project (TVILP) there was evidence of women as a core target group but the mainstreaming for the target group remained vague. The evaluation found that women comprised 69% of the beneficiaries of activities under component 2 (Income generation and rural economy development). The Chair of the Provincial Peoples Committee (PPC) in that province also claimed that CIDA projects have “enlarged the perspective of local leadership” regarding gender equality.
- Women are the target beneficiary group for the REEP project, and mainstreaming strategies at the provincial level are specific outcomes targeted. Project reports note that actual implementation of mainstreaming by provinces is more likely to come near the end of the project, as the concepts are gradually introduced into practice.
- In the Banking Reform project, despite budget for a gender expert, equality aspects received little attention from inception in 2002 to 2008.

### **6.2.7.2 Environment**

CIDA prepared Strategic Environmental Assessments in 2005 for the agriculture and rural development sector and in 2006 for the Country Program. However, these assessments were not followed by an action plan with concrete targets. The evaluators found that there is too little environmental expertise and environment intelligence gathering by CIDA in Hanoi. This is an important matter given the low level of awareness in Vietnam of the environmental impacts of increased agricultural production and the common view that physical infrastructure is good for the environment.

Of the 30 initiatives examined, the evaluators were able to rate 17 on environmental performance, given the information available. Of those that could be rated, three-quarter were satisfactory or better.

**Table 6.2.7.2 Environment Performance Ratings**

<b>Crosscutting Themes – Environment Ratings</b>		
<b>Rating</b>	<b>Number of projects</b>	<b>%</b>
Highly Satisfactory	7	41%
Satisfactory	6	35%
Moderately Satisfactory	3	18%
Unsatisfactory	1	6%
<b>Total</b>	<b>17</b>	<b>100%</b>

The evaluators concluded that the previous Performance Measurement Framework for Vietnam could have contained more specific results and targets for environmental improvements that CIDA intended to pursue. The new CDPF includes an environmental assessment and accompanying Performance Measurement Framework in which environmental sustainability is integrated as a cross cutting issue.. There are a number of “indicators” that would require close attention and analysis in the context of rural development and industrial growth in Vietnam. This would require access to environment

expertise on the ground, in order to be able to do proper intelligence gathering, research, analysis, monitoring and reporting to inform evidence-based decision-making.

## **6.2.8 Performance Management**

All initiatives are monitored and some are subject to mid-term or end-of-project evaluation. In addition, the Vietnam team in Asia Branch prepares Program and Project Performance Reports annually for its portfolio of projects. There is no annual performance report that covers all activities of CIDA in Vietnam. The Program is subject to periodic audits and evaluations. This present evaluation study is the first comprehensive evaluation of CIDA’s Vietnam Country Program since it began sixteen years ago, and is well timed to contribute to thinking about the CDPF for the next five years, which is being finalized.

As shown in table 6.2.8.1 below, performance management was satisfactory or highly satisfactory in 76% of the 25 projects that the evaluators examined. The other 24% was rated as either moderately satisfactory (20%) and one (4%) was rated as unsatisfactory. .

**Table 6.2.8.1 Performance Management Rating**

<b>Performance Management (M&amp;E, RBM) Ratings</b>		
<b>Rating</b>	<b>Number of projects</b>	<b>%</b>
Highly Satisfactory	6	24%
Satisfactory	13	52%
Moderately Satisfactory	5	20%
Unsatisfactory	1	4%
<b>Total</b>	<b>25</b>	<b>100%</b>

It is appropriate to acknowledge here that management has taken corrective action when things have not gone well. For example, two projects that were not performing well were terminated early by the Vietnam team. This is not an easy task because of contractual and diplomatic challenges, and speaks well for the Program team’s commitment to results and efficiency.

The Vietnam Country Program team has also produced “Country Program and Project Performance Reports” every year for each active project and for the program as a whole. The discussion of priorities, key agency results and of lessons learned has been useful and frequently insightful. However, it is often difficult to relate, for example, the estimated “percent complete” for outputs and outcomes to the rather general explanation and substantiation in the text. Nevertheless, it is a useful attempt to be as clear and quantitative as possible. Baseline studies would help a lot.

That said, results reporting by the Program could be improved, in the opinion of the evaluators. The results frameworks have tended to be too general, with objectives whose results are difficult to attribute to CIDA.

## **6.3 Delivery Mechanisms and Channels**

Overall, the sample included 30 investments, which were categorized into various delivery mechanisms and channels as outlined below:

1. Bilateral directive: 13 projects;
2. Bilateral responsive: 6 projects;
3. PBAs -GBS; one project in two phases;

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4. Other PBAs – SBS and pooled funds: 4 projects;
5. Canadian Partnership Branch: 5 projects.

Concerning the performance of the various delivery mechanisms, all performed satisfactorily overall, although the PBAs, especially General Budget Support, has performed better than the others, as outlined below in Table 6.3.

