



Final Report:

**Evaluation of the Long-term
Development Cooperation
Between the UK and Vietnam
(PO 6368)**

Landell Mills
DEVELOPMENT CONSULTANTS

MDRI Mekong Development
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Power of Knowledge



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Executive Summary

Development cooperation between the United Kingdom (UK) and Vietnam dates back to the early 1960s. It entered a new phase in 1998 with the opening of a country office in Hanoi and the appointment of a Head of Office in 1999. These developments were part of a broader suite of changes that took place after the election of the Blair Government in 1997, the appointment of Clare Short as Minister for International Development, and the development of the first 'White Paper' on international development, which emphasised a focus on poverty reduction. After the establishment of the country office, the level of development assistance provided by DFID to Vietnam increased substantially, and the UK has been one of Vietnam's principal bilateral official development assistance (ODA) donors over the last 15 years. The UK has allocated £481 million in bilateral ODA to Vietnam since 2001. UK bilateral ODA reached its highest annual level of £54 million in 2009.

Almost the entirety of DFID's ODA to Vietnam has been allocated under three so-called pillars: (i) Millennium Development Goals (MDGs); (ii) Governance; and (iii) Wealth Creation. The MDG pillar is by far the largest in terms of expenditure, with 55 per cent of total bilateral support during the period 2001 to 2013 being allocated under it.

DFID will exit Vietnam as a bilateral donor in 2016. Taking into account the long-term nature of the UK's support, and the significant amount of British taxpayer funds allocated to bilateral development cooperation between the UK and the Government of Vietnam, DFID has commissioned Landell Mills to evaluate this cooperation over time.

This report, which draws heavily on and extends the investigation of the three earlier reports, responds to the evaluation questions proposed in the inception report. These questions are as follows.

The primary evaluation question is:

How, and to what extent, did the UK's development assistance contribute to sustainable poverty reduction in Vietnam?

Evaluation sub-questions are:

- (i) Has the UK's development assistance responded to pressing development needs in Vietnam?
- (ii) Has the UK's development assistance been delivered in an efficient, effective and sustainable manner?
- (iii) Has the UK's development assistance contributed to an enabling environment for sustainable poverty reduction in Vietnam?
- (iv) What lessons can be learnt from the UK's development cooperation with Vietnam to enhance development effectiveness?

These questions have been derived from the evaluation purpose and other evaluation criteria specified in the Terms of Reference (ToR), and have been influenced by the OECD-DAC evaluation criteria of relevance, effectiveness, efficiency, impact, and sustainability.

The primary evaluation question was framed to respond to the second specific purpose of the evaluation, which is to provide DFID with an understanding of the extent to which its development assistance has supported poverty reduction in Vietnam.

The overall purpose of the evaluation, adapted from the ToR, is to:

- (i) provide a brief historical account of the development cooperation between Vietnam and the UK since 1999;
- (ii) examine the evidence of DFID's contribution to poverty reduction in Vietnam in the context of DFID assistance and broader development efforts in the country; and
- (iii) identify lessons learnt from this cooperation for the Government of Vietnam in light of the development challenges it will be likely to face after 2016, for other donors still operating in Vietnam after DFID's exit and for DFID operations in other partner countries to improve development effectiveness.

The methodology used for this evaluation has been influenced to a large degree by the concept of Adaptive Theory. Adaptive Theory combines the use of pre-existing and emergent theory in the formulation and conduct of empirical research. At the heart of Adaptive Theory is the continuing engagement between theoretical aspects of the research and the empirical data.

Two frameworks were used to better understand the history of DFID's development cooperation with Vietnam since 1998, and the many factors that have influenced aid delivery and effectiveness over time. The first was a Theory of Change to elucidate how DFID had sought to influence change in Vietnam. The second framework is the Aid Quality Evaluation Framework (AQEF). AQEF has been developed to provide conceptual guidance for the evaluation of long-term development cooperation programmes; it maps out what is currently known about the key factors that are thought to drive aid effectiveness.

Empirical information has been collected and analysed using a combination of qualitative and quantitative methods in a mixed methods approach to interrogate different types of evidence about the context, evolution, and outcomes of DFID's aid to Vietnam. The evaluation utilised key informant interviews, secondary data analysis, and case studies for a qualitative and flexible exploration of the evaluation questions. The quantitative analysis informed the key stages and components of the evaluation and worked in sequence with the qualitative research; it provided descriptive insights, from which various inferences were drawn. The sources of quantitative data included DFID's internal project records, data obtained from the Government of Vietnam such as the 1999 and 2009 population censuses and 2011 agriculture census conducted by the General Statistics Office, the World Bank's *Open Data* including *World Development Indicators and Country Policy and Institutional Assessment*, the UNDP's *Human Development Reports*, the Asian Development Bank's (ADB) *Development Outlook* and the OECD-DAC's *International Development Statistics*.

Prior to addressing the evaluation questions, this report identifies three dominant characteristics of bilateral development cooperation between the UK and Vietnam since 1999. They are: strategic consistency involving a focus on working with and through others, longitudinal programmatic focus, and spatial portfolio selectivity.

In the context of long-term development cooperation, strategic consistency is the extent to which a donor exhibits long-term commitment to a consistent set of development cooperation organising principles. This not only includes formal commitment through planning documents and partner-level agreements, but also through the operationalisation of such principles in everyday interactions. DFID's focus on working with and through others (as articulated in its first Country Strategy in 1998) and its early prosecution of an aid effectiveness agenda have been mainstays of its cooperation throughout the evaluation period, as has been its focus on poverty elimination.

Longitudinal programmatic focus is the extent to which a donor exhibits long-term sectoral commitment, i.e. 'staying the course' in a sector despite the challenges, and building on previous achievements while tackling systemic issues. DFID's long-term engagement in education was emblematic of this approach.

Spatial portfolio selectivity refers to the focus of the DFID portfolio at the activity and sectoral levels. Deciding not to be engaged in certain areas and to limit the spread of activities was also a key characteristic of DFID's aid.

These characteristics are necessary, but not sufficient, conditions for effective development cooperation. The sufficient condition is that the 'others' through which DFID worked have the capacity to deliver the results that are consistent with DFID's operational priorities.

After discussing these characteristics the report moves on to answer the evaluation questions. In response to the question *Has the UK's development assistance responded to pressing development needs in Vietnam?* the evaluation concludes that the answer, on balance, is yes. DFID has supported poor groups and addressed key development challenges, including capacity issues within the Vietnamese government. But there are doubts over whether support has effectively reached the very poorest provinces and ethnic minority groups. This is not to imply that support has not reached provinces and groups that were poor by Vietnamese standards, which it has. Rather, it has not always reached the poorest provinces and the poorest people within those provinces who were ethnic minorities. There is some concern that the decision to deliver aid 'with and through others' may have contributed to bias in aid allocation against the poorest provinces in Vietnam.

Evidence of whether *UK development assistance has been delivered in an efficient, effective and sustainable manner* is very mixed and it is difficult to draw a robust conclusion to this question.

If one was to answer this question purely in terms of consistency with the Paris Principles for aid effectiveness, the answer would be yes. Similarly, at a highly aggregated level it could be concluded that DFID's support for development in Vietnam has been delivered in a highly efficient, effective and possibly even sustainable level. Closer scrutiny of the evidence around this question suggests a more ambiguous answer. It is clear that DFID's support has resulted in a tremendous array of outputs. Its support has clearly been delivered in an efficient manner from this perspective (i.e. the conversion of inputs to outputs). With regard to effectiveness and sustainability, it is difficult to draw any robust conclusions at the aggregate level. Some programmes have delivered results that were significant and sustainable (e.g. HIV prevention), but in other areas sustainability has been affected by many local factors such as capacity constraints at the provincial level (e.g. the various area-based programmes) and the domestic resource allocation decisions of the Government of Vietnam.

Evidence of whether the *UK's development assistance has contributed to an enabling environment for sustainable poverty reduction in Vietnam* is also somewhat mixed. In some areas DFID supported important work that contributed to an enabling environment for sustained poverty reduction, as evidenced by its success in promoting poverty analysis and by the many policy reforms that were instituted at the national level with DFID assistance. Much of this support was highly successful and made a real and substantive contribution to the understanding and reduction of poverty in Vietnam. Further, much of its support addressed capacity issues in the Vietnamese public sector and it had some measure of success in this regard. These points aside, the enabling environment, particularly at the sub-national level and in the allocative decision-making space between the national and sub-national level, has not been without problems, and these problems have adversely impacted on DFID support for development in Vietnam. A number of programmes across the DFID portfolio were affected by capacity bottlenecks at sub-national level and not enough was done to address these constraints systematically.

What lessons can be learnt from the UK's development cooperation with Vietnam to enhance development effectiveness? Five lessons for donors that remain in Vietnam and those operating in other countries are identified. The first three are to promote and achieve:

- (i) strategic consistency;
- (ii) longitudinal programmatic focus; and

- (iii) spatial portfolio selectivity.

These achievements are necessary, but not sufficient, conditions for development effectiveness. To promote development effectiveness they need to be accompanied by the following condition, which is the fourth lesson learnt. It is to ensure that there are in place:

- (iv) developmentally capable and effective counterpart and partner systems.

These systems, despite DFID efforts to increase development capacity in Vietnam, were not always in place and this has had adverse impacts on what DFID has achieved in this country. Indeed, if there has been a recurring issue that has adversely impacted on the effectiveness and sustainability of DFID support in Vietnam, it has been a lack of capacity at sub-national level. We should not, however, let this deflect from the quality of DFID bilateral support for development in Vietnam. This support has been of high quality and much has been achieved by UK development cooperation with Vietnam.

The fifth lesson learnt is as follows:

- (v) cognisance of the complexity of targeted poverty reduction.

This lesson has been identified based on evidence that the donor community was not sufficiently cognisant of the complexity of sub-national targeting of poverty reduction. It would appear that a greater appreciation of these complexities is needed if progress toward reducing the significant differences in living standards between ethnic groups and provinces in Vietnam is to be achieved in the future.

Lessons for donors exiting partner countries and for the Government of Vietnam in dealing with development challenges after DFID's departure are also provided.

For donors exiting partner countries, the main lessons learnt are that exits should be gradual so that they do not contribute to unstable and unpredictable aid levels, should be well communicated among development stakeholders in the partner country (in particular those with the partner government), and should be subject to good financial management.

For the Government of Vietnam, the main lessons emerging from this evaluation are to strengthen the capacity of sub-national government and to provide effective additional support to those provinces and, in particular, ethnic groups with the lowest levels of development achievements.

The response to the primary evaluation question – *How, and to what extent, did the UK's development assistance contribute to sustainable poverty reduction in Vietnam?* – is as follows. DFID contributed to poverty reduction through a programme that, on balance, efficiently and effectively tackled key drivers of poverty reduction in Vietnam. The prime, overarching focus of DFID's efforts in Vietnam was to reduce poverty in its many dimensions and it clearly had considerable success in this regard, making a positive difference to the lives of many Vietnamese people. The precise numerical contribution to poverty reduction – the number of Vietnamese pulled out of poverty owing directly and indirectly to DFID efforts – cannot be determined. Determining this contribution requires an evaluation method that is beyond the resources of this and possibly any evaluation study. Notwithstanding, it is clear DFID will have made a substantial contribution to poverty reduction in Vietnam, making a positive difference to the lives of many Vietnamese people. Given DFID's efforts and the enormous scale of poverty reduction in Vietnam since the late 1990s, in which more than 23 million Vietnamese have been pulled out of extreme income poverty alone, this number is likely to be in the millions, although approximately how many is a matter of speculation.

From the evidence presented in the evaluation, this contribution would appear to be sustainable: it is reasonable to expect that the gains that DFID has helped achieve will be maintained into the future. Whether ongoing poverty reduction progress can be sustained is a matter of speculation and largely beyond DFID's control as it will in large part depend on the extent to which the Government of Vietnam

and other donors continue to work effectively in the spaces occupied by DFID, especially in the area of governance.

The report concludes by summarising the main evaluation findings, concluding that the spending on the DFID bilateral development cooperation with Vietnam since 1998 has overall been a productive use of British taxpayer funds. The conclusion also briefly comments on the future ahead for the Government of Vietnam in its ongoing efforts to further lift its development achievements. It notes that the future will be increasingly challenging for Vietnam, especially as more bilateral donors exit. The challenge with respect to development cooperation will not be so much the loss of financial assistance but will be qualitative in nature: there will be fewer development partners, who through their very presence contribute to the vitality of dialogue on pressing development challenges in Vietnam. Arguably where this loss will be most felt is in the area of governance. Without improvements in governance at the sub-national level it is difficult to envisage how disparities between provinces and, more worryingly, ethnic groups can be significantly reduced. And without improvements in governance at all levels it is difficult envisage how the Vietnamese economy will remain among the best performing among developing countries. This is not to say that the future of development achievements in Vietnam is gloomy. Rather, that it remains to be seen how well Vietnam is able to respond to the challenges it faces.

Acronyms

ADB	Asian Development Bank
AQEF	Aid Quality Evaluation Framework
BWTO	Beyond World Trade Organisation
CACERP	Capacity Building for Central Region Poverty Reduction
CPIA	Country Policy and Institutional Assessment
CRLIP	Central Region Livelihood Improvement Project
CSP	Country Strategic Partnership
CSO	Civil Society Organisation
DPA	Development Partnership Agreement
DFID	Department for International Development
GoV	Government of Vietnam
HOO	Head of Office
HTPAP	Ha Tinh Poverty Alleviation Project
M4P1	Making Markets Work for the Poor Phase 1
M4P2	Making Markets Work for the Poor Phase 2
MDG	Millennium Development Goals
MDRI	Mekong Development Research Institute
MIC	Middle Income Country
MoT	Ministry of Transport
MPI	Ministry of Planning and Investment
NMPRP	Northern Mountains Poverty Reduction Programme
ODA	Official Development Assistance
OECD-DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
O&M	Operations and Maintenance
PAPAP	Poverty Analysis and Policy Advice Programme
PFMMP	Public Financial Management Modernisation Project
PFMRP	Public Financial Management Reform Project
PHP	Preventing HIV in Vietnam
PPMU	Provincial Project Management Unit
PPPSF	Public Private Partnership Support Facility
PRSC	Poverty Reduction Support Credit
SEQAS	Specialist Evaluation and Quality Assurance Services
SoEs	State-owned Enterprises
ToC	Theory of Change
ToR	Terms of Reference
VACI	Vietnam Anti-corruption Initiative
VASS	Vietnam Academy of Social Sciences
VEAP	Vietnam Empowerment and Accountability Programme
VGEMS	Vietnam Governance, Economic Management, and Social Protection Programme
VNCLIP	Vietnam: DFID-World Bank Climate Change Partnership
WASH	Water, Sanitation, and Hygiene
WTO	World Trade Organisation

1. Introduction

Development cooperation between the United Kingdom (UK) and Vietnam dates back to the early 1960s. It entered a new phase in 1998 with the opening of a country office in Hanoi and the appointment of a Head of Office in 1999. These developments were part of a broader suite of changes that took place after the election of the Blair Government in 1997, the appointment of Clare Short as Minister for International Development, and the development of the first 'White Paper' on international development, which emphasised a focus on poverty reduction. After the establishment of the country office, the level of development assistance provided by DFID to Vietnam increased substantially, and the UK has been one of Vietnam's principal bilateral official development assistance (ODA) donors over the last 15 years. The UK has allocated £481 million in bilateral ODA to Vietnam since 2001. UK bilateral ODA reached its highest annual level of £54 million in 2009.

Almost the entirety of DFID's ODA to Vietnam has been allocated under three so-called pillars: (i) Millennium Development Goals (MDGs); (ii) Governance; and (iii) Wealth Creation. The MDG pillar is by far the largest in terms of expenditure, with 55 per cent of total bilateral support during the period 2001 to 2013 being allocated under it (see Figure 2¹).² Details of the activities supported under each of these pillars are provided in Annex B.

Owing to Vietnam achieving middle-income status in 2010, and a desire to have a broader global focus for its development assistance programme, the UK has commenced the winding down of its ODA Programme in Vietnam. The UK will close its DFID office in Hanoi and exit the country as a bilateral donor in 2016, but will continue a broader partnership with Vietnam especially on trade, private sector development, education and culture, as documented in the UK-Vietnam Partnership Arrangement. A historical timeline covering the period after the end of the Second Indo-Chinese war in 1975, the establishment of the DFID office in Hanoi in 1998 and other key development events in Vietnam is provided in Annex C.

Taking into account the long-term nature of DFID's support, and the significant amount of British taxpayer funds allocated to bilateral development cooperation with Vietnam, DFID has commissioned Landell Mills to assess the results of this cooperation over time. This task involves Landell Mills seeking to identify the extent of DFID's support for, and contribution to, sustained multidimensional poverty reduction in Vietnam, paying attention to the 17 year period from 1999 to 2016. This follows on from the primary aim of the evaluation, which is to provide DFID with an understanding of the extent to which its development assistance has supported multidimensional poverty reduction in Vietnam.

This document is the final of four major reports that have emanated from the evaluation.³ The first report was the evaluation inception report, which *inter alia* stated and outlined the rationale for the

¹ Project and portfolio information used in both Figures 1 and 2 have been obtained from DFID Vietnam's internal project records.

² We note that the full title of this pillar is actually "MDGs and Poverty". We refer to this as the MDG pillar purely for the sake of brevity and because poverty reduction is one of the MDGs. It is not because we do not intend to focus on poverty reduction per se.

³ The full titles of the three previous reports are as follows: (i) Landell Mills, *Evaluation of Long-term Development Cooperation between the UK and Vietnam (PO 6368): Inception Report, Report prepared for the United Kingdom Department for International Development, June 2014*; (ii) Landell Mills, *DFID Support for the MDGs in Vietnam: Interim Evaluation Report, Report prepared for the United Kingdom Department for International Development, November 2014*; and (iii) Landell Mills, *Development Cooperation between the United Kingdom and Vietnam: Historical Overview, Report prepared for the United Kingdom Department for International Development, January 2015*.

questions to be addressed by the evaluation, discussed the evaluation methods to be used (explained briefly below), provided a Theory of Change that linked the channels through which DFID support can reduce poverty in Vietnam and outlined an Aid Quality Evaluation Framework (AQEF) that has been used to guide the conduct of evaluation. Details of our approach and methodology, the Theory of Change, and the AQEF are provided in Annex D, E, and F respectively. This first report was subject to a formal DFID Specialist Evaluation and Quality Assurance Services (SEQAS) Review in May 2014. The second report was an interim evaluation of the DFID MDG pillar. The third report was a historical overview of development cooperation between Vietnam and the UK, focusing on the period from 1999. It looked at the scale and composition of DFID's support, policy and institutional settings, Vietnam's development achievements, support from the international donor community, and various emerging development challenges and problems being faced by the Government of Vietnam and its donor partners.