- Bilateral Directive projects (B1) were rated generally satisfactory (3.4): the highest ratings were for relevance, results effectiveness and management of environment as cross-cutting theme;
- Bilateral Responsive projects (B2) were also generally satisfactory but rated a little lower at 3.3: the highest scores were for relevance, management principles and equality between women and men as cross-cutting issue;
- Regarding PBAs, the general budget support intervention, which includes the two phases of the PRSC, received the highest rating of highly satisfactory (B3). Both phases were rated highly satisfactory on almost all counts except cross-cutting issues;
- Other PBAs, such as the Sector Budget Support and other pooled funds projects (B4), were rated satisfactory at 3.5. The highest scores were on relevance, management principles and gender equality as cross-cutting issue while performance management, efficiency, sustainability and results were rated lower but nevertheless satisfactory; and,
- The five Canadian Partnership Branch projects (P1) in the sample received an overall average rating of satisfactory at 3.4. (although three were rated highly satisfactory, the other two received ratings of moderately satisfactory and unsatisfactory). The highest ratings were on relevance, results, gender equality and efficiency. All criteria were rated satisfactory except performance management, which was rated as only moderately satisfactory.

**Table 6.3 Results Ratings**

Criterion	B1	B2	B3	B4	P1
Relevance	4.3	3.8	4.0	4.0	3.7
Results (Effectiveness and Impact)	3.6	3.5	4.3	3.4	3.8
Sustainability	3.2	3.0	4.0	3.4	3.1
Coherence	3.3	3.1	4.0	3.5	3.0
Efficiency	3.0	3.2	4.0	3.0	3.6
Management Principles/ Practices	3.5	3.6	5.0	3.9	4.4
Crosscutting Themes – Equality between Women and Men	3.5	3.8	3.8	3.8	3.9
Crosscutting Themes – Environment	3.4	2.5	3.5	3.50	3.5
Performance Management (M&E, RBM)	3.1	3.1	4.0	3.3	2.8
<b>Overall Average</b>	<b>3.4</b>	<b>3.3</b>	<b>4.1</b>	<b>3.5</b>	<b>3.4</b>
B1 : Bilateral-Directive, B2 :Bilateral-Responsive, B3 : PBA-General Budget Support, B4: PBA-Sector Budget Support and pooled funds, P1: Canadian Partnership Branch					



### 6.3.1 The Regional Program

The SE Asia Regional Program expenditures in Vietnam amounted to only 3.3% of the total. Therefore the country program evaluation reviewed the regional program only briefly. It was found that there were limited links between the regional strategy and programming and the Vietnam Country Program, that the CIDA office in Hanoi supported the regional projects well when required, and that the regional program's natural dialogue partners were ASEAN (Association of Southeast Asian Nations) and to a lesser extent APEC (the Asia Pacific Economic Cooperation).

## Conclusions, Corporate Considerations and Recommendations

### Conclusions

Canada is a relatively small donor in Vietnam, contributing a very modest 2.5 % of the external resources contributed by the donor community. Based on its mission of sustainable development for poverty reduction and Canadian values, the Agency articulated a vision and objectives for its program in Vietnam for the period evaluated, and focused in the thematic areas of governance, agriculture and rural development, and education, with gender equality and environment as cross cutting issues. The program operated at the national, provincial and local levels, using a mix of projects and program-based delivery instruments complemented by investments in technical assistance.

### Thematic Areas

In the area of Governance, CIDA has worked with some of the most high profile, core institutions in Vietnam (the prime minister's office, the legislature, the judiciary, and the central bank). Through a series of investments, some of which were still on-going at the time of the evaluation, the Agency has provided high level expert technical advice and assistance to effect reforms in a range of areas - legal, judicial, financial and banking. These investments have helped to improve the policy environment, strengthen the institutional capacity of the GoV to implement reforms, and lay the foundations needed to support Vietnam's economic growth and facilitate its transition from a closed, planned economy to an internationally-integrated market economy. The effects of these changes, which are systemic and transforming in nature, will take time. The contributions of Canada through these initiatives are appreciated by the GoV and well regarded by the donor community. The investments position the Agency to make a difference as Vietnam transforms itself into a middle-income country.

The economic growth portfolio of private sector and agriculture/rural development initiatives has achieved good results. Several of the investments built on the experiences of previous phases, taking into account the lessons from those. The investments working at the national level in the enabling environment (e.g in banking supervision and legal reform) have encountered challenges that have often delayed them but have contributed, or have the potential to contribute, to significant change in the enabling environment. The investments with a provincial and regional focus and a more direct orientation to poverty alleviation — such as the Rural Poverty Reduction Program and the Rural Enterprise Expansion Project — have been quite innovative and successful at the local level in improving the quality of life, incomes and assets of some of the poorest households in some of the poorest provinces and rural districts in Vietnam by supporting a range of agricultural activities and micro, small and medium enterprises (MSMEs). Besides the impact on individuals and households, the investments have had significant positive benefits for the communities involved. The positive results from the portfolio of investments in the private sector and agriculture/rural development make a strong argument for continued programming in the area.

Improving human capital through education is a key factor in reducing poverty. Through joint efforts with other donors and the Ministry of Education and Training (MOET) on investments such as the Primary Education for Disadvantaged Children, the Targeted Budget Support for Education For All and the Basic Education Trust Fund, the Agency has contributed to improved access, quality and equality within primary schooling for children in some of the poorest districts and provinces in Vietnam. It did this through infrastructure development, provincial level planning tools and capacity enhancements, the provision of text books and training courses, strengthening the capacity of the MOET and key stakeholders, and enhancing the education system in general. Barring unforeseen circumstances, universal primary education will have been achieved by the time these investments finish in 201-2011 or soon thereafter.

Although CIDA contributed a relatively modest sum to these education initiatives, its participation was seen by the MOET and other donors as having been critical to the overall successes in the sector. It played an important role in their design, in helping to build effective working relationships among the partners, in helping to focus the policy concerns of all stakeholders on issues such as universal quality standards for schools and content of primary education, and in contributing to better performance and more coherence in the education system,

While working in the above areas, the Program did so with due care and attention to the equality between women and men and to the environment, mainstreaming them in its investments. The Program has made good use of different delivery instruments, evolving over time to include a good mix of project and program-based approaches (PBAs) at the national and sub-national levels. The use of more program-based approaches that relied on GoV systems, has fostered ownership and worked well. The program has also balanced its investments in PBAs with expert technical assistance in its areas of strategic focus, and invested in upgrading the financial and administrative systems of the GoV to improve the latter's capabilities. It has done so by working closely with other donors. There is also evidence that Program Management has taken corrective action to terminate a couple of initiatives which were not performing well.

The Program benefitted from continuity in three ways. First, its focus has remained fairly constant in thematic areas of economic growth (first in PSD in the rural areas and later Agriculture and Rural Development), education, and governance. Second, it has built on the experiences and lessons from previous investments to establish follow on phases in several cases, including expanding and replicating these in other areas. And, third, it has been fortunate with staff continuity, being able to retain a core group of key staff on the program over significant stretches of time. (For example, the program has only had two Country Program Directors over the last 10 years). This is important for building knowledge about the country, as well as establishing trust and confidence in relationships.

### Performance Ratings

The evaluation examined a sample of 30 investments representing a good cross section of the Agency's work in Vietnam. Each investment was assessed on 9 criteria: i) Relevance, ii) Effectiveness, iii) Sustainability, iv) Coherence, v) Efficiency, vi) Management principles and practices, such as those in the Paris Declaration, vii) Gender equality as a cross-cutting theme, viii) Environment as a cross-cutting theme, and ix) Performance management (including Result based management, monitoring and evaluation).

Of the 30 investments examined, 8 (or 27%) were rated "highly satisfactory" while another 14 (47%), were rated as "satisfactory" for a combined total of 74% of the investments rating satisfactory or better. Another 6, or 20%, were rated as moderately satisfactory while 2, or 13%, were rated as unsatisfactory. The average overall rating on the performance of all of the investments in the sample, on all criteria taken together, was 3.4 out of 5.0, or "satisfactory". In the opinion of the evaluators this is a solid performance, comparable with the performance of other development agencies that publish their performance data, and a strong rating from an independent evaluation team.

The highest ratings were on relevance (4.0), management principles and practices, such as adherence to the Paris Declaration principles of harmonization, alignment, ownership (3.8), results/effectiveness (3.6) and the cross cutting issues of equality between women and men (3.6), and environment (3.4). The ratings were lower, although still in the satisfactory range on sustainability (3.2), coherence (3.3), and efficiency (3.2), and on performance management (3.1) out of 5.

From a development effectiveness perspective, when the scores for relevance, results achievement, sustainability of these results, and cross-cutting issues of gender and the environment were aggregated, the combined average rating was 3.6, which is in the upper part of the "satisfactory" range (of 3.0 - 3.9), on the 5 point scale. This suggests a level of performance that is good, given the

risks associated with the development business and the limited control over some of the factors which influence the outcomes.

From an operational effectiveness perspective, the average combined rating for factors such as coherence, efficiency, management principles/practices and performance management (which also covers RBM and monitoring and evaluation) was 3.2, which is still satisfactory but in the lower part of the "satisfactory" range.

These assessments suggest a level of performance which is good, but also that there are areas where there is room for improvement.

### Areas for Improvement

From the foregoing analysis, the following are areas where improvements can be made to further enhance the operational efficiency and development effectiveness of the Agency's investments in Vietnam:

- **Whole-of-Agency Coherence:** initiatives through different program branches were not all well aligned with the priorities articulated in the CDPF. This is a corporate issue and not specific to the Program
- **Decentralization:** decentralization of the program with delegation of more decision-making authority to the field would enable staff to be closer to the action on the ground and be better able to respond to the challenges in a more timely fashion. With decentralization; there is also the opportunity to strengthen the sectoral/technical expertise in Hanoi in the some thematic areas of CIDA programming, an important aspect of improving effectiveness.
- **Efficiency:** Implementation was sometimes hampered by slow approvals and late starts on the Canadian side as well as lengthy GoV approval processes. Lack of access to information technology and communication tools such as EDRMS, SAP, and *Entre Nous*. by field staff also affected efficiency.
- **Results and Sustainability:** With 20% of the investments rated as moderately satisfactory or less on results, and 24% rated as moderately satisfactory or less on sustainability with an overall sustainability rating of 3.2, this is an area where more robust design of investments, informed by base-line studies and good sectoral/technical expertise could be helpful.
- **Performance management:** objectives and results of initiatives were sometimes over-ambitious and not always specified in clear and measurable terms. Systematic technical monitoring during implementation and evaluation can be used to greater advantage.
- **Policy dialogue:** the results from the Program's policy dialogue efforts in the general budget support and sector budget support initiatives have been encouraging. In a context where reforms are key to Vietnam's success, there are opportunities for the Program to further strengthen its policy dialogue efforts through well articulated annual plans, which take a systematic and strategic approach, informed by access to technical and sectoral expertise and knowledge products.
- **Equality between women and men:** the results have been excellent, with 89% of the initiatives rated as Highly Satisfactory or Satisfactory. To sustain this performance and avoid slippage in the face of likely staff turnover, a specific action plan as a managerial tool for implementing the Agency's gender equality objectives during the next CDPF could be helpful.

### Corporate Considerations

Some of the above-mentioned aspects are areas where the Agency has already recognized the need for improvements and is taking action as indicated in its Aid Effectiveness Action Plan and its Management Response to the 2009 Fall Report of the Auditor General of Canada. For example:

- On whole-of-Agency coherence, the Agency has established a new CDPF implementation process through which better alignment and coherence through the different program branches are being addressed.
- On decentralization, the Agency has already decided to increase its field presence, is considering delegating greater authorities to the field, and is now working on the timing and best way to implement this. It should help to improve the effectiveness of the program, as staff will be closer to the action on the ground and be better able to respond to the challenges.
- On efficiency and the pace of approvals and implementation, the Agency is committed to business process modernization. The new process for directive programming is an early example of efforts to streamline CIDA's business processes and practices to reduce delays during the planning and implementation cycle. Other measures to streamline corporate support functions (such as HR, procurement) are also being taken.
- On Performance Management, the Agency has strengthened its Results-Based Management capacity by establishing a Performance Management Division (within the Strategic Planning and Performance Branch) that can advise and assist other parts of the Agency to improve the quality of their RBM and risk management tools.

Finally, going forward, it should be noted that the Agency has decided on the thematic areas of strategic focus for the Vietnam program, which is finalizing the CDPF and accompanying Performance Measurement Framework for the next five year period. Considering that actions are underway to address some of the corporate challenges, these will not be the subject of specific recommendations.

### **Recommendations:**

While the above-mentioned Agency improvements will benefit the Vietnam Program and enable it to improve the efficiency and effectiveness of its investments, there are a few specific areas where the Program could also make improvements.

#### **Recommendation 1: Respond to the changing ODA context in Vietnam**

In developing and implementing its next five-year CDPF, the Program should take into account Vietnam's anticipated transition towards middle-income status, adjusting its choice of programming areas and mix of instruments accordingly.

#### **Recommendation 2: More robust design of investments for results and sustainability**

The Program should strive for more robust design of its investments, informed by base-line studies and sectoral expertise that would help it to articulate expected results which are specific, measurable, achievable, relevant and time-bound, as a basis for managing and reporting progress on them.

#### **Recommendation 3: Enhanced Technical Monitoring of Progress as a Performance Management Tool**

As the program works in complex technical areas (such as banking and legal reforms, agriculture and rural development, governance), for which access to in-house sectoral and technical specialists is often a challenge, it should ensure the availability of adequate expertise to undertake systematic, periodic, technical monitoring of progress on its investments.

#### **Recommendation 4: Strengthening Policy Dialogue**

Given the importance of policy dialogue in Vietnam, the Program should develop a deliberate approach to policy dialogue which encompasses all of its aid instruments, and which focuses on specific policy questions in the context of Country Strategy/CDPF priorities to strengthen its policy influence with the GoV and other development partners.

**Recommendation 5: Maintaining the Stellar Performance on Equality between Women and Men**

Although the results have been excellent, with 89% of the initiatives rated as Highly Satisfactory or Satisfactory, the Program should consider developing a specific action plan as a managerial tool for implementing the Agency's gender equality objectives during the next CDPF period to sustain this performance and avoid slippage in the face of inevitable staff turnover.