Executive Summaries of the first and third of the above-mentioned Landell Mills reports are provided in Annex G. The executive summaries of the second and third reports contain key stylised facts regarding the broader operating environment in which DFID found itself in Vietnam from 1998. DFID's operations need to be understood in the context of this environment: all bilateral donors operating in Vietnam to varying degrees are impacted by this operating environment. Annex G is important in the current report since its content is based very heavily on the methods, approaches, reasoning and evidence presented in these earlier Landell Mills reports.⁴

The current report responds to the evaluation questions that were adapted from the Terms of Reference (ToR) (Annex A) during the inception stage. In so doing it draws heavily on all three earlier reports, in particular on the MDG evaluation and the historical overview. The evaluation questions are as follows.

The primary evaluation question is:

How, and to what extent, did the UK's development assistance contribute to sustainable poverty reduction in Vietnam?

Evaluation sub-questions are:

- (i) Has the UK's development assistance responded to pressing development needs in Vietnam?
- (ii) Has the UK's development assistance been delivered in an efficient, effective and sustainable manner?
- (iii) Has the UK's development assistance contributed to an enabling environment for sustainable poverty reduction in Vietnam?
- (iv) What lessons can be learnt from the UK's development cooperation with Vietnam to enhance development effectiveness?

These questions have been derived from the evaluation purpose and other evaluation criteria specified in the ToR, and have been influenced by the OECD-DAC evaluation criteria of relevance, effectiveness, efficiency, impact, and sustainability.

The primary evaluation question was framed to respond to the second specific purpose of the evaluation, which is to provide DFID with an understanding of the extent to which its development assistance has supported poverty reduction in Vietnam.

The overall purpose of the evaluation, adapted from the ToR, is to:

⁴ There is a degree of unavoidable overlap between these summaries, in particular those for the second and third reports.

- (i) provide a brief historical account of the development cooperation between Vietnam and the UK since 1999;
- (ii) examine the evidence of DFID's contribution to poverty reduction in Vietnam in the context of DFID assistance and broader development efforts in the country; and
- (iii) identify lessons learnt from this cooperation for the Government of Vietnam in light of the development challenges it will be likely to face after 2016, for other donors still operating in Vietnam after DFID's exit and for DFID operations in other partner countries to improve development effectiveness.

The methodology used for this evaluation has been influenced to a large degree by the concept of Adaptive Theory.⁵ Empirical information has been collected and analysed using a combination of qualitative and quantitative methods in a mixed methods approach. The purpose of such an approach is to "strengthen the reliability of data, validity of the findings and recommendations, and to broaden and deepen our understanding of the processes through which program outcomes and impacts are achieved, and how these are affected by the context within which the program is implemented".⁶ These methods were used in a complementary way to interrogate different types of evidence about the context, evolution and outcomes of DFID's aid to Vietnam.

The evaluation utilised key informant interviews, secondary data analysis and case studies for a qualitative and more flexible exploration of the evaluation questions. The quantitative analysis informed the key stages and components of the evaluation and worked in sequence with the qualitative research; it provided descriptive insights, from which various inferences were drawn. The sources of quantitative data included DFID's internal project records, data obtained from the Government of Vietnam such as the 1999 and 2009 population censuses and 2011 agriculture census conducted by the General Statistics Office, the World Bank's *Open Data* including *World Development Indicators and Country Policy and Institutional Assessment*, the UNDP's *Human Development Reports*, the Asian Development Bank's *Development Outlook* and the OECD-DAC's *International Development Statistics*.

The poverty concept adopted in this evaluation is that of multidimensional poverty. As such it is not only concerned with shortfalls in income (income poverty), but with progress in removing shortfalls in other key development achievements including health, education and access to water and sanitation.

Prior to addressing the evaluation questions, an analysis of the key characteristics of the UK's bilateral development assistance is provided. This analysis informs the answers to the evaluation questions, the primary question and sub-question (iv) in particular.

⁵ Layder (1998).

⁶ Bamberger (2012).

Figure 1: UK Bilateral ODA Disbursements to Vietnam, 2001 to 2014

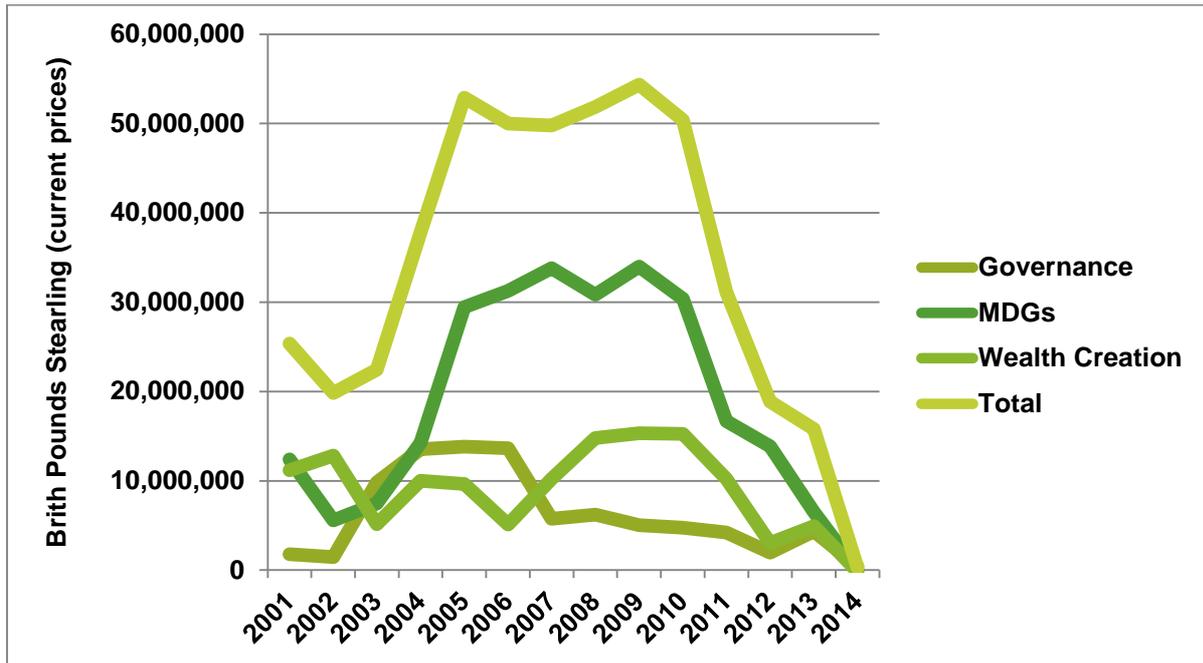
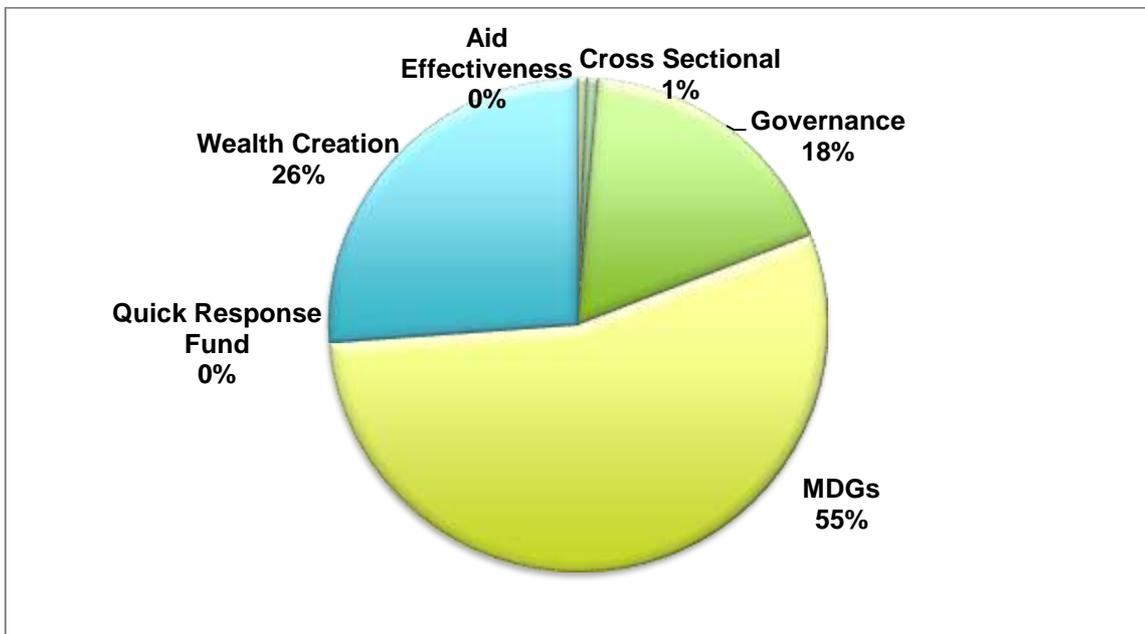


Figure 2: UK Bilateral Programme Portfolio, Vietnam, 2001 to 2014



2. Characteristics of DFID's Development Assistance to Vietnam

Drawing on the material presented in previous evaluation reports, this section discusses the salient characteristics of DFID's support for development in Vietnam over the evaluation period. These are not characteristics identified in DFID documents or other sources, but they are those that have been distilled by the authors during the course of the evaluation.

The most prominent characteristics are the *strategic consistency* of DFID's development cooperation approach, its *longitudinal programmatic focus* and its *spatial portfolio selectivity*. In the context of long-term development cooperation, strategic consistency is the extent to which a donor exhibits long-term commitment to a consistent set of development cooperation organising principles. This not only includes formal commitment through planning documents and partner-level agreements, but also the operationalisation of such principles in everyday interactions. Longitudinal programmatic focus is the extent to which a donor exhibits long-term sectoral commitment, i.e. 'staying the course' in a sector despite the challenges, and building on previous achievements while tackling systemic issues. Spatial portfolio selectivity concerns the focus or concentration of DFID support in Vietnam. In the evaluation team's view these characteristics are necessary, although not sufficient, conditions for effective development cooperation.

2.1. Strategic Consistency

A dominant feature of DFID's support for the MDGs, Wealth Creation and Governance in Vietnam over the evaluation period has been the consistency of its strategic approach. It established a set of organising principles early on in the history of the country programme and more or less stayed with these over the evaluation period. The advent of the UK Government's White Paper in 1998 had a significant impact on the delivery of the DFID programme in Vietnam.⁷ The programme moved from a relatively ad hoc one with an arbitrary focus on poverty and a set of disparate partnerships to a programme specifically focused on poverty elimination and "working with and through others". Programming decisions and the everyday activities of staff were influenced by these two high level organising principles. Senior key informants from DFID directly involved in the programme's delivery suggested that this consistency in approach was brought about by a number of factors including: policy consistency over time (at the political level), the relative decentralisation of the Vietnam country office, and strong local staff capability.⁸

DFID's strategic consistency was founded on two factors: working with and through others, and the broader, agency-wide focus on poverty reduction.

⁷ UK Government (1997) "Eliminating World Poverty: A Challenge for the 21st Century" White Paper on International Development, UK Government, London.

⁸ The consistent use of locally engaged staff, with these staff holding reasonably senior positions and building their expertise during their often long periods of employment with DFID over time, is very important for the sustainability of DFID's contribution to development in Vietnam. This assumes that they remain in Vietnam after DFID closes its operation and continue working in development related positions. This is good for ongoing development capacity and, in turn, sustainability.

2.1.1. Working with and through others

Working with and through others was the most striking characteristic of DFID's development cooperation with Vietnam. Of the 34 activities supported by DFID's MDG pillar, 18 were delivered through multilateral partners and 10 were programmed through the Government of Vietnam as either general or targeted budget support. Of the total DFID expenditure on this pillar, 97 per cent was allocated via multilateral agency partners and the Government of Vietnam. The same holds for the Wealth Creation and Governance pillars, with 64 per cent of DFID expenditure on the former allocated via multilateral agency partners, and 87 per cent of the latter allocated via the Government of Vietnam. There was a reason why DFID made this decision and stuck with it: as noted throughout this report the rationale was primarily couched in terms of development effectiveness. It is instructive therefore to examine *ex post* the strengths and challenges this decision presented in order to understand the ramifications for development effectiveness.

Working with and through others allowed DFID to progressively strengthen its policy and systems-level alignment. For example, at the strategic planning level, as Government of Vietnam policies for poverty reduction matured, DFID strengthened its policy-level alignment in a number of ways including: modifying the timing of its own strategic planning process (for example, aligning the 2007 Country Assistance Programme with the Government of Vietnam Socio-economic Development Plan) and developing more predictable and long-term strategic partnering arrangements such as the 2006 Development Partnership Agreement, which aligned to the Government of Vietnam's 10-year development plan.

At the national level, systems alignment progressed through the Poverty Reduction Support Credit (PRSC) process, support for which was DFID's largest single funding avenue. Aside from its financial support, DFID played an important formative role in the PRSC process, providing technical advice and analysis in many important areas, while instituting a number of reforms that helped bring other donors along. PRSC support had significant programming efficiencies and enabled DFID to engage with the Government of Vietnam and others in high-level policy reform discussions, which were informed by analysis and research that it also sponsored in many important areas. This access, combined with the quality of the inputs, gave DFID the opportunity to proactively inform the reform process, and to be informed by it; the latter was particularly important with regards to understanding capacity constraints within the Government of Vietnam, the optimal sequencing of activities, and the realistic pace of reform.

As the Government of Vietnam's capacity to implement nationwide poverty reduction programmes improved, DFID largely shifted from supporting multilateral programmes to directly supporting Government of Vietnam poverty reduction programmes such as P135 (I) and (II). This was in line with its consistent drive to work more directly through government systems. This support allowed DFID to specifically target some of the poorer provinces in Vietnam, and it gave DFID a seat at the table, and an opportunity to influence partner government policy in areas such as Operations and Maintenance (O&M) fund allocation, participatory resource allocation processes, gender inclusion, and financial management. DFID's support for improved financial management was evident in a number of large Government of Vietnam programmes. This support was important for a number of reasons: for example, aside from improving the efficiency of programme delivery and domestic spending, it also led to improvements in the broader public financial management space which, in turn, acted as a catalyst for other donors to support Government of Vietnam-implemented activities.

There were also significant trade-offs in working through partner systems, whether multilateral or counterpart government. Multilateral partner financial systems were less risky from a fiduciary perspective than counterpart systems but a number of multilateral projects did suffer from significant inefficiencies, with long delays in implementation and difficulties working through complex administrative arrangements at multiple levels of governance. Multilateral partners established parallel systems that placed significant reporting burdens on Government of Vietnam partners. Some programme designs were very complicated

with multi-faceted objectives. Aside from influencing designs, DFID had very limited operational control over the funds it placed with the Banks and the Government of Vietnam, and as such the efficiency of its development cooperation was, in large part, dependent upon the implementation efficiency of its partners – and some programmes (such as Central Region Livelihoods Improvement Project, CRLIP, for example) were very inefficient and ineffective.

Regardless of the modality, most programmes that sought to implement activities at a provincial level (basically everything except PRSC) had to work in an environment of progressive and uncertain decentralisation. During most of the evaluation period, national level agencies and provinces were working through the political and operational ramifications of decentralisation. Practical experience with this was limited. In many programmes there was a tendency to re-centralise activities if management at the provincial level was sub-optimal. Capacities within and between provinces was variable, particularly with regard to planning and project management, which DFID sought to build through most of its programmes. National level policies in many areas (most notably education) were not consistently applied across provinces and this had an impact on the effectiveness of DFID-funded programmes. The most crucial issue associated with decentralisation was the fact that provinces decided where to allocate scarce financial resources. A programme's design might target particular populations of disadvantaged people, such as Poverty Reduction Budget Support for Programme 135 Phase II (P135 (II)), or seek to improve service delivery in some way, such as education in disadvantaged areas, but, ultimately when using Government of Vietnam systems, the financial decision on where to spend funds rested with the provinces, and the decisions of provincial level officials were sometimes at odds with the development intent of DFID and its partners. For example, under P135 (II) provincial level allocative decisions meant that poor communes did not receive more total funding than non-P135 (II) communes, despite this actually being the intent of DFID's support and, in the education sector, there was evidence of poor targeting in some provinces. It is not unreasonable to suggest that this contributed to a widening of disparity among ethnic groups in Vietnam if the non-targeted P135 (II) communes were able to use these funds more effectively for development purposes.

While it did face some significant challenges working with and through others, DFID was able to influence the development agenda much more than they would have otherwise been able to, noting the relatively small size of their budget. DFID became a strong and consistent supporter of the World Bank and through this partnership they managed to influence the design and implementation of a number of large programmes. DFID consistently promoted a focus on poverty and appropriate poverty targeting and utilised the technical products it helped produce through programmes such as Poverty Analysis and Policy Advice Programme (PAPAP) to strengthen targeting. DFID also played an important role in influencing other bilateral partners to harmonise approaches through various modalities (such as PRSC or P135 (II)) where its catalytic funding early on helped improve financial management and the policy focus of these programmes.

DFID (and its partners) also used technical advice, results of piloting activities and lessons from previous programmes to influence Government of Vietnam programmes. This approach was more successful in some areas (such as HIV/AIDS) than others (such as Education and Transport). Government ownership and the complexity of the issues at hand probably affected the extent to which DFID could influence national-level agencies in key areas of interest. For example, despite years of investment in rural roads, a lack of ownership within the Ministry of Transport (MoT) over rural road infrastructure, planning and maintenance hindered the effectiveness of the DFID-funded rural roads programmes. DFID's attempts to influence the MoT's rural road strategy and planning (through excessive amounts of technical assistance and complex computer-based planning systems) were quite inefficient in some respects and did not align with the capacity of MoT or its level of ownership.

2.1.2. Poverty Reduction

The second characteristic of DFID's strategic consistency was its focus on income poverty elimination. As noted above, this was highlighted in the 1998 *White Paper* and was the central feature of all strategic planning documentation since then to the present. This enabled DFID to relatively easily embrace the MDGs as a policy objective. It is reflected by DFID committing 55 per cent of its budget between 1998 and 2013 to activities aimed directly at multidimensional poverty reduction, through its MDG pillar.

Aside from its direct financial contributions, DFID supported poverty elimination in a number of other ways including through providing funding for analytical products and pilots that advanced thinking about poverty in Vietnam, and through its consistent policy dialogue that advocated the targeting of ethnic communities and other disadvantaged groups.