**Evaluation of CIDA's Investments in Vietnam**

**Appendix 1  
Details on Investments Reviewed**

#	Project	Project Name	Sectors of Focus	Branch	Start Date	End Date	Investment Type	Delivery Mode	Total Disbursement
1	A032098	Mekong PSD Facility II	Agriculture/Rural Development	Asia	30/05/2003	28/12/2007	PBAs	Directive	\$2,700,000
2	A034313	Canada Fund Vietnam 08/09	Agriculture/Rural Development	Asia	04/01/2008	31/03/2008	Canada Funds	Responsive	\$120,514
3	S061266	ACCC:Partenariats Collèges Communautaire - ph2	Education	Canadian Partnership	01/05/2001	31/03/2012	Programs	Responsive	\$3,999, 950.00
4	S055712	T1/TORONTO/Waste-Econ. Program	Environment	Canadian Partnership	09/10/1998	30/06/2006	Projects	Responsive	\$936,803
5	A021595	Social and Womens Initiative Fund II (SWIF)	Governance	Asia	05/02/1999	31/03/2008	Projects	Responsive	\$369,038
6	A032271	Poverty Reduction Support Credit 3-5 (PRSC 3-5)	Governance	Asia	15/04/2004	30/03/2008	PBAs	Core Funding	\$19,000,000
7	A019865	Poverty Reduction Support Credit 6-7 (PRSC 6-7)	Governance	Asia	01/04/2007	31/03/2010	PBAs	Core Funding	\$10,000,000
8	S053307	T1/Montreal/Programme Gestion Urbane	Health	Canadian Partnership	08/03/1996	19/07/2004	Projects	Responsive	\$20,765

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9	A032780	Agriculture Market Information Project	Agriculture/Rural Development	Asia	17/02/2004	02/01/1900	Projects	Directive	\$1,405,913
10	A032038	Food and Agriculture Products Quality DC	Agriculture/Rural Development	Asia	08/09/2003	31/03/2010	Projects	Directive	\$4,469,620
11	A030672	Young Canadian Volunteers in Vietnam II (WUSC)	Education	Asia	08/01/1999	29/12/2006	Projects	Responsive	\$716,791
12	A019588	Prog.Coop.Vol. Oxfam-Qc. 2004-2009	Education	Canadian Partnership	01/04/2004	31/03/2009	Programs	Responsive	\$2,812,637
13	A031255	Judicial Reform Project (JUDGE)-	Governance	Asia	01/09/2003	31/03/2008	Projects	Directive	\$2,509,304
14	A032198	Pooled Funding Project Strengthening the Capacity of the Inspectorate System (POSCIS)	Governance	Asia	01/04/2006	31/03/2013	PBA's	Directive	\$3,098,000
15	A032184	THANH HOA Improved Livelihoods Project	Agriculture/Rural Development	Asia	29/06/1999	30/06/2006	Projects	Directive	\$3,147,444
16	A031629	Rural Enterprise Expansion Project	Agriculture/Rural Development	Asia	27/08/2003	30/09/2009	Projects	Responsive	\$2,044,788



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17	A019065	SOC TRANG Improved Livelihoods Project	Agriculture/Rural Development	Asia	01/09/1998	30/06/2006	Projects	Directive	\$2,972,208
18	A020976	Tra Vinh Improved Livelihoods Project	Agriculture/Rural Development	Asia	01/12/2003	31/03/2009	Projects	Directive	\$5,473,672
19	A020981	Small Scale Infra Devt & Service III	Agriculture/Rural Development	Asia	10/03/2000	31/03/2005	Projects	Directive	\$799,990
20	A030461	Basic Education Trust Fund II	Education	Asia	30/07/2001	31/01/2003	Programs	Directive	\$2,904,185
21	A031450	Primary Educ. for Disadvantaged Children	Education	Asia	31/01/2003	31/12/2009	PBA	Directive	\$7,618,074
22	A032239	Targeted Budget Support for Education	Education	Asia	01/03/2006	31/03/2011	PBA	Directive	\$9,036,902
23	A033386	Vietnam Canada Environmental Project (VCEP Phase II)	Environment	Asia	05/01/1999	29/12/2006	Projects	Directive	\$2,371,915
24	A032157	Banking Reform Project	Governance	Asia	13/03/2003	01/12/2009	Projects	Directive	\$5,440,561
25	S062459	Legal Reform (LERAP)	Governance	Asia	04/04/2001	30/05/2008	Projects	Directive	\$3,457,698
26	A031258	Policy Implementation Assistance II (PIAP-II)	Governance	Asia	01/08/2001	31/03/2008	Projects	Directive	\$5,061,628

## Evaluation of CIDA's Investments in Vietnam

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27	A032113	Avian Influenza - Prevention and Control	Health	Asia	01/08/2006	31/03/2011	Projects	Responsive	\$1,200,000
28	A032787	HIV/Aids Community Clinics Network	Health	Asia	08/06/2001	31/03/2009	Projects	Responsive	\$2,294,950
29	K060776	Vessel Traffic Management System Training Program (VTS)	Agriculture/Rural Development	Canadian Partnership	11/07/2000	31/07/2004	Projects	Responsive	\$530,000
30	A032161	Health Services Delivery for Rural Poor	Health	Asia	31/12/2003	29/02/2008	Projects	Responsive	\$578,469
		<b>Total</b>							\$103,091,867