DFID's analytical work was particularly important in the area of poverty targeting. As noted in the previous section, DFID's support through PAPAP helped with the development of participatory poverty analysis, which became a central tool in programme design used by both the World Bank and the Government of Vietnam. DFID's focus on participatory approaches to poverty reduction was a key feature of their programme for an extended period. This involved building the capacity of communes to plan for, and manage, social development funds through numerous programmes, to supporting programmes that maximised poor people's participation in transport, education, and water, sanitation and hygiene (WASH) projects. DFID's support for participatory approaches also extended to the development and institutionalisation of local level savings and credit groups and other local associations that sought to maximise both the welfare and voice of poor people through development projects.

DFID saw itself as an advocate of pro-poor approaches and sought to scale up lessons and models for use at a programme and national level. It faced a number of challenges in this area, however, not the least of which was the variable implementation success of its partners, and the capacity of Government of Vietnam counterpart institutions at provincial, district and commune levels. The CRLIP is a case where the development of appropriate community development models did not eventuate due to problems with programme design and the failure of a related DFID-funded programme that was supposed to address province-level capacity constraints. As a result of this failure, DFID essentially disinvested intellectually from the programme and failed to act as a knowledge broker in the way it originally intended.

A consequence of these issues is that major opportunities were lost to effectively address the plight of ethnic minorities in Vietnam. As was shown in the Landell Mills evaluation of the DFID MDG pillar, the record of income poverty reduction in these communities is mixed. Between 1999 and 2011 the percentage of people living in poverty in all of Vietnam's 54 ethnic groups declined. Yet in many ethnic minority groups the number of people living in poverty increased over this period, although poverty rates without exception fell,⁹ and disparity in poverty rates between the Kinh majority and minority groups increased markedly. There were also huge differences in education achievements between the Kinh and the ethnic minority groups. So while Vietnam had achieved most MDGs, in particular the poverty reduction target of MDG1, its achievements were not consistent with the core spirit of the Millennium Declaration and the 1998 UK White Paper on poverty elimination.

⁹ *The poverty rate is the percentage of people in a particular group living in poverty. It can fall over time despite there being an increase in the number of people living in poverty if the total population of the group rises by a larger margin (if the growth in the number of people living in poverty is less than the growth of group population).*

2.2. Longitudinal Programmatic Focus

Aside from its strategic consistency over time, DFID's development portfolio also exhibited significant programmatic consistency and focus, which is an important determinant of effective development cooperation. This is evident from the fact that DFID funded initiatives in education, HIV, and transport for almost the whole evaluation period.

Aside from the long-term monetary commitments, programmatic focus has a number of other benefits. It allows donors to understand more about the trajectory of development achievement in a certain sector, and to adapt interventions to a better understanding of what is possible. There was evidence of such practical approaches in a number of education projects and in HIV support in particular. It also facilitates the building of strong relationships between donors and implementing agencies borne from previous experience and close partnerships, which is good for harmonisation and, in turn, aid quality. Numerous senior Government of Vietnam officials interviewed for this evaluation commented on the important role long-term DFID local staff played in relationship building and maintenance over the evaluation period in many sectors. Understanding the constraints faced by counterparts helped DFID maintain a practical but strategic focus – something that was evident from its support for the PRSC cycles.

DFID also sought ways to address higher level constraints that affected sectoral level investments. It developed a sound understanding of these challenges across many years of support for programmes in numerous sectors. Strengthening public financial management, procurement, policies for O&M and many other constraints were all issues that emerged in numerous sector-level programmes. Through its efforts in Public Financial Management Modernisation Project (PFMMP), PRSC, and other governance programmes, DFID could work to strengthen the enabling environment for more efficient sector-level delivery. It directly supported a number of key reforms in these areas, and this promotes development capacity, which in turn is good for development effectiveness.

2.3. Spatial Portfolio Selectivity

Longitudinal programmatic focus refers to a particular concentration at the thematic level of development cooperation over time. Spatial portfolio selectivity refers to a concentration at the activity and sectoral level at a particular point in time.¹⁰ A highly fragmented and proliferated programme, with a donor active in a large number of sectors and funding a large number of activities, is indicative of a lack of spatial selectivity. The importance of avoiding a highly fragmented programme for aid effectiveness is well established in aid effectiveness circles. A failure to avoid it can compromise development capacity, from both donor allocative and partner absorptive capacities, which according to current developing thinking is bad for aid effectiveness. The same basic logic applies to fragmentation, although it is more relevant to a donor's allocative capacity. The higher the degree of fragmentation, the higher is the burden on the donor agency to achieve development results.

DFID's MDG pillar, in particular, has tended to focus on only three sectors at a particular point in time. While we do not have comparative information on fragmentation in donor development cooperation with Vietnam, this is an extraordinarily low level of fragmentation for a pillar that constitutes such a large proportion of a donor's overall country programme.

¹⁰ This term has been adapted for the purpose of the current evaluation from that used to describe the allocation of aid among recipient countries. A high degree of selectivity in this allocation is often taken to mean that the donor or donors in question have been very deliberate or systematic in their allocation or selectivity decisions and have tended to allocate their aid to relatively few recipient countries. There is extensive literature on this topic. Spatial portfolio selectivity is similar to longitudinal programmatic focus, but different in that it is concerned with the spatial as opposed to inter-temporal or longitudinal focus and with more detailed information at the activity level.

The very low level of proliferation of DFID activities supported under DFID's MDG, Governance, and Wealth Creation pillars has been noted above. However, it is worthy of further emphasis, as it is such a dominant characteristic of DFID support and one with important positive implications for its effectiveness. It is also one that significantly differentiates DFID from most other donors. As shown in the Landell Mills historical overview, the aid architecture in Vietnam became increasingly more crowded over time. In 2001, 20 donor agencies supported 637 activities in Vietnam, an average of 22 per agency. In 2012, 55 donor agencies supported 3,810 activities in Vietnam, at an average of 292 per donor. The capacity of the Vietnamese government to effectively absorb aid for development purposes is widely thought to be high by the standards of developing countries, but surely this very much more crowded operating environment would lead one to question whether there were commensurate increases in its capacity to absorb aid effectively, or as effectively as before. In this context, it is certainly welcoming news that DFID has supported a relatively small number of activities.

3. Response to Evaluation Sub-Questions

3.1. Sub-question 1: Response to Pressing Needs

Has the UK's development assistance responded to pressing development needs in Vietnam?

UK development assistance delivered through DFID's MDG, Governance, and Wealth Creation pillars has responded to pressing development needs in Vietnam. This was evident at a number of levels.

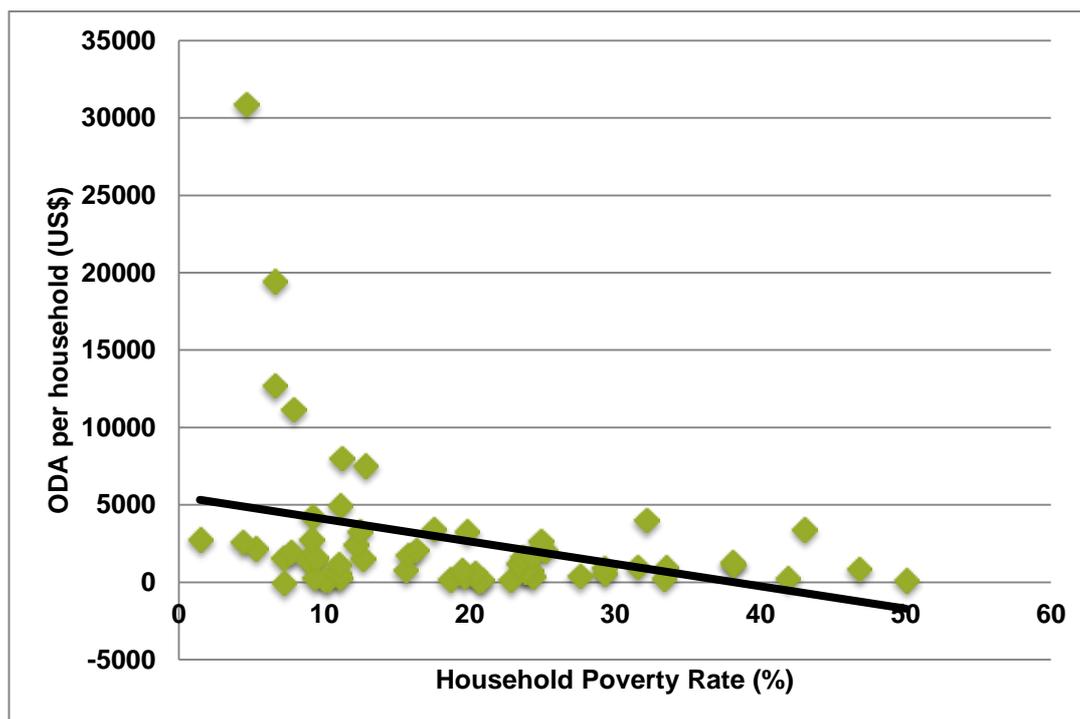
Support in general for the MDGs responded to a number of pressing needs. Reducing poverty and malnutrition, improving health and education achievements, eliminating gender bias, and the promotion of environmental sustainability can hardly be considered important, non-pressing development needs. It should also be remembered that at the time of the Millennium Declaration in September 2001, Vietnam was still quite some distance short of achieving most of the MDGs, despite its impressive development trajectory at the time.

The sectoral concentration of DFID's MDG pillar was also appropriate, and responded to pressing needs at the time. Support for pro-poor service delivery, rural transport and local capacity building are among those that had high development priority, as is reasonably clear from the evaluation of the MDG pillar. A focus on outcomes in health and education in addition to income poverty reduction was also appropriate. This is consistent with contemporary thinking that poverty is multidimensional and requires a direct focus on non-income dimensions. But it also needs to be recognised that Vietnam's pre-MDG development trajectory would have taken it a long way to achieving the MDG poverty reduction target without the commencement of DFID's support in the late 1990s. As such, the achievement of the health and education MDG targets were likely to be more challenging for the Government of Vietnam than achieving the poverty reduction target, meaning that donor support for the former was likely to have greater added value.

Much emphasis was given to the growing disparities in Vietnam during the MDG era, and the relatively low development achievements of some Vietnamese at the commencement of this era. Those in remote provinces and certain ethnic minorities had the lowest standards of living, which were much lower than others, hence the concern for disparities. That these disparities increased enormously throughout the MDG era meant that addressing them became an even more pressing development need. DFID's support for activities such as the Ha Tinh Poverty Alleviation Project (HTPAP), Northern Mountain Poverty Reduction Project (NMRP), and P135 (II), and to a lesser extent the Capacity Building for Central Region Poverty Reduction (CACERP), were certainly consistent with addressing these disparities, to the extent that they focused on poorer provinces and ethnic minority groups. In many cases, however, the provinces and ethnic groups within those provinces, while poor by national standards, were clearly not the poorest in Vietnam. Among those activities, P135 (II) in particular had the potential to target the very poorest, but it is not clear that this actually happened. This issue is complicated by the evidence that targeting the poorest provinces does not necessarily mean the poorest people within those provinces are targeted, and that, at a highly aggregated level, there has been a bias in the overall ODA effort in

Vietnam in favour of better-off provinces and against poorer ones. This is shown in Figure 3.¹¹ While this bias is not necessarily due purely to donor preferences (it may stem from the aggregate allocative decisions of the Government of Vietnam, and a preference to fund provinces that perform better, for example) a potential consequence of it is the exacerbation of pre-existing differences in living standards if this effort has been effective from a development perspective. That DFID support was not, by and large, directed at the poorest provinces means that it might have contributed to this bias; however, this cannot be verified without considerably more empirical investigation that comprehensively identifies the allocation of the agency's financial support by province.¹² In the absence of this information this contribution is a mere possibility, and no more.

Figure 3: Scatter Plot of Provincial ODA and Poverty in Vietnam, 2006–2010



¹¹ The graph is based on the author's own calculation. ODA data have been taken from OECD-DAC's International Development Statistics. We note that this scatter plot does not constitute an econometric analysis of the data, but merely a description of the simple statistical relationship between the two variables in question. In the latter sense these scatter plots are a diagrammatic depiction of the information provided by a simple correlation coefficient. As such they should not be judged against formal econometric criteria. Note that the correlation coefficient between ODA per household and regional poverty rates is negative and reasonably high in absolute terms, being -0.34 , which is statistically significant at the 95 per cent confidence level. Removing outliers increases this coefficient but the correlation remains negative. These outliers include Ha Noi and Ho Chi Minh, which have received relatively large amounts of ODA. One of the reasons why each has received relatively very large amounts of ODA is that the bulk of these funds will be intended for allocation elsewhere in Vietnam or will fund activities or capacities that will be of national benefit. That the correlation remains negative after the exclusion of these provisions is instructive. It could also be the case that ODA levels to other provinces are over- and under-stated for a variety of reasons. It could be, for example, that ODA intended for a number of provinces, such as that for roads for the region in which the province is located, is recorded as the ODA receipts for one region only. If this, in a statistical sense, results in random under- or over-stating of ODA among provinces, correcting for this under- or over-stating will not change the extent of correlation and its negativity.

¹² Obtaining the data to conduct this investigation is at best unlikely owing to the mode of working through others. Moreover, the Government of Vietnam only presently publishes provincial ODA receipts that are not disaggregated in any way, including by donor.

As mentioned above, a potentially serious consequence of this bias is that if this aid has been effective, it may have actually exacerbated pre-existing sub-national inequalities. That there is a danger of this contribution does not of course imply that DFID actually contributed to this bias. It is impossible to be precise on this matter without a large amount of additional investigation involving identifying the allocation of DFID support among Vietnamese provinces.

Irrespective of the extent to which DFID may or may not have contributed to this bias, it is fairly clear that the bias is real. The donor community working with the Government of Vietnam needs to urgently address this matter given its potential development implications. Two related questions need to be addressed. How has the bias emerged? And, how can it be reversed in an operationally feasible manner?

Offsetting this requires a focus on capacity building within the Government of Vietnam bureaucracy, or more broadly, on trying to improve the operational and technical aspects of governance in the country. DFID certainly sought to increase this capacity, as the case studies of DFID support for the MDGs in Vietnam made clear. Whether it attached sufficient attention to building this capacity at the sub-national level in particular is a legitimate question, albeit asked with the benefit of hindsight and given the problems that sub-national capacity caused. We return to this issue below, in discussing its contribution to the enabling environment and in lessons learnt.

Similar remarks can be made about the DFID Wealth Creation and Governance pillars. As was discussed in the Landell Mills Historical Overview of DFID support, there were major concerns for Vietnam's ability in the 2000s and beyond to maintain the growth rates it had achieved following the Doi Moi reforms, despite seemingly recovering quickly from the East Asian financial crisis in the late 1990s. One of the principal reasons for this were various governance-related concerns with a realisation that maintaining Vietnam's strong 1990s development trajectory would become increasingly difficult owing to issues of accountability, the reform of state-owned enterprises (SoEs), private sector development, public sector financial management capacity, the challenges involved in achieving World Trade Organisation membership and the spectre of corruption within government circles. There were also increasing concerns with climate change challenges, in particular the capacity of the Government of Vietnam to respond to this growing challenge. The Wealth Creation and Governance pillars also responded to capacity issues. Indeed all the activities delivered under these pillars had a capacity building orientation to varying degrees.

The very existence of the DFID Wealth Creation and Governance pillars is clear evidence that the agency had responded to pressing development needs in Vietnam. It is also clear that the focus within these pillars was a response to pressing needs within these areas. In this sense it seems that DFID had in many respects a 'finger on the pulse' of Vietnamese development efforts and responded accordingly; and that its operational priority of working with and through others meant that it could more readily respond to such challenges. Of course it could be argued that there were more pressing challenges in Vietnam to which DFID could have responded, but this in no way denies that the focus of UK bilateral development cooperation was not appropriate to pressing development challenges in Vietnam.

DFID's response to pressing development needs is not isolated to the activities it funded. It also responded to pressing needs through the leadership it exhibited in championing various issues, including gender equality, women empowerment, anti-corruption, HIV, and human rights. The case study and other qualitative investigation of the evaluation point not only to these issues being raised by DFID, but also to the fact that the agency influenced action over them through policy dialogue with the Government of Vietnam. There is also clear evidence of this dialogue helping improve public financial management (PFM) transparency within the government and of DFID helping sharpen the poverty focus of and harmonising donor support for P135 (II). And in addition to these impacts, there is evidence that DFID took a lead role in promoting aid effectiveness issues through its participation in the Like-minded Donor Group. It was on the basis of this evidence that the Landell Mills evaluation of the DFID pillar is that DFID

was a donor that ‘punched above its weight’, having the potential for greater impact on development than the level of its expenditure alone would suggest.

With DFID’s imminent exit from Vietnam there is an urgent need for donors remaining there to consider how leadership can continue to be exerted on both the above and other issues. Specifically, the need is to determine which donor or donors should exercise such leadership. The Like-minded Group of donors would appear particularly well placed to lead on this consideration.

3.2. Sub-question 2: Efficiency, Effectiveness, and Sustainability

Has the UK’s development assistance been delivered in an efficient, effective, and sustainable manner?

The overall answer to this question is yes, on balance. Yet to answer it in a more informed way requires looking at the three components of the question relating to efficiency, effectiveness and sustainability. Responses under each component are provided below.

3.2.1. Efficiency

It is abundantly clear from the Landell Mills investigation that UK development assistance delivered bilaterally through the DFID MDG pillar was efficient, in the sense that it achieved an impressive array of outputs. Arguably the most impressive were the CRLIP and Northern Mountains Poverty Reduction (NMPRP). Amongst the outputs of the former were 52,181 households trained in ways of improving food security and 32,402 households provided with clean water. DFID support for the NMPRP resulted in the establishment of commune level decision-making bodies in all 356 targeted communes, in 20,500 local projects being finalised and in the training of 16,980 commune, district and provincial cadres (the clear majority of which were from ethnic minority groups). These numbers speak for themselves. Not all DFID MDG pillar supported activities were as productive as the NMPRP, in particular the CACERP, but as a whole this pillar rates very well against intended outputs.

The Landell Mills Historical Overview of DFID examined in detail 10 of the 15 activities delivered under the Wealth Creation pillar and 8 of the 12 delivered under the Governance pillar. It is difficult to draw robust conclusions as to the overall efficiency of these activities: some were efficient, others appeared not to be and in other cases a lack of information dictates that conclusions about efficiency cannot be drawn.

Of those under the first of these pillars, the Beyond World Trade Organisation (BWTO), Making Markets Work for the Poor in Vietnam Phase 1 (M4P1), and Component 3 of the Vietnam: DFID-World Bank Climate Change Partnership (VNCLIP) resulted in many valuable outputs. Of these three activities, it is arguably M4P1 that was the most efficient through the generation of 12 analytical studies on various markets for the poor-related topics in which 22 local research institutions participated directly. Two of the Wealth Creation Pillar activities were found to be less effective, largely owing to start-up, administrative or other capacity problems in the relevant Government of Vietnam implementing agencies. These activities are the Public Private Partnership Support Facility (PPPSF) and Making Markets Work for the Poor in Vietnam Phase2 (M4P2). For the remaining three (3CG, Trade-related Support Project, and Business Challenge Fund) it is not possible to make efficiency assessments owing to a lack of information.