## Evaluation of CIDA's Investments in Vietnam

### Appendix 2 Ratings for Investments

Ratings for Investments												
#	Project Name	Rel	Results	Sustain	Cohere	Effic	Princ	Equal	Env.	M&E	Average	Rating
1	Mekong PSD Facility II	5.0	5.0	4.0	5.0	4.0	4.0	4.5	UAR	5.0	4.6	Highly Satisfactory
2	Canada Fund Vietnam 08/09	5.0	4.5	4.5	4.0	4.5	5.0	4.5	4.0	4.0	4.4	Highly Satisfactory
3	ACCC:Partenariats Collèges Communautaire - ph2	4.5	4.5	4.0	4.0	3.5	4.0	3.5	UAR	4.0	4.0	Highly Satisfactory
4	T1/TORONTO/Waste-Econ. Program	5.0	4.5	3.5	4.5	3.5	5.0	4.5	5.0	UAR	4.4	Highly Satisfactory
5	Social and Womens Initiative Fund II (SWIF)	5.0	4.8	4.3	4.8	5.0	4.3	5.0	UAR	4.2	4.7	Highly Satisfactory
6	Poverty Reduction Support Credit 3-5 (PRSC 3-5)	4.0	4.3	4.0	4.0	4.0	5.0	3.8	3.5	4.0	4.1	Highly Satisfactory
7	Poverty Reduction Support Credit 6-7 (PRSC 6-7)	4.0	4.3	4.0	4.0	4.0	5.0	3.8	3.5	4.0	4.1	Highly Satisfactory
8	T1/Montreal/Programme Gestion Urbane	4.5	5.0	5.0	3.5	3.0	5.0	UAR	4.0	UAR	4.3	Highly Satisfactory
9	Agriculture Market Information Project	3.0	1.5	1.5	2.0	2.0	UAR	2.0	UAR	UAR	2.0	Moderately Satisfactory
10	Food and Agriculture Products Quality DC	3.0	3.0	3.0	2.5	2.5	3.0	UAR	3.0	2.5	2.8	Moderately Satisfactory
11	Young Canadian Volunteers in Vietnam II	3.0	2.5	2.5	2.0	2.5	4.0	4.5	UAR	2.5	2.9	Moderately Satisfactory

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12	Prog.Coop.Vol. Oxfam-Qc. 2004-2009	2.0	UAR	1.5	1.5	UAR	UAR	3.0	UAR	UAR	2.0	Moderately Satisfactory
13	Judicial Reform Project (JUDGE)-	4.3	2.5	1.8	2.2	2.2	2.0	3.2	UAR	2.7	2.6	Moderately Satisfactory
14	Pooled Funding Project Strengthening the Capacity of the Inspectorate System (POSCIS)	4.0	2.5	2.5	3.0	1.0	3.0	3.0	UAR	3.0	2.8	Moderately Satisfactory
15	THANH HOA Improved Livelihoods Project	4.0	4.0	3.0	4.0	2.5	3.0	3.0	UAR	2.0	3.2	Satisfactory
16	Rural Enterprise Expansion Project	4.5	3.5	3.0	3.0	4.0	4.5	4.5	3.5	3.5	3.8	Satisfactory
17	SOC TRANG Improved Livelihoods Project	4.5	4.5	4.0	3.0	3.5	3.5	3.5	2.5	3.0	3.6	Satisfactory
18	Tra Vinh Improved Livelihoods Project	4.0	3.5	4.0	3.0	3.0	3.0	3.5	3.5	3.0	3.4	Satisfactory
19	Small Scale Infra Devt & Service III	4.5	4.0	3.0	4.0	4.5	4.5	3.0	4.0	3.0	3.8	Satisfactory
20	Basic Education Trust Fund II	4.0	4.0	3.5	3.5	3.5	3.5	3.5	UAR	3.0	3.6	Satisfactory
21	Primary Educ. for Disadvantaged Children	5.0	3.5	3.0	4.0	3.0	4.0	5.0	3.0	3.0	3.7	Satisfactory
22	Targeted Budget Support for Education	4.0	4.0	4.0	4.0	4.0	3.5	3.5	4.0	3.5	3.8	Satisfactory
23	Vietnam Canada Environmental Project (VCEP Phase II)	4.5	4.0	3.5	3.5	2.0	4.0	3.5	5.0	3.0	3.7	Satisfactory

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24	Banking Reform Project	5.0	3.0	3.0	3.5	3.5	3.0	2.5	UAR	3.5	3.4	Satisfactory
25	Legal Reform (LERAP)	4.3	3.8	3.7	2.8	2.7	3.0	3.0	2.0	3.0	3.1	Satisfactory
26	Policy Implementation Assistance II (PIAP-II)	4.5	4.5	3.7	3.0	3.5	4.5	4.7	4.0	3.2	3.9	Satisfactory
27	Avian Influenza - Prevention and Control	4.0	4.0	3.0	3.3	3.3	3.5	UAR	2.5	UAR	3.4	Satisfactory
28	HIV/Aids Community Clinics Network	3.0	3.5	3.0	3.5	4.0	4.0	4.0	UAR	2.0	3.4	Satisfactory
29	Vessel Traffic Management System Training Program (VTS)	1.0	1.5	1.0	1.5	3.0	2.5	3.0	1.0	1.0	1.7	Unsatisfactory
30	Health Services Delivery for Rural Poor	3.0	1.5	1.0	1.0	1.0	2.0	2.0	UAR	3.0	1.8	Unsatisfactory
<b>Overall Average</b>		<b>3.9</b>	<b>3.7</b>	<b>3.3</b>	<b>3.4</b>	<b>3.3</b>	<b>3.9</b>	<b>3.6</b>	<b>3.4</b>	<b>3.3</b>	<b>3.5</b>	<b>Satisfactory</b>
i) Highly satisfactory (4 to 5), ii) Satisfactory (3 to 3.9), iii) Moderately satisfactory (2.0 to 2.9) v) Unsatisfactory (1.9 and under). UAR: Unable to rate.												

**Management Response and Action Plan**

The Vietnam Program would like to thank the Evaluation Directorate for allowing the Program to participate in the evaluation process, which has been a learning experience. The evaluation casts the Program in a positive light.

The Vietnam Program is satisfied with the findings and recommendations of the evaluation and is pleased with the evaluators' recognition of the high degree of relevance and the achievement of results related to CIDA's investments in Vietnam. The country performance analysis is more of a summary of projects rather than an assessment of a program. In regards to the methodology used by evaluators, it focused on ratings of the investments, some of which were not yet completed. We agree with the recommendations put forward, and note that in a number of instances the Program has already begun taking action in line with the commitments made below.

**Evaluation of CIDA's Investments in Vietnam**

<b>Recommendations</b>	<b>Commitments / Actions</b>	<b>Responsibility Centre</b>	<b>Target Completion Date</b>	<b>Status</b>
<p><b>Recommendation 1: Respond to the changing ODA context in Vietnam</b></p> <p>In developing and implementing its next five-year CDPF, the Program should take into account Vietnam's anticipated transition towards middle-income status, adjusting its choice of programming areas and mix of instruments accordingly.</p>	<p>Agreed. The Vietnam Program's Country Strategy (CS) and Country Development Programming Framework (CDPF) for the period of 2009-2014 focus on CIDA's thematic priorities of Sustainable Economic Growth and Food Security. Both the CS and CDPF address Vietnam's evolution towards middle-income status in the following ways. First, the Program will expand its use of technical assistance projects to respond to the increasingly complex reform challenges faced by Vietnamese partners in existing areas of programming such as banking supervision and legal reform. Second, the Program will address the priorities of rural economic growth and agriculture by working through sub-national actors and increasing the use of provincial-level PBAs.</p>	<p>Country Program Director and Regional Director General, Asia Directorate</p>	<p>Ongoing, based on selection of instrument policy.</p>	
<p><b>Recommendation 2: More robust design of investments for results and sustainability</b></p> <p>The Program should strive for more robust design of its investments, informed by base-line studies and sectoral expertise that would help it to articulate expected results which are specific, measurable, achievable, relevant and time-bound, as a basis for managing and reporting progress on them</p>	<p>Agreed. The program will enhance an already robust planning and design process by implementing the CDPF, applying CIDA's new directive process, employing corporate tools and related guidelines (e.g. logic model, performance measurement framework (PMF), risk register), and engaging relevant internal and external expertise. Baseline studies will be integrated into the PMF</p>	<p>Country Program Director and Regional Director General, Asia Directorate</p>	<p>Ongoing</p>	
<p><b>Recommendation 3: Enhanced Technical Monitoring of Progress as a Performance Management Tool</b></p> <p>As the program works in complex technical areas (such as banking and legal reforms, agriculture and rural development, governance), for which</p>	<p>Agreed. The Vietnam Program will ensure the adequate availability of required resources. The program already engages technical experts to monitor several projects. Monitors for new and existing projects will be engaged when appropriate. The program is also expanding access to Vietnamese sector</p>	<p>Country Program Director and Regional Director General, Asia Directorate</p>	<p>Ongoing</p>	

**Evaluation of CIDA's Investments in Vietnam**

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<p>access to sectoral and technical specialists is often a challenge, it should ensure the availability of adequate expertise to undertake systematic, periodic, technical monitoring of progress on its investments.</p>	<p>specialists through the Program Support Unit in Hanoi</p>			
<p><b>Recommendation 4: Strengthening Policy Dialogue</b></p> <p>Given the importance of policy dialogue in Vietnam, the Program should develop a deliberate approach to policy dialogue which encompasses all of its aid instruments, and which focuses on specific policy questions within the context of Country Strategy/CDPF priorities to strengthen its policy influence with the GoV and other development partners.</p>	<p>Agreed. The Vietnam Program will include policy dialogue in the implementation of its CS and CDPF in order to integrate its already significant policy dialogue activities. The 2010-2012 Country Program Work plan outlines a clear strategy and set of actions to strengthen and focus policy dialogue.</p>	<p>Country Program Director and Regional Director General, Asia Directorate</p>	<p>Work plan completed.</p> <p>Implementation ongoing.</p>	
<p><b>Recommendation 5: Maintaining the Stellar Performance on Equality between Women and Men</b></p> <p>Although the results have been excellent, with 89% of the initiatives rated as Highly Satisfactory or Satisfactory, the Program should consider developing a specific action plan as a managerial tool for implementing the Agency's gender equality objectives during the next CDPF period to sustain this performance and avoid slippage in the face of inevitable staff turnover.</p>	<p>Agreed. The recently developed Country Development Programming Framework (CDPF) includes a Gender Equality Strategy. Implementation will be guided by a Gender Equality Action Plan currently under development. Implementation will also be supported by HQ specialists and a new gender advisor recently contracted by the Program Support Unit in Hanoi.</p>	<p>Country Program Director and Regional Director General, Asia Directorate</p>	<p>GE Action Plan to be drafted and approved by March 2011.</p>	