Turning to activities delivered under the Governance pillar, the evidence examined in the Landell Mills Historical Overview suggests that four of these activities – Vietnam Anti-Corruption Initiative (VACI), Vietnam Governance, Economic Management and Social Protection Programme (VGEMS), and SADP – have been very favourably reviewed from an efficiency perspective, producing an impressive array of outputs in the areas of accountability, anti-corruption, economic management and social protection. Two projects, the PFMMP and Public Financial Management Reform Project (PFMRP) have not been delivered well. The former had not been operated in accordance with the intent of donors and the latter was hampered by an inconsistent supply of appropriate technical experts and an overly ambitious design. The remaining two activities delivered under the Governance pillar and examined by Landell Mills, Vietnam Empowerment and Accountability Programme (VEAP), and Anti-Corruption Strategic Fund, are relatively young and still being implemented. Early evidence is promising, but as yet insufficient to permit conclusions regarding efficiency.

3.2.2. Effectiveness

Whether UK development assistance has been delivered in an effective manner is a significantly more challenging question, involving judgements as to whether DFID support contributed to expected or desired poverty reduction outcomes.

At a highly aggregated level it would be easy to conclude that DFID support for the MDGs in Vietnam has been delivered in an effective manner. This is in part based on simple correlations between donor support and MDG or MDG-related achievements in Vietnam. These correlations point to the stylised fact that, as donor support has increased quantitatively, child mortality has declined and incomes and human development levels have increased. And while data availability does not allow a correlation analysis of individual donor support and poverty levels, as overall donor support has increased substantially, the latter has substantially decreased. As DFID has worked largely through and with others this might suggest that DFID support has been both efficient and effective. A relative lack of progress, noted above, on the sustainability MDG (MDG7), does question the sustainability of these achievements, however. There is also the evidence that Vietnam has done very well against almost all MDG targets and that it is considered an aid effectiveness success story. The reality, however, is much more complicated. A closer scrutiny of all available evidence, looking behind and beyond these associations and Vietnam's MDG and aid effectiveness track record, suggests a less than ambiguous answer to the question regarding the effectiveness of the DFID MDG pillar in reducing poverty.

Similar comments can be made about DFID's Wealth Creation and Governance pillars. Vietnam's economic growth and governance have trended down throughout the evaluation period (see Figure 4¹³ and Figure 5¹⁴). It is unlikely that any one donor can alone influence these outcomes, but looking at DFID's support in the broader context of the overall donor effort in Vietnam, this might be taken as evidence that DFID's efforts in wealth creation and governance have not been effective. But, again, the reality is much more complex than such a simple association, and closer scrutiny is again required. This scrutiny would have to provide a valid estimate of the levels of growth and governance in the absence of DFID support (that is, the counterfactual) before any conclusion regarding the effectiveness of this support could be drawn.

¹³ The data shown in Figure 4 were taken from the World Bank Open Data website. Data for earlier years are not shown as the earliest statistically credible GDP annual growth data for Vietnam are for the year 1985. It follows that the first year for which statistically credible GDP data are available is 1984.

¹⁴ World Bank (2010). *Country Policy and Institutional Assessment (CPIA)* data for years prior to 1977 could not be obtained.

Figure 4: UK Bilateral ODA Disbursements to Vietnam, 2001 to 2014

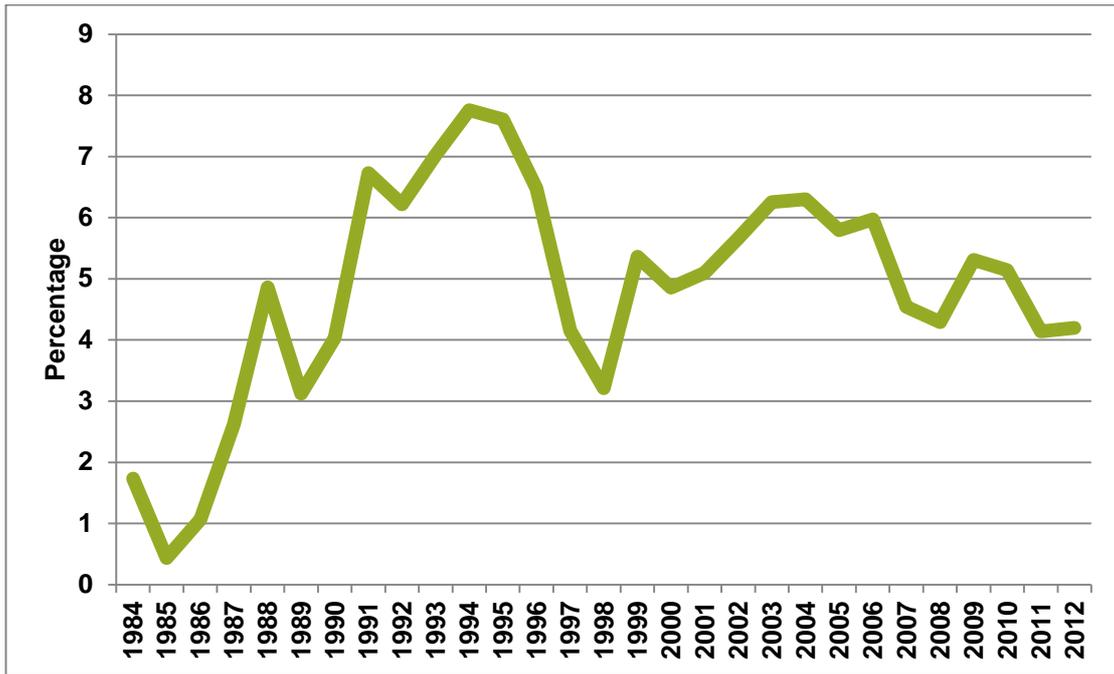
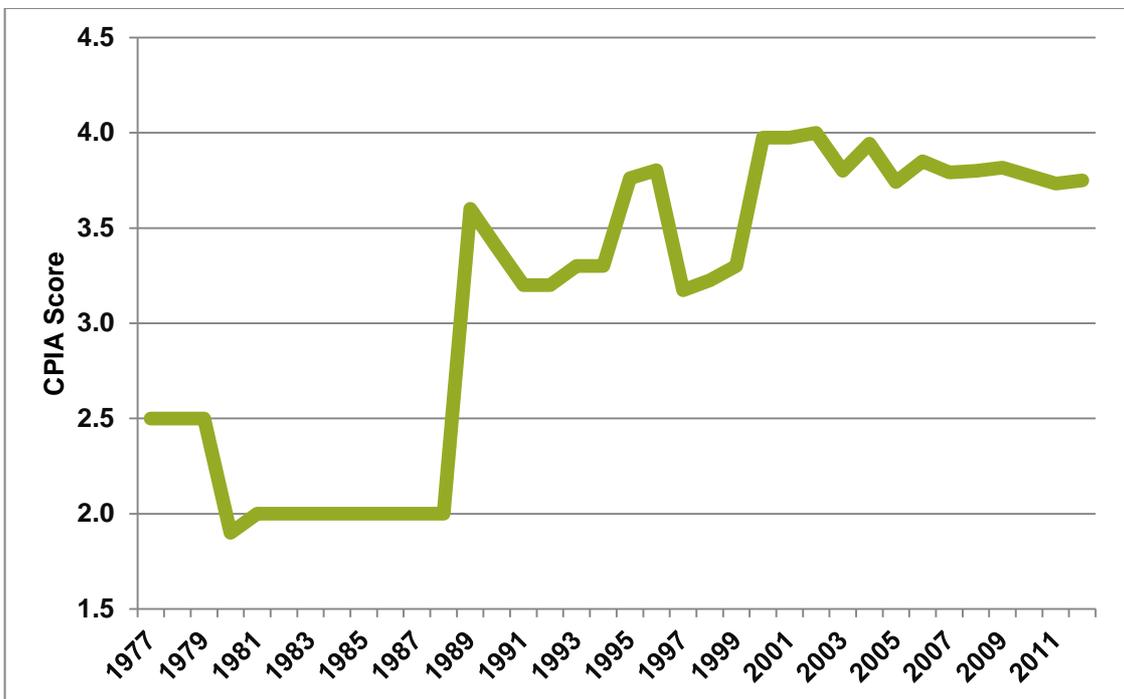


Figure 5: Governance in Vietnam, 1977 to 2012



This closer scrutiny involves initially re-examining the evidence through an AQEF lens. As mentioned above, AQEF has been used to guide the Landell Mills evaluation, in both the evaluation of the MDG

pillar and the Historical Overview of all DFID operations in Vietnam. In particular, we turn to the second component of AQEF, which is based on the Paris Declaration principles and looks at preconditions for effective development cooperation. We then consider the evidence of multidimensional poverty reduction results presented in the case study investigations of the MDG pillar, which is followed by some comments on the Wealth Creation and Governance pillars.

It is reasonably clear that DFID support scores highly against the Paris Principles, largely due to its long-term commitment to working with and through others. It has strongly promoted ownership, owing to the large amount of direct funding for the Government of Vietnam. There has also been a reasonably high degree of alignment, largely due to DFID working alongside multilaterals in the design of large activities in areas such as rural transport and education. The same applies to harmonisation, given that much of it has also been delivered through multilateral agencies and through the PRSC modality. There also seems to have been a focus on working with both the Government of Vietnam and multilateral partners in managing for results, albeit with one principal exception relating to P135 (II), as identified below.

That the DFID bilateral programme in Vietnam exhibits the characteristic of spatial selectivity, as outlined above, means that it has not placed excessive demands on development capacity, both in terms of placing undue pressure on DFID to deliver aid and the Government of Vietnam to absorb aid for development purposes. This evidence, overall, bodes well for the development effectiveness of UK support in Vietnam. There is also a clear message here for other donors in Vietnam. As was pointed out in the Landell Mills evaluation of the MDG DFID pillar and historical overview, the aid architecture has become particularly crowded in Vietnam. The number of aid supported activities from all donors was 92 in 1990. It is now approaching 4,000 per year. The number of donors supporting Vietnam increased from 11 in 1990 to more than 55 in 2012. These donors should follow DFID's lead and avoid activity proliferation, adopting a more focused, spatially selective approach.

If we look at the actual impact and effectiveness of DFID-supported programmes, then the picture is more ambiguous. For example, if we look at support for the HTPAP there is evidence of some beneficial impact, but the absence of a rigorous *ex post* evaluation makes it very difficult to assess the poverty-reducing impact of the programme. A similar conclusion applies to the NMPRP: poverty levels in the targeted region decreased but it is impossible to isolate the impact of the programme owing to it being one of many programmes operating in the area at the time. Similar conclusions are drawn for the CACERP and the CRLIP. In the case of the latter, it seemed it resulted in a large number of outputs, but a lack of sufficient outcome level indicators and a baseline makes it very difficult to assess the overall contribution of the programme to its stated aims, which were the achievement of sustainable livelihoods and improved quality of life for the targeted communities.

Support for PRSC 1 seems to have been more effective, but not to such an extent that it outweighs the less than convincing evidence for the other activities mentioned above. Support for rural transport, primary education, and environmental sustainability appears to have been delivered in a highly effective manner. Support for rural transport was particularly impressive from an effectiveness perspective. That some six million people benefited, one million of whom were poor, attests to this. Yet it seems that DFID's support for MDG6, through long-term assistance for HIV/AIDS programmes, seems to be the most effective of all its MDG pillar activities; the available evidence suggests that it made a critical contribution to the particularly difficult task of reducing HIV/AIDS prevalence in Vietnam.

DFID support for P135 (II) was arguably the least effective, owing to a situation in which DFID and the Government of Vietnam seemed not to focus sufficiently on the same development results. The reason why this seems to be the case is discussed below, when considering lessons learnt. The ineffectiveness of P135 (II) would appear to be self-evident from the widening differences between standards of living of different groups in Vietnam, in particular between the ethnic majority, the Kinh, and most other ethnic groups. These differences were such that almost all other ethnic groups fell further and further behind the Kinh in terms of living standards. Of course it could be argued that these differences would have been

larger in the absence of P135 (II), but a principal objective of the programme was to reduce these differences. This is not to say that the programme did not have any beneficial outcomes. There is evidence that the programme resulted in higher living standards for the ethnic minority households it targeted. However, the evidence also shows that the living standards of ethnic minorities fell further behind those of the Kinh. We return to this issue below, as it is a hugely pressing one, both for remaining donors and the Government of Vietnam.

The effectiveness of the Wealth Creation and Governance pillars in contributing to expected or desired poverty reduction outcomes is a much more speculative exercise. Both are widely acknowledged as being important for poverty reduction, being necessary but not sufficient conditions for this outcome. This is further complicated by the fact that the poverty reduction of achievements in wealth creation and governance for poverty reduction cannot be directly observed. Without an analysis that is well beyond the scope of the Landell Mills evaluation we are essentially left to draw inferences about these results. What can be concluded is that DFID has had successes that are good for wealth creation and governance: VACI; VGEM; and M4P1 in particular, and that both economic growth and governance in Vietnam would have been lower, and poverty higher, in the absence of these programmes.

Taking into account the material presented above, has UK development cooperation provided under the DFID MDG, Wealth Creation, and Governance pillars been delivered in an effective manner? It would obviously be desirable to draw a clear and unambiguous answer to this question, especially insofar as the MDG pillar is concerned. The evidence presented is not, however, sufficiently robust to be able to do so. Evidence is, in short, mixed and points to a paradox in the evaluation of DFID support from 1999. DFID support has clearly been of high quality, having been delivered in a manner consistent with the Paris Principles. It has also been very focused, both longitudinally and spatially, as was noted above in the characteristics of DFID support. So why is evidence not sufficiently robust to permit an overall positive response to the question at hand? The answer would appear to lie in consideration of the response to evaluation sub-question 3 and the broader enabling environment in which DFID operated. This also has clear ramifications for lessons learnt.

3.2.3. Sustainability

The question of whether UK bilateral development cooperation with Vietnam was delivered in a sustainable manner requires us to speculate on whether benefits of this support are likely to continue after DFID funding has been withdrawn. We are again guided by the AQEF, the Paris Principles of ownership and alignment, and the development capacity of the partner government specifically, and the evidence provided by the case studies discussed and other material relating to the three DFID pillars.

Our response is that UK support was, on balance, delivered in a sustainable manner, although we note that there is evidence that questions the sustainability of a number of DFID-supported activities.

General budget support and funding for associated technical assistance programmes appear to have been delivered in a sustainable fashion. This support has all the hallmarks of that which is delivered in a sustainable manner; for example, it promotes strong ownership and is very much aligned with the priorities of the partners through or to which it was provided. Moreover, the very nature of the support lends itself to sustained benefits. The PAPAP perhaps best demonstrates this. Poverty reduction and the provision of advice on how to achieve it is clearly a priority in all the World Bank's operations. There was also a clear appetite within the Government of Vietnam and its bureaucracy for more information on, and a greater knowledge of, poverty issues. As such DFID's funding of PAPAP scores highly in terms of ownership and alignment. In addition to this, the provision of information on poverty, particularly levels of poverty at particular points in time across Vietnam, has not only an immediate benefit but also a long-term benefit given that it constitutes a baseline for comparisons over time.

On the other side of the ledger, a number of concerns over a potential lack of sustainability were identified in the case studies of support provided under the three DFID pillars. There were concerns over the maintenance of the infrastructure for those components of area-based and targeted poverty reduction programmes and for the rural roads activities. It was noted that there was a lack of appropriate operation systems to provide maintenance, a lack of local commitment to maintain, and the absence of a 'maintenance culture'. Concerns were also raised in the case study material regarding the continuation of funding by Government of Vietnam bureaucracies for DFID-supported activities in education, HIV/AIDS, and water and sanitation. These bureaucracies are at the sub-national level in the cases of education and water and sanitation, suggesting a mix of lack of local ownership and capacity. This is a particularly serious concern, and we return to it below. This is of course not only an issue for DFID, but for other donors that have also partnered with it in supporting these activities.

3.3. Sub-question 3: Enabling Environment

Has the UK's development assistance contributed to an enabling environment for sustainable poverty reduction in Vietnam?

The short answer to this question is yes. Through DFID, UK development assistance has on balance contributed to an enabling environment for sustainable poverty reduction in Vietnam. There are two main ways in which DFID has made this contribution. The first is through adhering to the Paris Principle of ownership, with the Government of Vietnam having a sense of ownership over the development policies and strategies supported by DFID. The DFID strategy of working with the Government of Vietnam, through which so much of DFID funding is delivered, is fully compatible with this principle. The second way is to build development capacity in the Government of Vietnam. DFID has certainly had its successes in this regard, but there are also instances in which the evidence of success is ambiguous. The enabling environment remains a critical issue for ongoing development progress in Vietnam and, as such, this answer requires some elaboration.

It must be remembered that DFID entered Vietnam in a particularly interesting and challenging period of Vietnam's development history. Vietnam was very well positioned to tackle the MDGs in the years immediately following this entry. The Government of Vietnam had successfully implemented Doi Moi, growth rates were high, the blockade had ended, the East Asian Crisis caused some problems but growth recovered, huge reductions in poverty were achieved and health and education levels were high by developing country standards and especially for a country with Vietnam's per capita income level. Vietnam had a long history of comprehensive development planning, there was the prospect of World Trade Organisation (WTO) membership and middle income status, many donors had returned to Vietnam and it was receiving enormous amounts of aid by international standards, but at the same time was not aid dependent as it also received large amounts of foreign direct investment, non-concessional finance, and remittances.

But then a few serious challenges started to emerge in the very late 1990s and very early 2000s. Governance started to become a problem. Decentralisation was putting pressure on local authorities that had very low capacity levels. Inequality started to increase. There was more awareness of the problems faced by some regions and ethnic groups, in particular the fact that their living conditions were lagging behind others. Overall, the enabling environment, or the capacity to achieve ongoing development results, started to become far more complicated. It was this environment into which DFID entered.

It is very clear that DFID sought to promote the enabling environment in Vietnam for poverty reduction through seeking to improve capacity within the Government of Vietnam and through attempting to reduce bottlenecks to poverty reduction. Its support for rural transport, which appears to have been quite

effectively delivered, is a case of the latter. But support for improving the capacity of the Government of Vietnam is clearly crucial given the DFID operational principle of working with and through others. The evidence of the success of DFID in building this capacity is mixed, as our case study analysis has made clear. In some cases capacity was built, while in others it was not clear that this outcome was achieved. It could also be argued that DFID was not sufficiently cognisant of development capacity bottlenecks in Vietnam, specifically at the sub-national government level and that, as a consequence, it did not sufficiently build this capacity and mitigate against it. This is a particular pressing issue both for the Government of Vietnam and donors remaining in the country, and we return to it below.