### Endnotes

- <sup>1</sup> eStandards Forum, Financial Standards Foundation, "Best Practice Report: Vietnam", October 2008.
- <sup>2</sup> R. Beaulieu, Evaluation Division, Strategic Policy and Performance Branch, CIDA, 2008.
- <sup>3</sup> See Kenneth Watson, Rideau Strategy Consultants Ltd. et al, *Work Plan for the Vietnam Country Program Evaluation*, CIDA, 2009.
- <sup>4</sup> Governance Matters, 2007 – Vietnam. Percentile ranks: Voice and accountability 6.7; political stability 56.3; government effectiveness 41.2; regulatory quality 35.9; rule of law 38.6; control of corruption 28. Source: World Bank, [http://info.worldbank.org/governance/wqi/sc\\_chart.asp#](http://info.worldbank.org/governance/wqi/sc_chart.asp#), Governance Matters (Indicator), June 26, 2009.
- <sup>5</sup> Economist Intelligence Unit, *Vietnam, Country Profile 2008*, p.6
- <sup>6</sup> Ibid, Summary, p. 20
- <sup>7</sup> EIU, <http://www.eiuresources.com/mediadir/default.asp?PR=2007102501>, June 26, 2009.
- <sup>8</sup> Inter alia (2004). Op.Cit. P.ii.
- <sup>9</sup> Ibid
- <sup>10</sup> SOCODEVI (2008). Final Report 1<sup>st</sup> April 2008-30<sup>th</sup> September 2008, Vietnam Bilateral Project (Vietnam-Canada), Contract VN-020981.
- <sup>11</sup> Inter alia (2004). Op.Cit. P.i
- <sup>12</sup> Maxwell Stamp (November 2007). Final Report: Final Evaluation of the Mekong Private Sector Development Facility. Prepared for the International Finance Corporation (IFC).
- <sup>13</sup> Inter alia (2004). Op.Cit. P.iii
- <sup>14</sup> Source: interviews with CIDA headquarters and field staff
- <sup>15</sup> IBID Allemenkinders, page 2
- <sup>16</sup> PEDC Joint Review Report, December 2008, page 3
- <sup>17</sup> The expected impact of SWIF II was strategic and principled, with two objectives: 1. Enhanced ability of Vietnamese institutions to achieve gender equality in the design and delivery of gender-sensitive projects and policies for services for women, the poor and vulnerable groups. 2. Vietnamese women have improved access to development initiatives and control over resources increased.
- <sup>18</sup> World Bank, Report No: ICR0000483, IMPLEMENTATION COMPLETION AND RESULTS REPORT ON A SERIES OF FIVE CREDITS IN THE TOTAL AMOUNT OF SDR 473.4 MILLION (US\$ 650.0 MILLION EQUIVALENT) TO THE SOCIALIST REPUBLIC OF VIETNAM FOR A SERIES OF FIVE POVERTY REDUCTION SUPPORT OPERATIONS June 29, 2007, Poverty Reduction and Economic Management Unit
- Vietnam Country Department, East Asia and Pacific Region, p.8.
- <sup>19</sup> University of Birmingham, International Development Department, A. Bartholomew. [www.oecd/dac/evaluation](http://www.oecd/dac/evaluation)
- <sup>20</sup> Ann Bartholomew was in charge of this update as well as the original study, this time from a consulting unit (Mokoro) at the University of Birmingham. The TOR was such that the review was independent.
- <sup>21</sup> The Task Leader is Anjali Kumar (IEG, 202 458 0004).
- <sup>22</sup> Evaluation of General Budget Support, Vietnam Brief, June 2006.
- <sup>23</sup> World Bank, Vietnam Country Partnership Strategy, 2007-2011 (Jan. 2007), quoting the CAS Completion Report, para 48, pg.18
- <sup>24</sup> Martin Rama, Chief Economist, World Bank, Hanoi, August 2009, email.
- <sup>25</sup> This is a conclusion on the Joint Budget Support Evaluation and can be illustrated through the effects of WB and donor work on the definition of poverty in Vietnam, and in legal reform through the quality work of A Gariepi (Canada) or the work of the VCEP in environmental policy.
- <sup>26</sup> IBID Moroko Report page 7
- <sup>27</sup> Larger ethnic minorities include Tay, Thai, Muong, Khmer, Hoa, Nung, H'Mong, Dao, Giarai, Ede, Cham, and San Diu.
- <sup>28</sup> CIDA, Internal Audit Division, Audit Report: Vietnam Country Program. January 2007, pg.22.
- <sup>29</sup> Ibid, p. 16