3.4. Sub-question 4: Lessons Learnt

What lessons can be learnt from the UK's development cooperation with Vietnam to enhance development?

This section presents the high level lessons learnt from the evaluation of DFID's long-term support to Vietnam; these lessons have been designed to address the operational priorities of key audiences. We identify three audiences and corresponding sets of lessons, noting that the latter are not necessarily mutually exclusive among the former. The first set of lessons is very general. Each lesson in this set applies to donors that will continue to provide aid to Vietnam for the foreseeable future and to development assistance per se, including DFID bilateral programmes in countries other than Vietnam. As such we simply refer to them as lessons for donors. The second set of lessons targets donors who are considering exiting Vietnam and who may be devising exit strategies. While our reasoning over these strategies is based on the DFID experience in exiting Vietnam, these lessons are also sufficiently generic to apply to all such strategies irrespective of the donor and partner countries. The third set of lessons is relevant for the Government of Vietnam. These lessons may also be relevant for DFID and other donors in countries that display similar characteristics to Vietnam, in particular countries with a large number of donors and donor-funded activities, strong ownership, high levels of decentralisation, and access to significant domestic resources for development purposes.

3.4.1. Lessons for donors

There are five main lessons learnt from the evaluation that are relevant for donors operating in Vietnam and other countries, where donors seek to have a long-term presence. It is our intent that the first four of these lessons are sufficiently generic to apply at varying degrees to ongoing DFID bilateral programmes elsewhere in the developing world. There are also clear implications from these lessons for both the Government of Vietnam and donors remaining in Vietnam after DFID's departure, as we point out below.

The first three are to promote and achieve:

- (i) strategic consistency;
- (ii) longitudinal programmatic focus; and
- (iii) spatial portfolio selectivity.

These conditions or characteristics have been outlined in some detail in Section 2, where they have been discussed separately. It is important, however, to consider the combined importance of these three conditions for development effectiveness in a country like Vietnam. These three conditions when implemented together create synergies that improve development outcomes, and there are lessons in this for development practitioners in Vietnam and other countries. As noted above, DFID decided early on

that it would focus on poverty elimination while working with and through others. The long-term focus on multidimensional poverty, first and foremost, gave an element of programmatic consistency to the programme (for example, long-term significant investments in education, health, and rural transport) that was maintained over the years, and this coupled with the commitment to higher level modalities provided an element of predictability to the programme, both from a modality and an investment perspective. This allowed DFID to develop a sound understanding of the policy challenges in Vietnam (within the various sectors) and build relationships with key actors, and thus it gave them a 'seat at the table' when it came to influencing the Government of Vietnam, and the development approaches of its multilateral partners in various areas. DFID built a reputation as a donor that was familiar with the technical and political challenges in certain sectors. This, coupled with strong policy dialogue, which was built on a long-term investment in locally engaged staff and the funding of influential analytical work, meant that DFID could, with a comparatively small amount of money, influence the much higher order investment decisions of the partners it sought to work through. This was not always successful, but there were many cases where it was.

In retrospect, this was a logical approach in a country like Vietnam. For, as we have seen, over time Vietnam attracted a significant amount of donor funding and its own economy grew significantly, aid activities proliferated and the Government had access to significant domestic resources for its own development. By adopting the three principles outlined above, DFID ensured that it was not adding to this dynamic a large number of low value, disparate and unfocused activities, which would have limited impact in this environment. The key lesson from this evaluation, which is relevant for donors in countries like Vietnam, where there are a high number of donors and where significant domestic resources are available, is that a narrower focus for a longer period of time is a key determinant of development effectiveness. Through this approach bilateral donors can influence the allocative decisions of counterpart governments and multilateral actors.

From the preceding discussion of lessons we derive the following recommendations, be they **for those remaining in Vietnam or elsewhere**:

- a) *Most fundamentally, have a clear, credible long-term and high-level vision or focus on what the development cooperation programme is trying to achieve and consistently work towards it over time. In DFID Vietnam's case this focus was obviously poverty reduction, but there are plenty of other sufficiently high-level foci that can be chosen.*
- b) *Select a focus that is consistent with what the donor is trying to achieve globally through its development cooperation programmes.*
- c) *Develop a sound understanding of the key policy challenges relating to this focus, building relationships with key actors and being able to influence the thinking and actions of these actors.*
- d) *In partner countries in which there is a large number of donors and donor activities, consider adopting a narrow focus or fund a relatively small number of activities.*
- e) *Have a clear, agreed division of labour to avoid fragmentation and proliferation.*
- f) *Donors should engage and support the partner government in formulating credible and realistic ODA strategies and development policies that should also be long term and linked with the required budgetary allocations.*
- g) *Provide support for partner governments in the adoption of systematic criteria for the allocation of donor funds among projects.*
- h) *Make long-term investments in locally engaged staff around the focus area,*

Partner governments can and should play an important role with respect to strategic consistency, longitudinal programmatic focus and spatial portfolio selectivity. We recommend that **partner governments and the Government of Vietnam** in dealing with donors that remain after DFID's departure:

- a) *Define clear and consistent long-term policy frameworks for ODA mobilisation and utilisation to help donors align and plan their support strategies.*
- b) *Welcome advice and support from partners to improve their own strategies and show a clear commitment to the focus areas of donors.*
- c) *Take the ownership and leadership in donor coordination and facilitation of division of labour among donors to ensure complementarity and value added by each donor.*
- d) *Maintain an informative database on projects to provide a clear picture of what is being supported by donors.*

We consider the three conditions identified above to be necessary, but not sufficient, conditions for development effectiveness. To promote development effectiveness, the three conditions – strategic consistency, longitudinal programmatic consistency and spatial portfolio selectivity – need to be accompanied by the following condition or lesson, which is to ensure that there are in place:

- (iv) developmentally capable and effective counterpart and partner systems.

The importance of developmentally capable and effective counterpart and partner systems is particularly relevant for donors, such as DFID, who may deploy 'working with and through others' orientation to the delivery of development assistance. Effective counterpart systems were largely in place at the national level for the delivery of DFID support for the MDGs in Vietnam, but not at the sub-national level, where much of the funding for this support was allocated. If there is a single reason for questioning the effectiveness and sustainability of DFID support for poverty reduction in Vietnam it is the capacity of its sub-national government to deliver development results. This is in spite of DFID efforts to build capacity at this level of government.

There are a number of instances where the importance of sub-national partner government systems was demonstrated in the evaluation, but none demonstrates this point better than the experience with P135 (II) funding. As was noted, district and provincial governments reallocated non-P135 (II) funds away from communes targeted by the programme to non-P135 (II) communes in an effort to compensate the latter. P135 (II) communes did not receive more funding than other communes as a result of this decision, which significantly undermined the very intent of the programme. This possibly contributed to the above-mentioned increase in inequality among ethnic groups in Vietnam if the non-P135 (II) communes were able to use these funds more effectively for development purposes. This result could be attributed to a lack of capacity of sub-national government, but in other contexts it could occur simply because the relevant level of the partner government did not share the same objectives as other relevant parties, including donors. This is indeed a classic case of the fungibility problem of aid, which has long been recognised as a problem for development cooperation.¹⁵ It follows that by 'systems' it is not just the mechanisms by which funding is allocated, but the preferences of those individuals responsible for determining and implementing priorities that becomes important. Effective partner systems were largely in

¹⁵ The World Bank gave special emphasis to fungibility in its well-known 1988 report, *Assessing Aid; What Works, What Doesn't and Why?*

place, although there is evidence that ADB systems proved to be problematic on too many occasions and limited the development impacts of DFID support delivered through that institution.

Capacity levels within the Government of Vietnam also placed constraints on DFID support for wealth creation and governance. Although arguably not as serious as was the case with P135 (II), a lack of capacity amongst Government of Vietnam implementing agencies caused problems (start-up delays in particular) for a number of programmes.

If there is a single, forward-looking lesson emerging from this evaluation it is that, if donors are to work with and through others, then they must ensure that the 'others' have sufficient development capacity to enable the achievement of programme objectives. This includes all the 'others' and not just national level counterparts, but sub-national counterparts as well. This calls for a nuanced understanding of the politics and practice of decentralisation in the partner country. The key operational lesson is that donors in Vietnam, and in countries with similar levels of decentralisation, must do more to engage and work directly with sub-national governments. New types of partnerships must be developed that specifically target sub-national level realities more while not losing sight of national level priorities.

Beyond these key recommendations, **donors remaining in Vietnam or operating elsewhere** need to:

- a) Develop a more thorough understanding of the political system and the government policy on decentralisation and how it works in practice.*
- b) Use government systems as the first choice where possible but be cognisant of capacity and willingness bottlenecks.*
- c) Undertake analysis of and provide support to partner government systems with attention to incentives and local culture, especially at sub-national levels.*
- d) Support the partner government to systematically monitor possible bottlenecks in local systems.*

Partner governments also play an obviously important role. They need to:

- a) Have a clear plan to improve their own systems including addressing key issues around incentives and transparency.*
- b) Be willing to learn and pilot new systems and institutions that are based on international best practice.*
- c) Harmonise and promote coherence between government agencies and between central and local levels which are a weak point in Vietnam. This is necessary for donor effective support both at policy and operational levels.*

The fifth overall lesson emerging from this evaluation is related to the above, and is as follows:

- (v) to ensure that there is greater cognisance of the complexity of targeted poverty reduction.

It seems reasonably clear from the evaluation that DFID and other donor partners that funded P135 (II) were at best overly optimistic or at worst naïve as to the reality of the fiscal decisions of sub-national governments in Vietnam. It has been suggested that the prime reason for funds being reallocated away from the targeted communes to ensure those that were not targeted would not be disadvantaged was that regional governments were concerned about a potentially adverse political reaction from the communes not targeted. The likelihood of this might not have been obvious to the donor community in Vietnam, and

no amount of prior investigation might have pointed to it. But it does suggest that the donor community was not sufficiently cognisant of the complexity of sub-national targeting of poverty reduction, and that a greater appreciation of these complexities is needed if progress on reducing the significant differences in living standards between ethnic groups and provinces in Vietnam is to be achieved in the future.

Looking forward, the importance of the donor community working with the Government of Vietnam to address differences in living standards between Vietnamese ethnic groups should not be understated. The differences in living standards between ethnic groups in Vietnam has been referred to a number of times above, and it is instructive at this point to illustrate precisely how large they are. Figure 6 and

Figure 7 provide this illustration.¹⁶ Poverty rates fell between 1999 and 2011 among the poorest ethnic groups, and among those with a poverty rate of 90 per cent or greater in 1999 (see Figure 6). Despite these falls, the poverty rates of these groups increased from roughly two to almost eight times those of the Kinh between 1999 and 2011 (see

Figure 7). Addressing these discrepancies is a challenge that ought not to be ignored, and the donor community working with the Government of Vietnam must better understand what drives them if they are to be successfully addressed. With such knowledge, donors can make informed judgements over those drivers of poverty in the poorest ethnic groups that they can most effectively seek to influence. Acquiring this knowledge requires more analytical research work, plus possibly also greater dialogue between donors, sharing lessons learnt from experience. Donor support for such research should be given a high priority, and the World Bank is among the organisations that would appear well positioned to undertake it.

The preceding comments relate to **donors remaining in Vietnam** but a number of recommendations for **donors operating elsewhere** can be derived from them. For donors these recommendations are:

- a) *To appreciate that poverty is multidimensional both conceptually and in its drivers, involving many actors in addition to the poor themselves.*
- b) *To have realistic expectations on how long it takes to achieve the change required to sustainably reduce poverty.*
- c) *To work with the partner government at all levels for better poverty targeting.*
- d) *To achieve a balance between investment in overall economic capacity and supporting voice, accountability, empowerment.*

For **partner governments, including the Government of Vietnam in working with donors remaining in Vietnam**:

- a) *To also appreciate that poverty is multidimensional both conceptually and in its drivers, involving many actors in addition to the poor themselves.*
- b) *To have an effective poverty strategy that donors can support.*
- c) *To be cognisant of the complementarity between broad-based and targeted instruments.*
- d) *To ensure that all levels of its administration (national and sub-national) have shared objectives, making each of these levels accountable for sustained poverty reduction.*

¹⁶ The data illustrated in Figures 6 and 7 were obtained from MDRI and originally taken from the 1999 and 2009 population censuses and the 2011 agriculture census conducted by the Government of Vietnam's General Statistics Office. The data in these tables have been published in Phung Duc Tung and Do Thu Trang (2014).

Figure 6: Poverty Rates among Ethnic Groups in Vietnam

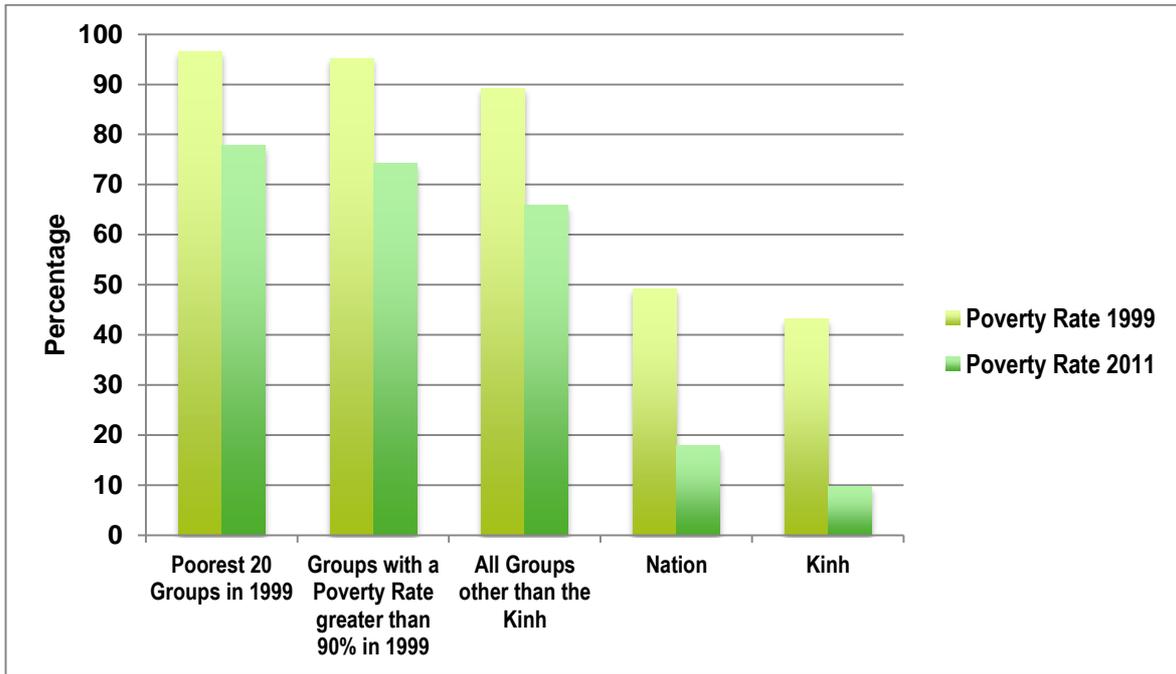
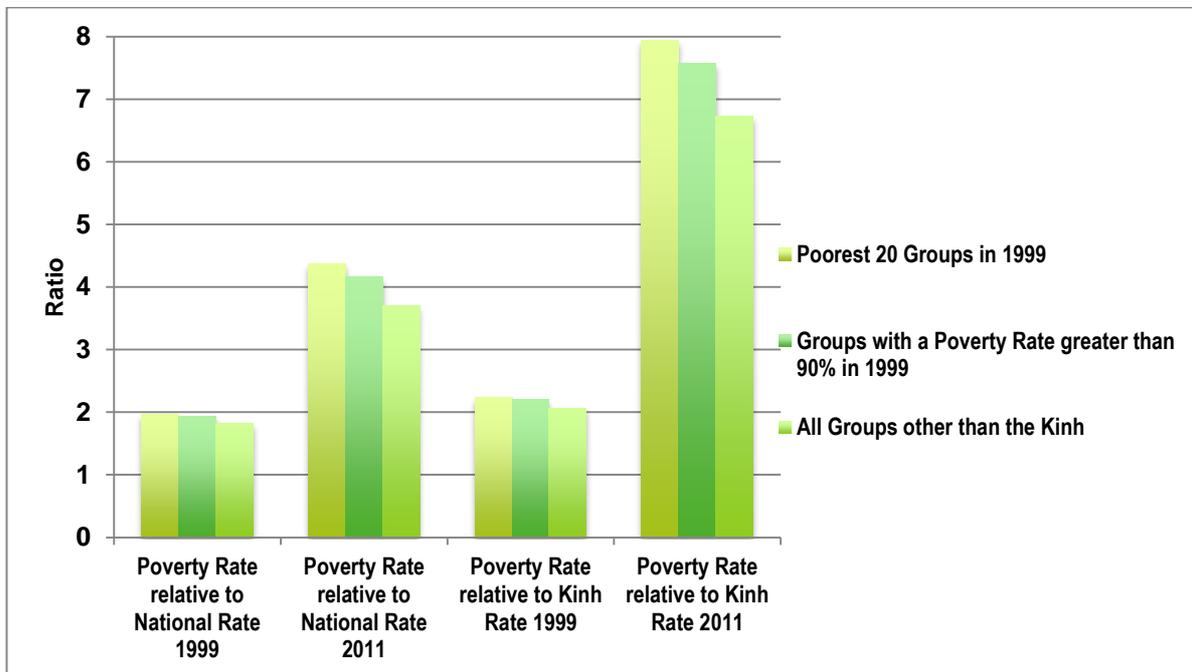


Figure 7: Relative Poverty Rates among Ethnic Groups in Vietnam



3.4.2. Lessons for donors exiting Vietnam

The UK announced in 2011 that it would cease its bilateral development cooperation programme with Vietnam by 2016. Consistent with this decision DFID commenced winding down the budgetary scale of the programme, continuing a trend that commenced in 2009. The main reason for DFID's exit was Vietnam's achievement of middle income status in 2010, and the resultant expectation that Vietnam's relative need as a recipient was not sufficiently large to justify the UK's ongoing bilateral support. The UK's decision was also consistent with a general trend among donors to narrow the geographic focus of their development cooperation, concentrating support on fewer countries.

Development cooperation is by its very nature a temporary arrangement. It is not intended as a permanent transfer from the taxpayers of one country to the government and citizens of another and bilateral donors will, sooner or later, exit those countries with which they have had a bilateral development cooperation programme. Donors end these programmes for a variety of reasons: these include the assessment that the partner has become capable of sufficiently managing and financing its own development efforts, and a desire for the donor to have greater geographic focus in its overall bilateral programme, as was the case with DFID. A key question for donors is how to optimally manage the exit from a partner country.

It is widely recognised that instability and unpredictability of aid levels is bad for development effectiveness and clearly decisions to exit can exacerbate this situation. Exit decisions should not lead to aid instability and unpredictability at least insofar as the aid of the exiting donor is concerned. DFID's exit from Vietnam scores well against this criterion. As highlighted in Figure 8,¹⁷ DFID's exit in a quantitative sense commenced, in effect, in 2009 and followed a consistent downward trend as programmes under the MDG, Governance and Wealth Creation pillars were phased out. From a programme pipeline perspective this type of consistent and gradual phasing out is a complex task that involves good planning well ahead of time, consistent communication with government counterparts and implementing partners, and good financial management within the donor agency. Donors should ensure they appropriately sequence their activity and sector-level programme phase-outs in a way that ensures the higher level country phase-out can occur as predicted, and this requires good planning and a long-term perspective.

¹⁷ Disbursements data have been obtained from DFID Vietnam's internal records.

Figure 8: DFID Bilateral ODA Disbursements to Vietnam, 2001 to 2014



Another issue to consider when phasing out is the aggregate effect of multiple phase-outs. This may be particularly important in a country that has achieved some graduation status (such as Middle Income) which may mean that several donors may be considering exiting, as has happened in Vietnam in recent times (e.g. the phasing out of Sweden and DFID). In order to lessen the impact of these phase-outs, donors should communicate openly with each other on their phase-out (or continuation) strategies to ensure that they are not all departing at the same time. Through this process donors that seek to stay in country can also identify opportunities for working in sectors or picking up activities funded by departing donors.

A type of 'sequenced exiting' might also be important in particular sectors where like-minded agencies have worked together. A case in point is anti-corruption in Vietnam. Sweden was the lead donor in this area for a long time and enjoyed the confidence of the Government of Vietnam. After its exit, DFID took over donor leadership in this sector, with the imprimatur of the Government, and continued on with a number of important projects, continuing to build on the successes of the past. This type of sequenced exiting may be useful in other areas where like-minded donors work together to ensure that important programmes can continue with the same intent as before.

It is also important that donors are consistent in communicating the reasons for their exiting to all the organisations that they partner with, and who are affected by their programmes, including other donors, counterpart government agencies, civil society and so forth. DFID could have done this better. A number of key informants interviewed for this evaluation were unsure of the reasons behind DFID's exit and some conflated DFID's exit with the UK's exit, which is clearly an erroneous perception. The UK and Vietnam have a strong ongoing partnership in areas such as trade and education and this will continue. It is important that the reasons for exiting be explained to all parties within the broader historical context of the relationship between the two countries, emphasising what the partnership will look like going forward. By discussing exiting in this way partners are better able to understand the continuum of cooperation between the two countries, and situate exiting within the evolution of the bilateral relationship.

3.4.3. Lessons for the Government of Vietnam

A number of recommendations emerging from lessons learnt for donors have been provided above. In what follows we augment these recommendations with some core lessons that are specific to the Government of Vietnam as it continues to grapple with development challenges, in particular the disparities identified above.

The primary lesson for the Government of Vietnam emerging from this evaluation is the need to continue to strengthen the capability of sub-national governments with regard to policy and planning, human resource management, project implementation, and financial planning. The allocative decisions of sub-national governments and their implementation capability has significant impact on the effectiveness of Government and donor-funded programmes, especially those delivered under higher level aid modalities. Within this context, strengthening sub-national governance will improve development effectiveness. And recognising that these decisions do not always necessarily reflect a lack of technical capability on the part of sub-national government, as was the case with P-135 (II), the Government of Vietnam needs to put in place sufficient incentives for decisions that are consistent with higher level priorities.

It is also important that the Government of Vietnam provides additional support to provinces and ethnic groups that demonstrate lower levels of development achievement. National level allocative decisions should not be based on a perception of capability, or the ability of provinces and ethnic groups to produce results. While this is important, it also has the potential to create a feedback mechanism wherein those that perform the best (say in achieving literacy or numeracy targets), receive more funding than their poorer performing counterparts. While this no doubt helps Vietnam achieve results at a national level it does not address the persistent gaps in achievement between provinces and ethnic groups. To address this, allocation at the national level to poorer performing provinces and ethnic groups needs to be complemented with strong governance and capacity building programmes and based on the actual disparity in achievements. Performance indicators that are appropriate to the capacity of the provinces and ethnic groups in question should also be developed in order to support realistic targets.

In order to address these issues effectively with donor funds, the Government of Vietnam may consider encouraging donors to work more directly with specific provinces and ethnic groups and establish more targeted programmes that specifically address gaps in development achievements. This could be supported by research that highlights where the most persistent gaps are. In line with ASEAN's commitment to narrowing the development gap, Vietnam may consider a similar approach within its own territory. This would be the first effort of its kind in Southeast Asia and would demonstrate a strong commitment by Vietnam to reducing disparity across the country; it may also influence other countries in the region that are facing similar problems. We noted above that this research could be supported by donors, but in the absence of this there is a strong case for the Government of Vietnam to use its own resources to facilitate it.

4. Response to the Primary Evaluation Question

How, and to what extent, did the UK's development assistance contribute to sustainable poverty reduction in Vietnam?

It is helpful to divide this question into its constituent components. It consists of three questions, as follows.

- (i) To what extent did UK development assistance contribute to poverty reduction?
- (ii) How was this contribution achieved?
- (iii) Is the contribution sustainable?

We provide responses to each of these questions individually, and then give a response to the primary question. But prior to attempting to answer the above, some preliminary context must be provided.

The use of the word 'contribute' in the primary evaluation question does not require investigation as to whether there is a causal relationship between DFID assistance and changes in poverty in Vietnam, nor does it require quantifying the poverty impact of this assistance. This was ruled out in discussions with DFID during the inception phase of the evaluation. There was good reason for this. Undertaking an investigation that provides this information invokes problems of the counterfactual (knowing what poverty levels would have been in the absence of aid), and identifying and controlling for the multiplicity of drivers of poverty. But even if this task could be undertaken, disaggregating this impact by donor is arguably an impossible task unless there are only a handful of donors active in the country in question, but even then it remains very difficult. Vietnam has been supported by more than 30 donor agencies since 1999. It might be possible to quantify the total impact of a particular donor's aid on poverty if each of its activities had been evaluated from this perspective. An evaluation such as this would then access each evaluation and sum the poverty reduction outcomes. Yet, owing to the scale and difficulty of such an exercise, it has never been undertaken in any recipient country. Nor have poverty reduction evaluations ever been conducted of a representative sample of donor activities from which extrapolations could be derived. These activities have certainly not been undertaken in Vietnam.

The use of the word 'contribute' in the primary evaluation question instead highlights the focus in this evaluation in exploring the *plausible associations* between DFID's development assistance and observable changes in poverty, rather than supplying definitive proof of any causal relationship.

With this in mind it is appropriate to first ask a variant of the second question posited above, that being "how might UK assistance have contributed to poverty reduction in Vietnam?" If we look at the DFID portfolio it is clear that multidimensional poverty has been targeted directly, through the MDG pillar, and that important drivers of poverty have been targeted through the Wealth Creation and Governance pillars. And we know from the response to evaluation sub-question 1, the focus within these pillars has been on pressing development and poverty-related needs. This includes addressing the circumstances of marginalised groups, building analytical capacity and an evidence base for poverty reduction strategies, and addressing development capacity issues. We also know that DFID-supported activities have resulted in an impressive array of outputs that are good for multidimensional poverty reduction. There is also evidence that DFID support displays the attributes of effective aid, in that it scores well against the Paris

Aid Effectiveness Principles, in particular harmonisation and alignment, and that its focus has been such that fragmentation and proliferation have been avoided. It is also reasonably clear that, based on key informant interviews and a review of relevant documentation, most DFID-supported activities were favourably reviewed from an effectiveness perspective. And finally, a key characteristic of DFID's strategic consistency in Vietnam from 1998 to the present was a focus on income poverty elimination, with it becoming a vocal advocate for pro-poor approaches amongst the donor community in Vietnam.

Let us now turn directly to the question *How, and to what extent, did DFID contribute to poverty reduction in Vietnam?*

Our response to the 'how' part of this question can be stated succinctly and it immediately follows from much of what has already been stated in this report: DFID contributed to poverty reduction through a programme that, on balance, efficiently and effectively tackled key drivers of poverty reduction in Vietnam.

In response to the 'extent' part of the question, it is clear that DFID's programme was one that focused specifically on the reduction in poverty in its many dimensions and that the agency made a positive difference to the lives of many Vietnamese people. Virtually everything that DFID did was focused on poverty reduction and it has many successes in this regard. And while it is not possible to be precise about the number of people lifted out of poverty as a result of DFID efforts, it is clear that the agency played an important role in the enormous scale of poverty reduction in Vietnam since the late 1990s, in which more than 23 million Vietnamese have been pulled out of extreme income poverty. The number of people pulled out of poverty due to DFID efforts is likely to be in the many millions, although how many is a matter of speculation.

Is this contribution sustainable? Our response to this question relies heavily on our response to the sub-question regarding whether UK development assistance contributed to an enabling environment for sustainable poverty reduction in Vietnam. To the extent that this question was answered in the affirmative, our short answer to this question is yes, since DFID's operating principle of working with and through others meant that much of what DFID supported were the very programmes of the Government of Vietnam (thus ensuring ownership) and that the agency had many successes in building the capacities of the government. As such it is reasonable to expect that, in large part, the gains that DFID has helped achieve will be sustained. Yet we acknowledge that the matter of sustainability of DFID's achievements is more complex than this, and requires analysis and a high degree of speculation well beyond an evaluation such as this. Three of the key linked issues in this regard are whether the Government of Vietnam has the willingness and ability to provide sufficient levels of funding for those programmes supported by DFID, whether it can maintain sufficient levels of economic growth and whether environmental vulnerability (noting that Vietnam is among those countries most vulnerable to adverse environmental change) will halt or even reverse rates of development achievement. A fourth issue is whether the donors that remain in Vietnam continue to work effectively in the spaces occupied by DFID, especially in the areas of governance. Only time will tell.

5. Conclusion

Much has happened in Vietnam following the establishment of the DFID office in Hanoi in 1998. The Government of Vietnam embraced the Millennium Development Goals, and has since made very impressive progress towards a majority of these goals. The number of donors supporting Vietnam has grown appreciably, along with the level of aid the country has received, making it among the so-called darlings of the international donor community. Vietnam is seen internationally as an aid effectiveness success story having become a middle income country and one in which more than 20 million of its citizens have been lifted out of extreme income poverty since the late 1990s.

As impressive as Vietnam's development achievements have been since 1998, a number of pressing challenges have emerged. The Government of Vietnam has encountered a number of governance problems, among them a lack of capacity at the sub-national level. Partly owing to these problems it has had difficulty maintaining high levels of economic growth and, while income inequality remains low in Vietnam by developing country standards, there are increasing and very large disparities in living standards between ethnic groups. These disparities are such that some ethnic groups have tremendously low living standards with very high rates of poverty. There are also concerns about Vietnam's high vulnerability to climate change.

The UK will exit Vietnam as a bilateral donor in 2016. DFID has been a very vocal and influential bilateral donor in Vietnam. While it provides a relatively small share of total official development assistance to Vietnam, it is among its largest bilateral donors. It is a donor that is widely regarded as having 'punched above its weight' in Vietnam. DFID has been very active among the donor group in Vietnam, and has had a consistent strategic focus on poverty reduction. Virtually all DFID activities have been either directly targeted towards multidimensional poverty reduction or at drivers of this reduction.

DFID bilateral support for development is seen to have been of high quality. It has been very focused and has avoided the fragmentation and proliferation present in other programmes. It has addressed many pressing development needs in Vietnam, and has on balance been efficiently and effectively delivered. It has on balance contributed to an enabling environment for sustainable poverty reduction in Vietnam. This is not to say that DFID, like all donors, has not encountered difficulties and has had no failures. Among the failures is its contribution to a donor effort to reduce disparities between ethnic groups in Vietnam. But overall, it is clear that DFID has made a substantive contribution to poverty reduction in Vietnam, with the funds allocated to the bilateral programme being a productive use of British taxpayer money.

Donors that remain in Vietnam face a number of ongoing challenges in supporting the development efforts of the Government of Vietnam. Among the challenges are for these donors to gain a better understanding of (i) the allocation of ODA between rich and poor provinces; (ii) ways of effectively supporting ethnic minorities; (iii) the changing nature of poverty and inequality and how aid policy dialogue can reflect these dynamics; (iv) how to enhance leadership and policy impact around key development issues; and (v) how to support the Government of Vietnam in focusing on and addressing these issues through aid. More generally, this understanding needs to be built into a more effective development cooperation model that meets Vietnam's changing development needs. For those donors that will exit Vietnam in the foreseeable future, there is also the challenge of exiting effectively, building on the DFID experience and also on other lessons from this process.

What lies ahead for the Government of Vietnam in its ongoing efforts to further its development achievements? The answer to this question is necessarily speculative. It is reasonably clear, however, that the future will be increasingly challenging for Vietnam, especially as more bilateral donors exit. There are also complexities presented by the post-MDG agenda in the form of the UN Sustainable Development

Goals. The challenge from a development cooperation perspective will not be so much the loss of financial assistance, as aid flows have become an increasingly small proportion of total development financing in Vietnam. The loss is more qualitative in nature: there will be fewer development partners, who through their very presence contribute to the vitality of dialogue on pressing development challenges in Vietnam. Arguably, where this loss will be most felt is with respect to governance, broadly defined. Without improvements in governance at the sub-national level it is difficult to envisage how disparities between provinces and, more worryingly, ethnic groups can be significantly reduced. And without improvements in governance at all levels it is difficult to envisage how the Vietnamese economy will remain among the best performing developing countries. This is not in any way to imply that the future is all doom and gloom. The Government of Vietnam has shown itself to be particularly resilient over time, having successfully responded to extremely pressing historical challenges. The tremendously successful Doi Moi reforms implemented from the mid- to late-1980s are an example of this resilience. Vietnam will certainly deal with the challenges it faces, the question being how well it will deal with them.

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Annex A: Terms of Reference

Evaluation of the Long-term Development Cooperation between the UK and Vietnam (Vietnam Final Evaluation)

1. Background

Vietnam's development path from a low income country to a middle income country (MIC) over the last two decades is a real and successful example of poverty reduction. However, Vietnam at its turning point as a MIC faces new and difficult challenges. Government and development partners need to identify how to ensure further progress in poverty reduction in a rapidly changing context in Vietnam and globally.

The UK's Development Assistance to Vietnam and its Graduation from Vietnam

The UK has provided development assistance to Vietnam for the last 20 years. The UK opened its DFID office in Vietnam in 1998, but the UK development cooperation with Vietnam commenced earlier than that with support provided mainly from the DFID office in Bangkok since 1993. The initial funds provided were in the range of £3–£5million, focusing on technical assistance for government industrial master plans.

With the Head of Office based in Hanoi from 1999, development cooperation between Vietnam and the UK has grown rapidly covering a broad range of sectors including poverty reduction projects for the country's poorest areas (e.g. Northern Mountains), primary and English teacher training and SoE reforms.

In 2006, the UK signed a Development Partnership Agreement with Vietnam covering a 10-year period 2006–2015 with total funding for the first five years of £250m and the last five years of around £75m. With total funding of almost £500m to the end of the programme, technical assistance, plus debt relief of £25m and other regional projects e.g. on demining and climate change for Vietnam, the UK has been one of the largest and most influential grant donors to Vietnam.

Time	Financial support	Sector	Key phase
Before 1998	Below £5m	Industrial master plans	Regional support, mainly through others
1999–2005	£154m	Poverty reduction, primary education, rural transport, HIV, SoE reform, PRSC (since 2001)	DFID office opening in Hanoi
2006–2011	£268m	Private sector challenge fund, WTO integration, anti-corruption, CSO development, primary education, HIV, water and sanitation.	Large office - Budget support period, MDG focus
2012–2016	75m	Wrap up of the MDG sectors, Challenge Fund for PS, PPP,	Stop general

		anti-corruption, and CSO strengthening.	support from 2012
2016	0 at present	Office closure, partnership continuation via the Embassy	Graduating from Vietnam

Besides substantial financial support, the UK is also known by development partners in Vietnam for its innovative and pioneering interventions in supporting government programmes and working with non-government players. For example, the UK is the first donor to co-finance the first PRSC with the World Bank; the same is true for the Programme 135 of the GoV, the UK is a leading donor to support civil society organisations (CSOs) and the private sector through the Challenge Fund and the Vietnam Empowerment and Accountability Programmes.

Throughout the last 20 years, DFID corporate visions and results frameworks have evolved in the ways they are expressed, their emphasis and in the indicators used, but its core mission statements still focus on poverty reduction and, categorically, the key sectoral focus areas have been consistently classified around:

- Sustainable and pro-poor wealth creation/prosperity
- Improving governance/transparency, accountability and voice
- Social Inclusion/MDGs improvement and poverty reduction

Expected results for these sectors have been documented in various high level strategy papers including the 10 Development Partnership Arrangement between the UK and Vietnam, the Country Assistance Plans and the Operational Plan (for the last period 2011–2015). DFID has used various results frameworks with a range of styles/formats etc., over the programme period. This is a challenge for the evaluators to tackle when they are designing the evaluation.

With Vietnam becoming a MIC, the UK will close its DFID office in 2016, but will continue a broader partnership with Vietnam, especially on trade, private sector development, education and culture documented in the UK–Vietnam Partnership Arrangement.

Drawing lessons learnt via an evaluation of the long-term development cooperation between Vietnam and the UK has been one of the key priorities under the OP discussions with DFID senior management. This evaluation adds two key elements: (i) it will help gather evidence that lies outside the scope of individual project interventions, and (ii) it takes a longer-term perspective of DFID support under different sectors, focusing on poverty reduction and ways of working for sustainable outcomes. The evaluation will not replace the individual project evaluations and reviews but will complement and summarise them. This initiative will support lesson learning, accountability, and value for money, and enable DFID to exit Vietnam responsibly.

The evaluation will be designed and implemented in close collaboration with EvD, the donor community in Vietnam, the government, NGOs and local research institutions.

In sum, the UK has been one of the leading donors in Vietnam since 1999. It has brought substantial funding for much needed social and poverty reduction programmes, and added value through its leadership in aid effectiveness agenda, demand-led technical support and new ways of working with the government and other non-governmental partners (civil society, the private sector and the research community). The UK will close its DFID office in Vietnam in 2016. This evaluation is to review results

achieved especially for poverty reduction thanks to DFID support and draw out lessons learnt. The evaluation will include three in-depth sectoral evaluations on the MDGs, Wealth Creation focusing on policy influencing and working with the private sector, and on Governance focusing on anti-corruption and supporting the civil society. The evaluation will take place during 2013–2016.

Please see the approved Business Case for the Vietnam Final Evaluation for more background information.

2. Purpose, Objectives and Scope

Rationale

There is a strong rationale to conduct this evaluation. Especially in the context that the developmental landscape in Vietnam and aid environment in the world has changed:

- Vietnam's development from one of the poorest countries in the world in 1998 to a MIC after 15 years of reforms offers a lot of good lessons (covering both successes and failures) that need to be learnt and disseminated to other low income countries.
- Significant challenges in inequality and chronic poverty remain in Vietnam. An evaluation of what works and what does not work is also extremely useful for Vietnam's own further poverty reduction in the upcoming periods.

Given the changing development context globally and in Vietnam, an in-depth analysis on how development assistance has contributed to poverty reduction will help shape the agenda and the way of working for donors globally.

- DFID has provided substantial ODA support (political, technical and financial) to Vietnam, thus it is important for accountability reasons to understand our contribution to Vietnam's performance on poverty reduction; the evaluation will provide evidence to inform key stakeholders in the UK and Vietnam of the impact of DFID's work in Vietnam.
- It is also important to assess if DFID's support to Vietnam, including its graduation approach in Vietnam, offers sustainable outcomes and draw out lessons for DFID on responsible exit from countries. Recommendations for responsible and sustainable approach to graduation from Vietnam are useful for other countries.

Objectives

The overall objectives of the evaluation are:

- To provide a brief historical account of the development cooperation between Vietnam and the UK since DFID Vietnam was established in 1999, as it will be closed down in 2016.
- To examine the evidence of DFID's contribution to poverty reduction and relevance, effectiveness, and sustainability of the approaches used in Vietnam in the context of the policies pursued by the Government of Vietnam (GoV) and of other donors' aid programmes.
- To draw out lessons learnt from this cooperation and on donor aid graduation for shaping the agenda for development aid in Vietnam after 2016 and for sharing with other countries.

Key Audiences

The target audience for the evaluation reports will be DFID in the first instance for accountability purpose, but a wide range of other interested stakeholders thereafter, including (i) the Government of Vietnam and development partners in Vietnam; (ii) the UK and other donors and (iii) development practitioners in poor countries especially governments, civil society, research and academic organisations. Relevant dissemination and lessons learnt products will be developed for each of these audiences as part of the dissemination, communication and learning strategy for this evaluation.

Scope and key evaluation questions

This evaluation looks at the long-term UK-Vietnam development cooperation for Vietnam starting from around 1993 when DFID started ODA operations for Vietnam) up to 2016 when DFID will close down its office in Hanoi. It will focus on the period 1999 (when DFID office was opened in Hanoi) up to 2016.

It will provide (i) a portfolio overview of the UK and Vietnam development partnership in terms of its evolution in size, nature, coverage and ways of working; (ii) an in-depth sectoral analysis into three sectors with different evaluation questions to draw out key lessons learnt on how best to provide development assistance with a focus on poverty reduction; and other lessons related to responsible graduation from a country.

The evaluation will be carried out in two clear stages: (i) the scoping and inception phase and (ii) the implementation phase. The scoping and inception phase will focus on reviewing and initial analysis of the DFID portfolio to date and available data for the evaluation, based on which to refine the scope, the evaluation questions and methodologies. The contract will end at the inception phase unless the team gets an approval from DFID to go ahead with the implementation phase. Criteria for the inception phase will be developed to judge the quality and make decisions for moving to the implementation phase.

The primary evaluation question is: How, and to what extent, did the UK's development assistance contribute to (i) results of poverty reduction, to the development policy environment (effectiveness and sustainability) and (ii) ways of working (relevance) in Vietnam and key lessons learnt?

Among the five OECD/DAC evaluation criteria, the main focus will be on relevance effectiveness and sustainability, as long-term impact may be more difficult and may take time to trace and document. The evaluation will look at selected key aspects of efficiency of the programme. Below are some key questions related to the focused criteria for the evaluation:

Table 1: DAC Criteria and evaluation issues/questions

Criteria

Effectiveness

“The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance”.

Evaluation issues/questions

- What intended results (strength, independence and diversification) and unintended results have been achieved at the macro (policy, national or international), meso (district, sub-national) and micro (beneficiary and community) levels?

-How and why have different funding channels, modalities, tools and key different partners influenced

the achievement of results?

- What has been the value added of the various channels and modalities?

Relevance

“The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities and partners’ and donors’ policies”.

- What is the relevance of the different modalities and channels?

- What is the relevance of the partners selected and of the approach taken to deliver the objectives?

- How strategic and appropriate (in line with DFID objectives, the GoV development objectives in the changing contexts in Vietnam) were the choices made by the UK in making investment decisions in different sectors?

Efficiency

“A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results”.

- The question is to be defined during the scoping/inception phase. A possible question would be: Are the results (outputs, outcomes) achieved good value for money relative to the investments made by DFID and other partners?

Sustainability

“The continuation of benefits from a development intervention after major development assistance has been completed. Probability of long-term benefits. The resilience to risk of the net benefit flows over time”.

- What are the positive and negative factors determining sustainability of the UK support on poverty reduction, institutions and capacity (the latter two focusing on government and the CSO sectors)?

This evaluation will have both a long-term perspective on UK development assistance to Vietnam from the start and include in-depth sectoral studies as follows:

In-depth studies (Sectoral and Thematic) and sequencing

The evaluation covers selected in-depth sectoral studies and be delivered in a phased approach. These will form the likely chapters of the final report.

The exact timing, scope, and evaluation questions for each sectoral evaluation and the final report will be discussed, reviewed and adjusted during the inception phase and bi-annually to fit with the changing context and strategic development needs in Vietnam and DFID. At the moment, the following sectors and themes with key questions and sequencing are being considered:

MDGS and Poverty (by mid 2014): The focused sectors are HIV, education, poverty reduction. This will not look at rural transport projects (as there have been a good number of evaluations covering those sectors). The guiding evaluation questions are:

Effectiveness:

- What intended results (strength, independence and diversification) and unintended results have been achieved at the macro (policy, national or international), meso (district, sub-national) and micro (beneficiary and community) levels?
- How and why have different funding channels, modalities, tools and key different partners influenced the achievement of results? What has been the value added of the various channels and modalities?

Relevance:

- How has DFID support to the MDG sectors (focusing on HIV, education and poverty reduction) evolved and how has the relevance of different aid modalities, funding channels and different partners influenced the achievement of results?

Sustainability

- What are the positive and negative factors determining sustainability of the UK support on poverty reduction, institutions and capacity?
- What are the key lessons learnt for effective and sustainable support in HIV, primary education, rural water and sanitation, and poverty reduction?

Wealth Creation (by end of 2014): This will focus on the support on economic and integration policies (e.g. via PRSCs and Beyond WTO), and the projects related to private sector development. It will not look at projects on climate change and some others, etc., as they have either just started or are outside of DFID comparative advantage. The guiding evaluation questions are:

Effectiveness and efficiency

- What is the evidence to show that DFID support in this area has helped contribute to specific development outcomes and poverty reduction achievements of Vietnam?
- To what degree has DFID influenced the policy agenda for pro-poor inclusive growth?
- Are the results (outputs, outcomes) achieved good value for money relative to the investments made by DFID and other partners?

Relevance

- Lessons learnt on the ways of working with the government on policy influencing, and with the private sector?

Sustainability

- What are the positive and negative factors determining sustainability of the UK support on poverty reduction, institutions and capacity?

Governance (*by end of 2014*): This will focus on DFID approach and support related to anti-corruption and CSOs. It will not look at DFID support on public finance management and SoE reform. The guiding evaluation questions are:

Relevance

- Was the strategy for civil society and anti-corruption fit for purpose, for context and for the volume of resources?
- Have the processes and approaches of DFID's support on anti-corruption and civil society development been relevant and effective?
- Has DFID worked with the right people and groups in the above two areas?

Sustainability

- Does sustainability and longer-term impact of support in both areas look to be secured – and what can other partners do to help?
- What are the key lessons learnt on the processes, ways of working and building partnership in anti-corruption and supporting CSOs in Vietnam?

Synthesis of Lessons Learnt (*by mid 2015*):

The synthesis report will answer the key questions raised in Table 1 using evidence gathered from the three sector evaluations.

It will also cover the following themes (tentatively):

- Lessons learnt on building partnerships with the government and other players for effective outcomes.
- A focus on the Development Partnership Agreement as a specific instrument and approach to partnership, and lessons for other countries.
- The donor graduation approach linking with key issues and measures to ensure smooth transition from a Low Income Country to Middle Income Country.
- Transferability of Vietnam's development model/approaches and how external resources helped.

A list of more concrete indicative questions for each sector report is attached as Annex 1.

The evaluation will cover the whole of Vietnam with a special focus on impacts and results in the poorest areas and population groups, e.g. ethnic groups.

The evaluation will not look at concrete results under some of the sectors supported by DFID e.g. environment and climate change (as DFID just started this support), public finance management and aid effectiveness. These sectors may be discussed at a high level in terms of selectivity and the evolution of DFID strategic visions and directions over the time.

3. Methodology

The evaluation shall be conducted in accordance with OECD/DAC Quality Standards for Evaluation (2010) and the DFID Evaluation Policy (2013) and Hand Book (2011). In line with these, the evaluation must be based on a sound methodology to be explained in the evaluation report. This section provides some initial thinking on the proposed approach and methodology which will need to be further developed by the evaluation team in the technical proposal during the inception phase (please see more details under deliverables/inception phase).

The evaluators should conduct the evaluation with careful consideration of the utility of the evaluation and bearing in mind the following principles:

- Judgements should be made relative to context (the evaluation will draw conclusions and identify trends taking consideration the role of and interplay with context);
- Strong utility focus (user engagement) in planning and implementation of evaluation (respecting time constraints);
- Using/building on previous studies and evaluations, while prioritising use and analysis of existing information of specific relevance to the UK/DFID support;
- Attention to equality and rights in all aspects of the evaluation.

Data availability and quality

Since 1993, Vietnam has a good set of household (HH) data based on the Vietnam HH Living Standard Surveys (VHLSS) which are available every two years. This provides a good data set for outcome and impact level analysis. The latest VHLSS data surveyed in 2012 will be ready by October 2013. There are also sectoral information systems which have been developed thanks to donor support including on education, HIV, water and sanitation. Besides there has been a series of evaluations from project evaluations e.g. the DFID HIV project evaluation in 2011 to joint donor sectoral evaluations e.g. on anti-corruption (2006), 10 years of PRSCs in 2012. DFID has been funding a significant number of qualitative studies on poverty reduction, gender, social protection and inequality. These include the Oxfam longitudinal urban and rural poverty monitoring, the poverty annual report by the World Bank, the inequality survey and analysis under the social protection programme design, and so on. Data and reports on DFID projects will be provided by DFID and its key partners (co-financiers and the government counterpart agencies).

The evaluation is expected to make use of both *quantitative and qualitative* methods. It should make maximum use of available *secondary data* from DFID and its partner organisations (including overall monitoring reports and in-country monitoring reports, evaluation reports from DFID as well as multilateral agencies where appropriate etc.), along with different quantitative (e.g. survey questionnaire if really necessary) and qualitative (e.g. informant and group/focus interviews) methods to provide both breadth and depth of coverage across key players. Maximum use should be made of existing national information as mentioned above. While making use of existing (monitoring and evaluation) data, the evaluators are also expected to look at evaluability aspects during the inception phase which includes interviews with some of the target groups to carefully consider the limitations linked to these and the possibilities for complementing existing information with additional data collection

Methodologies

Prospective contractors should include an outline of their proposed methodology and an evaluation framework for this assignment noting how it will conform to DFID's policy on evaluation which is

consistent with OECD-DAC Principles for Evaluation of Development Assistance. The team should refer to evaluation frameworks used in similar evaluations done by other donors including the two evaluations by SIDA in recent years on the long-term development cooperation between Sweden and Vietnam and between Sweden and Sri Lanka. The evaluation framework should take into account the Paris Declaration framework with the five principles for monitoring donors' behaviours on aid effectiveness (ownership, alignment, harmonisation, managing for results and mutual accountability).

The evaluation will be required to undertake an *overall portfolio review* of the UK support and *analyse the key problems, the strategies and the visions behind the UK support to Vietnam over time in the three sectors*, in order to provide a framework against which results can be measured, strategies and decisions used can be assessed and gaps identified. This will help establish and analyse theories of change adopted. After that the evaluation shall apply *contribution analysis* in recognition of the complexity involved. The UK support in different sectors has been implemented in complex settings with numerous factors – and numerous actors – influencing outcomes. Establishing one-to-one cause-effect relationships may therefore prove difficult. In a number of cases, contribution rather than attribution appears likely to be a more realistic level to aim for. However, where possible, direct relationships shall be analysed and documented. The analytical use and application of intervention logics, programme theory and theories of change must – where relevant – be done in a manner that allows complex and interrelated causal pathways to be addressed, including interplay between intervention elements and contextual factors.

The evaluation is envisaged to consist primarily of document review and interviews with key DFID staff and development partner interviews.

The evaluation should include visits to Vietnam to meet relevant stakeholders, including beneficiaries of DFID support. DFID Vietnam will work with the evaluation team to connect with the programme implementers and suggest appropriate stakeholders for interview.

The evaluation team may also wish to undertake field visits or conduct multi-stakeholder workshops, focus group discussions, case studies using specific projects or localities to address common themes.

Relevant stakeholders to be interviewed should include (but need not be limited to):

- DFID Vietnam (Head of Office, Results Adviser, Programme Team and selected team leaders)
- FCO Vietnam
- Government of Vietnam
- World Bank
- Identified multilaterals (UNDP, UN WOMEN, UNICEF, WHO, UNAIDs)
- DFID HQ
- Programme beneficiaries

Annex 2 is a list of potential interviewees. Relevant information is included under Section 8.

The use of a case study approach (in addition to the overall portfolio review) is proposed as this will support an intensive and in-depth look at the changes brought about within and by individual interventions/projects in receipt of the UK funds. To offset bias, the interventions or projects selected should be representatives of the kinds of support and the funding mechanisms used by the UK. Sources of information will be interviews (including focus groups), documents and observation. Factual information will be collected as well as views and opinions. A common approach tool and semi-structured interview protocols will be developed. Data analysis will be built into the field visit schedule to ensure that a clear, plausible and relevant story emerges and that additional avenues and emerging themes/patterns can be probed if necessary. The focus of the analysis will be on findings, issues and lessons concerning UK's

support to Vietnam across the cases studied. Considerations in selecting case studies for attention will include:

- Contribution to poverty reduction and multidimensional poverty
- Working at macro (national or international), meso (provincial/district) and/or micro (directly with beneficiaries) level
- Diversity of funding mechanisms
- The type of partners e.g. CSOs, the private sector, government agencies, the UN
- Selected thematic areas (thematic areas to be discussed with reference group during inception phase or before)

Given that the UK is “known” for its innovative and pioneering interventions. The evaluation team is encouraged to utilise different methods and tools to highlight key lessons learnt from the innovations. Please refer to the European Union’s guidance, “Evaluation of Innovation Activities, Guidance on methods and practices” for its specific tool kit of methods.

In summary, prospective evaluation providers should demonstrate how their proposed methods will:

- Conform to DFID’s policy on evaluation which is consistent with OECD-DAC Principles for Evaluation of Development Assistance.
- Justify choices of data collection and analysis methods which are participatory, involving beneficiaries as well as implementing agents and government counterparts, provide multiple lines of enquiry and ensure appropriate mix of qualitative and quantitative methods.
- Ensure that methodologies are ethnically sound and will not do harm.
- Address the principles of accuracy and credibility of data sources.¹⁸

This Procurement is advertised on the basis that one supplier will be selected following competition to take forward this programme in 2 stages:

Stage 1 – The scoping/inception phase is to review the data availability, the scope, the evaluation questions and methodological recommendations that meet the evaluation objectives; and set up an evaluation framework for approval by DFID Vietnam,

Stage 2 – To deliver the evaluation, including key dissemination activities.

There will be a Break Point in the programme at the end of Stage 1 where the supplier will require formal approval from DFID before starting work on Stage 2.

4. Composition and Qualifications of the Evaluation Team

DFID envisages that this work will require a team of experts (the core team should not be more than 3–5 people) with skills and expertise in a range of academic disciplines including development and evaluation. The team should be gender balanced and include a mix of international and national consultants.

¹⁸ *OECD-DAC evaluation principles define accuracy: “reviews and evaluations should identify and convey valid and reliable information and reflect inputs from a variety of stakeholders”; and credibility: “credibility depends on the process being systematic, transparent and inclusive, as well as on the skill and experience of the reviewers or evaluators and those managing the process”.*

Vietnamese team members will be essential. Numbers of staff required within the team are to be determined by the evaluation providers.

Specifically, DFID would expect the evaluation to require the following skills and expertise:

- ✓ Relevant academic skills for different sectoral in-depth studies and for the methods proposed (essential).
- ✓ Proven ability to manage and work as a team and to work with and through partner organisations (essential).
- ✓ Extensive experience of designing and implementing country programme evaluations and/or complex evaluations (essential).
- ✓ Experience in analysing partnerships, capacity development, policy influencing and multidimensional poverty outcomes and impacts.
- ✓ A balanced composition ensuring complementarity between team members and ability to fulfil the objectives/tasks of the Terms of Reference, with selected team members with intensive experience and academic background on poverty, gender, inequality and human rights.
- ✓ Excellent written and verbal communication skills (essential).
- ✓ Demonstrated experience and understanding of the political economy of Vietnam (essential).

The evaluation team must have a clearly identified team leader with relevant academic and working experience. He/she should have proven experience of leading complex evaluations of development programmes. The team leader will be responsible for the overall management of the assignment and the production of the key outputs including the final report and thus should have experience in managing multi-disciplinary teams, producing high quality reports and working to demanding deadlines. Please see Annex 6 for detailed qualification requirements for the team leader and team members.

The Tenderers may include personnel for additional functions if deemed relevant, e.g. research assistants or similar. If the Tenderers decide to do so, such personnel will be evaluated as part of the team composition as indicated below but they will not be evaluated individually as will the core team members.

All suggested profiles for key personnel (team leader and team members) will be assessed with a view to the role, competences and tasks they are proposed to cover in the team. The Tenderer must clearly state who of the proposed team members cover which qualification criteria and which main tasks each of them will be doing. In addition, the bid should include explanations related to complementarity of team members.

In connection with the evaluation of bids, a personnel assignment chart must be included in the technical tender with a clear indication of amount of person days proposed allocated to each specialist of the contract. Please refer to the draft Key Performance Indicators in Annex 4.

5. Logistics and procedures

The evaluation team will be responsible for all the logistical arrangements including transport, translation, logistical support, office space and insurances. DFID Evaluation Adviser and the Comms officer will help the team to work with the right sector people for practical arrangements such as meetings, communications, documents and data, site visits etc. The evaluation team will develop a work plan which includes a field work plan which will be discussed and agreed with DFID.

The Evaluation Team will have responsibility for:

- Maintaining ethical standards in implementing the evaluation and seeking ethical clearance as required.
- Timely production of evidence-based conclusions, lessons and recommendations to demanding quality standards.
- The safety and well-being of their Personnel and Third Parties affected by their activities under this assignment (more details on duty of care are in Annex 3).

6. Outputs

The successful evaluation provider will be expected to prepare a scoping and inception report prior to beginning any full-fledged evaluation exercise.

a) The inception report:

Objectives:

- To provide an overview and initial analysis of the UK development assistance provided to Vietnam focusing on the period from 1999 (when the DFID office was opened in Hanoi) up to March 2016, including scope, quality of existing reporting and data, and a historical account of the UK aid activities/projects for Vietnam;
- To start developing consolidated theories of change for the three sectoral areas in consultation with the appropriate DFID Advisers;
- To adjust the focus (scope and evaluation questions) and potential relevant methodologies that will meet the objectives of the evaluation based on the data available and in consultation with DFID Vietnam.

These will all inform the final Terms of Reference for the Evaluation and provide a platform which the evaluation team can use for further developing the methodology and carrying out the evaluation.

Scope of the scoping/inception phase:

- First, an **overview and mapping of the UK development assistance support to Vietnam focusing on the period 1999–2016** (i.e. since the DFID office was opened in Vietnam). The purpose of the portfolio analysis is to generate an overview and preliminary analysis of the UK support across different evaluation parameters as well as provide a basis for developing theories of change for each sectoral area. Data on disbursement and allocations of the overall programme and of different projects will be provided by DFID. This section will also include a brief comparative analysis on the UK support compared with the overall ODA that Vietnam received from other donors in terms of grant funds and for evaluated sectors/areas during the studied time period; and an analysis on the evolution of the UK aid programme including aid modalities used and key partners, etc.
- Second, an **overview and initial analysis of the engagement of key organisations supported by DFID**. The purpose here is to make an initial assessment of the extent to which existing reporting and data systems (at national, sectoral and project levels) can provide an adequate basis for an evaluation of the extent to which the type of activities supported through DFID funding, the contribution to poverty reduction in Vietnam, capacity development efforts and the partnership approach pursued are in line with the overall poverty reduction focus of the DFID country programme.

This section will be based on desk review of reports provided by DFID partners and organisational strategies, (annual) reports from key organisations, Project and Programme Completion Reports (PCRs),

as well as the key annual and periodic reports of DFID during the period including the independent reports (the Country Programme Evaluation in 2007) and sectoral evaluations including the evaluation of the 10 years of PRSC in Vietnam, and the joint donor anti-corruption review in 2010.

iii. Third, a brief **synthesis of similar country programme evaluations with useful evaluation frameworks and tools and key experience and international development trends based on existing evaluations, research, studies and reviews**. The purpose is to provide an initial overview of the existing knowledge and tools on what works or doesn't work in development assistance for which purposes and for whom, as well as to review emerging challenges and new approaches.

Issues will include, but will not necessarily be limited to:

- a. Useful and common evaluation frameworks used for long-term country programme evaluations,
- b. Key factors affecting effectiveness of development assistance and criteria for its assessment including how to use the Paris Declaration as a framework or additional criteria for this evaluation
- c. Modalities for donors support towards better aid effectiveness.

iv. Finally, the Pre-study shall include a brief **paper with an evaluability assessment to revisit the ToRs for the Vietnam final evaluation including the scope, the evaluation questions and an outline of some methodological considerations** for the envisaged evaluation. It should also look at risks and challenges (e.g. the challenge of ascertaining attribution and contribution) and measures to mitigate them.

Methodology for the inception phase:

The assignment will be based on a desk review and interviews with key resource persons, discussions with the DFID Vietnam Results and Evaluation adviser and a consultation with the steering group. It will as a minimum include the following activities:

- Review of existing information on the UK development support to Vietnam with the contextual information on the overall ODA for Vietnam during the period (data from DFID, the World Bank, MPI and reports of individual evaluations, research papers and other studies).
- Identification of additional relevant evaluations, research, studies, reviews and other grey literature on emerging international trends within the suggested topics. Main sources will be websites of various donors and NGOs, academic journals and the internet.
- On the basis of the findings to develop a paper with suggestions for focus and methodology of the envisaged sectoral and final evaluations.

Deliverables of the Inception phase:

The consultants will provide the following: a report that includes an analysis of the evaluability of the key questions which are in the evaluation ToRs, any suggested amendments on methodology and scope, and also includes annexes: a summary of existing data relevant to evaluation; a synthesis of similar evaluation initiatives and lessons learnt for this. The report should not be more than 25 pages (excluding annexes).

Based on the above report, the **inception report** will also include, but not be limited to:

A **design proposal and methodology** for the evaluation including (i) an evaluation matrix; (ii) a draft strategy for stakeholder and partner engagement; (iii) quality assurance plan; (iv) outlines of opportunities for any detailed case studies/ comparative analyses ; and (iv) a brief risk management plan.

It is important that the evaluation team develops a methodology and the full design of the first sectoral evaluation during the inception phase. Given the importance of the synthesis evaluation it is suggested that the evaluation team propose a specific methodology for this as well in the inception report, so that the three evaluation reports will be produced with the appropriate orientation from which synthesised lessons can be drawn.

A **communication and dissemination strategy** for the outcomes of the evaluation.

A **strategy for following up** on all evaluation-related recommendations.

Work plan for the entire duration of the assignment should be part of the inception report. The work plan should include: key evaluation activities, timetable, details of who will be responsible for each activity, and a detailed budget for each activity.

b) In-depth studies (sectoral and thematic) and policy briefs

These reports should, first, provide a review and mapping of DFID projects and interventions during the review period in supporting the respective sectors and, second, focus on the evaluation questions listed in the previous section. The outline of each report will be discussed and agreed with DFID's Steering Committee. They should be up to 25 pages and use tables, charts, boxes and other reader friendly methods and written in plain English. The sectoral policy briefs (for hand out) should be ready at the same time as the main sectoral reports. They should not be longer than five pages.

MDGs and Poverty, by *June 2014*

Wealth Creation, by *end of 2014*

Governance, by *end of 2014*

c) A final evaluation report with a synthesis of lessons learnt and recommendations

A final synthesis report of maximum 30 pages + annexes must be ready by *mid 2015*. Besides summarising the key points of the evaluation question, the final report should also synthesise findings and conclusions to form an overall assessment of the programme. The report will exclude the above sectoral reports. The final report will include (i) an Executive Summary of 2–5 pages, in clear terms for an informed lay reader, and (ii) a Synopsis of no more than two pages in plain English which can be used for external communications to the general public. The final evaluation report will have excellent analytical quality and writing, but will be written in clear, crisp language, understandable to an informed lay reader. The text of the report and annexes should be illustrated, as appropriate, with maps, graphs, tables and boxes, etc., as appropriate. The draft final report will be submitted at least within five months ahead of the contract end date. The final report should have annexes in the form of tables which list key projects and activities supported by DFID to date and major reports. Details on the report outline and annexes will be discussed with the consultant team at the inception phase. The final report will be quality assured externally.

d) A series of activities and products for wider dissemination of the evaluation findings based on the communication plan. The consultant team will propose a detailed dissemination and communications plan, specifying various activities and products to be produced to serve a wide range of audiences of this evaluation. DFID will work with the Communications Division at Headquarters as well as the local media network to ensure our messages reach our targeted audience. Some examples of dissemination and communications products include, but are not limited to:

- Printed materials including policy notes for broad distribution.
- Photos/Videos / documentary films.
- Dissemination workshops and targeted events.

Relevant dissemination and lessons learnt products will have to be developed for each of these audiences as part of the dissemination, communication and learning strategy for this evaluation.

DFID will be the owner of all the outputs/products, data and documents gathered and generated under this evaluation.

Time frame

The supplier is expected to start activities by the end of 2013. The contract is designed to end at the same time as the completion of the DFID programme to allow final dissemination and wrap up of the programme.

The scoping/inception phase will start as soon as the contract is signed. There will be an inception period of up to four months, at the end of which the Evaluation Committee will present their inception report (as outlined in the scope of work) to the Steering Committee for discussion and final approval.

The consultants will report to DFID Vietnam Results and Evaluation Adviser who is responsible for the management and quality control of the overall evaluation. The inception report will be quality assured externally.

The first draft of the final evaluation report must be submitted during the first week of May 2015 and the final draft by 30 May 2015.

The Steering Committee will provide feedback to the Evaluation Team on clarifications on draft core deliverables through the DFID Evaluation Adviser. The Steering Committee will approve reports and other deliverables.

7. Governance, reporting and contracting arrangements

Robust management and quality assurance systems will be in place to ensure that activities are prioritised and aligned with the last period of the aid programme in Vietnam. We propose that the evaluation is led by the Evaluation Adviser with support from the Comms officer.

The evaluation will be:

- **Overseen** by a Steering Committee consisting of Head of Office (HOO), head of governance team/Deputy Head and the evaluation adviser. The Steering Committee may include the appropriate team leaders for the respective sector sub-evaluations and other staff, if necessary. It will clear these ToR, meet with the selected evaluation team at key milestones to provide guidance to the team and ensure good consultation plans, quality outputs and effective dissemination.
- **QAed by the EvD:** key products the ToR and the final report and possibly the inception report will be quality assured by the EvD using the DFID quality assurance template to be shared with the consultant team upon request and before the inception phase. We will consider peer review of the key products by a donor representative and feedback from the government.
- Supported by **HQ Comms** and DFID Comms officer in the dissemination phase.

Role of the Steering Committee: Responsible for managing the evaluation process. The tasks of the evaluation management are to:

- Participate in the selection of Evaluation Team based on received tenders. (The Head of Office chairs the selection committee, assisted by the Evaluation Adviser.)
- Coordinate with all relevant evaluation stakeholders.
- Ensure that quality control is carried out throughout the evaluation process. In so doing, the committee may make use of external peer reviewers.
- Provide feedback to the Evaluation Team. Comment on draft versions of the inception report, work plan, progress reports and the evaluation reports. Approve final reports.
- Facilitate and participate in evaluation workshops, including possibly at least one open dissemination workshop towards the end of the evaluation.
- Organise presentation of evaluation results and follow-up on the evaluation to internal DFID stakeholders (responsible for development of the management response).
- Advise relevant stakeholders on matters related to the evaluation (reference is made to DFID Evaluation Policies including the Evaluation Handbook and the latest Evaluation Policy).

The Steering Committee will consider establishing Reference Groups for the three evaluations and the final report to provide adviser support and inputs to the evaluation, through comments to e.g. the sectoral reports and the final report draft reports. Members of these groups are relevant representatives/experts from relevant departments in DFID HQ, from donors and government agencies and research and NGO organisations.

Within DFID, the Evaluation Adviser will organise consultations across the office (via team leaders) and possibly with the Asia Division at the evaluation key milestones. Consultations with external partners will be part of the work plan of the winning consulting team. The evaluation will get support and guidance from EvD and the Asia Division's leadership. The Steering Committee will evaluate the performance of the evaluation team and provide written feedback to them at key project milestones.

Contract and payment: DFID Vietnam will issue the contract for the entire duration of the evaluation. This contract will be procured by the Procurement Group of DFID HQ using the GEFA facility. DFID Vietnam programme support staff will be the contact point for this. DFID Vietnam evaluation Steering Committee will be part of the assessment panel. Implementation will proceed after the evaluation provider submits an inception report that is to the satisfaction of DFID. DFID reserves the right to re-tender for the contract if the inception report does not explicitly and satisfactorily meet the conditions set forth.

The key performance indicators are mentioned in Annex 4 would be used to measure the performance of the selected supplier throughout the duration of contract.

DFID Vietnam requires an output-based contract, linking payments to milestones/deliverables, with transparency of anticipated inputs. Financial disbursements will be made on satisfactory completion of agreed deliverables as per the work plan. **DFID intend to introduce Payment by Results, to incentivise suppliers, into this contract. Annex 3 details the DFID suite of standard Key Performance Indicators and tenderers are requested to submit a suite of suitable indicators. The suite of indicators, as part of their submission, which will be evaluated, and ultimately incorporated into the contract**

Reporting: The evaluation team will be expected to submit progress reports six monthly supported by oral or informal updates as appropriate in line with the evaluation timeline.

A Draft Final Report on completion of the assignment must be submitted to the Steering Committee on the agreed date. This report will contain a summary of the overall assignment; its successes and achievements and highlight any areas where challenges have been encountered, and recommendations for any future assignments of this nature.

It is expected that the evaluation team will take a proactive approach to notifying DFID / the Steering Committee of any matters which may require immediate attention.

Reports are to be submitted to the DFID Evaluation Adviser.

Financial reporting: No later than one week after the end of each quarter, the Supplier will provide a quarterly expenditure report for the last three months and provide the forecasts by activities for the next three months. The format of the financial reports will be agreed with the UK team at the outset of the programme.

No later than one month after the closing date of the reporting year, the Supplier will provide an annual financial report. No later than one month after the closing date of the contract, the Supplier will provide the final financial report.

Budget: The total budget for the evaluation including for the inception phase should be within the approved budget of £810,000. The bids will be assessed based on a set of evaluation criteria mentioned in the ITT Volume 1 - Supplier Instructions.

8. Existing information sources and annexes

Key reference documents include:

- The Development Partnership Arrangements 2006–2015
- DFID Country Programme Plan 2003–2007
- Operational Plan 2012–2015
- The Country Programme Review 2007
- The UK and Vietnam Partnership Arrangement
- Internal audit reports
- Project annual reviews and project completion reports
- Sectoral reviews and evaluations including PRSC 1–10 evaluation, EFA review, HIV evaluations, Anti-corruption joint donor review, etc.
- Selected Business Cases identified for the review
- Other development partners country strategies or equivalent documents
- DFID Vietnam's Departmental Results Framework and OP headline results

Annexes (contents of which are not provided below, but in the original ToR released by DFID):

Annex 1 – Additional indicative questions

Annex 2 – Suggested list of people to be consulted

Annex 3 – Risk Assessment as per Duty of Care Guidance

Annex 4 - Key Performance Indicators

Annex 5 - Template for sector evaluations (the main text is no longer than 30 pages) (tentative)

Annex 6 - Qualifications of the Evaluation Team Leader and Team Members

Other documents: DFID Evaluation Handbook and Policy, DFID Ethic Guidance

Annex B: DFID-supported Activities in Vietnam

MDG Projects

Activity	DFID Pillar	Pillar Distribution (per cent)	Project Budget (£)	Start Date	Modality
Ha Tinh Province Poverty Alleviation Programme (HTPAP)	MDG	100 per cent MDG	5,282,006	01/04/1997	Transfer through INGOs
English Language Teacher Training Project	MDG	100 per cent MDG	3,534,625	01/03/1998	Direct Contractors
Poverty Analysis and Policy Advice Programme (Phase II) (PAPAP)	MDG	100per cent MDG	2,711,330	01/09/1998	Transfer through Multilaterals
Poverty Analysis Support Programme	MDG	100 per cent MDG	4,755,103	01/09/1998	Transfer through Multilaterals
UNICEF Core Funding	MDG	100 per cent MDG	2,791,454	01/08/1999	Transfer through Multilaterals
Rural Transport Phase II	MDG & Wealth Creation	60 per cent MDG, 40per cent Wealth Creation	25,594,817	01/03/2000	Transfer through Multilaterals
Rural Poverty Reduction Programme	MDG	100 per cent MDG	536,510	01/05/2000	
Northern Mountain Poverty Reduction Project (NMPPR)	MDG	100 per cent MDG	4,824,222	01/12/2001	Transfer through Multilaterals
Capacity Building for Central Region Poverty Reduction (CACERP)	MDG	100 per cent MDG	1,800,000	01/01/2002	Transfer through Multilaterals
Primary Teachers Development Project	MDG	100 per cent MDG	6,048,004	01/01/2002	Transfer through Multilaterals
Preventing HIV in Vietnam Programme (PHP)	MDG	100 per cent MDG	14,637,844	01/02/2002	Transfer through Multilaterals
Central Region Livelihoods Improvement Project (CRLIP)	MDG	100 per cent MDG	6,681,864	03/02/2003	Transfer through Multilaterals
Comprehensive Poverty Reduction and Growth Strategy Support	MDG	100 per cent MDG	354,707	01/06/2003	

Activity	DFID Pillar	Pillar Distribution (per cent)	Project Budget (£)	Start Date	Modality
Primary Education for Disadvantaged Children (PEDC)	MDG	100 per cent MDG	25,285,068	01/07/2003	Transfer through Multilaterals
Poverty Analysis and Policy Advice Programme (Phase III) (PAPAPIII)	MDG	100 per cent MDG	5,266,330	01/12/2004	Transfer through Multilaterals
Poverty Reduction Budget Support to Programme 135 (P135) Phase 1	MDG	100 per cent MDG	10,000,000	01/01/2005	Transfer to Partner Government
Pilot budget support Programme for Phu Tho and Lao Cai provinces	MDG and Wealth Creation	60 per cent MDG, 40 per cent Wealth Creation	415,000	01/06/2005	Transfer to Partner Government
Targeted Budget Support for the National Education for All Programme	MDG	100 per cent MDG	21,000,000	01/09/2005	Transfer to Partner Government
Transport Sector Support/Rural Transport III (RT 3)	MDG	100 per cent MDG	32,559,000	01/03/2006	Transfer through Multilaterals
Strategic Secondment to the World Bank in Vietnam	MDG and Wealth Creation	60 per cent MDG, 40 per cent Wealth Creation	176,340	01/06/2006	Transfer through Multilaterals
Poverty reduction budget support for Programme 135 phase 2 (P135 Phase II)	MDG	100 per cent MDG	16,141,904	01/08/2006	Transfer to Partner Government
Governance and Poverty Policy Analysis and Advice (GAPAP)	MDG		4,800,000	01/07/2007	Transfer through Multilaterals
School Education Quality Assurance Programme (SEQAP)	MDG	100 per cent MDG	12,374,330	01/02/2008	Transfer to Partner Government
HIV/AIDS Prevention Programme	MDG	100 per cent MDG	24,300,000	01/07/2008	Transfer through Multilaterals
Rural Sanitation Programme	MDG	100 per cent MDG	17,258,928	11/12/2009	Transfer to Partner Government
Oxfam Poverty Impacts Monitoring	MDG	100 per cent MDG	428,826	08/02/2010	Transfer through INGOs

WEALTH CREATION PROJECTS

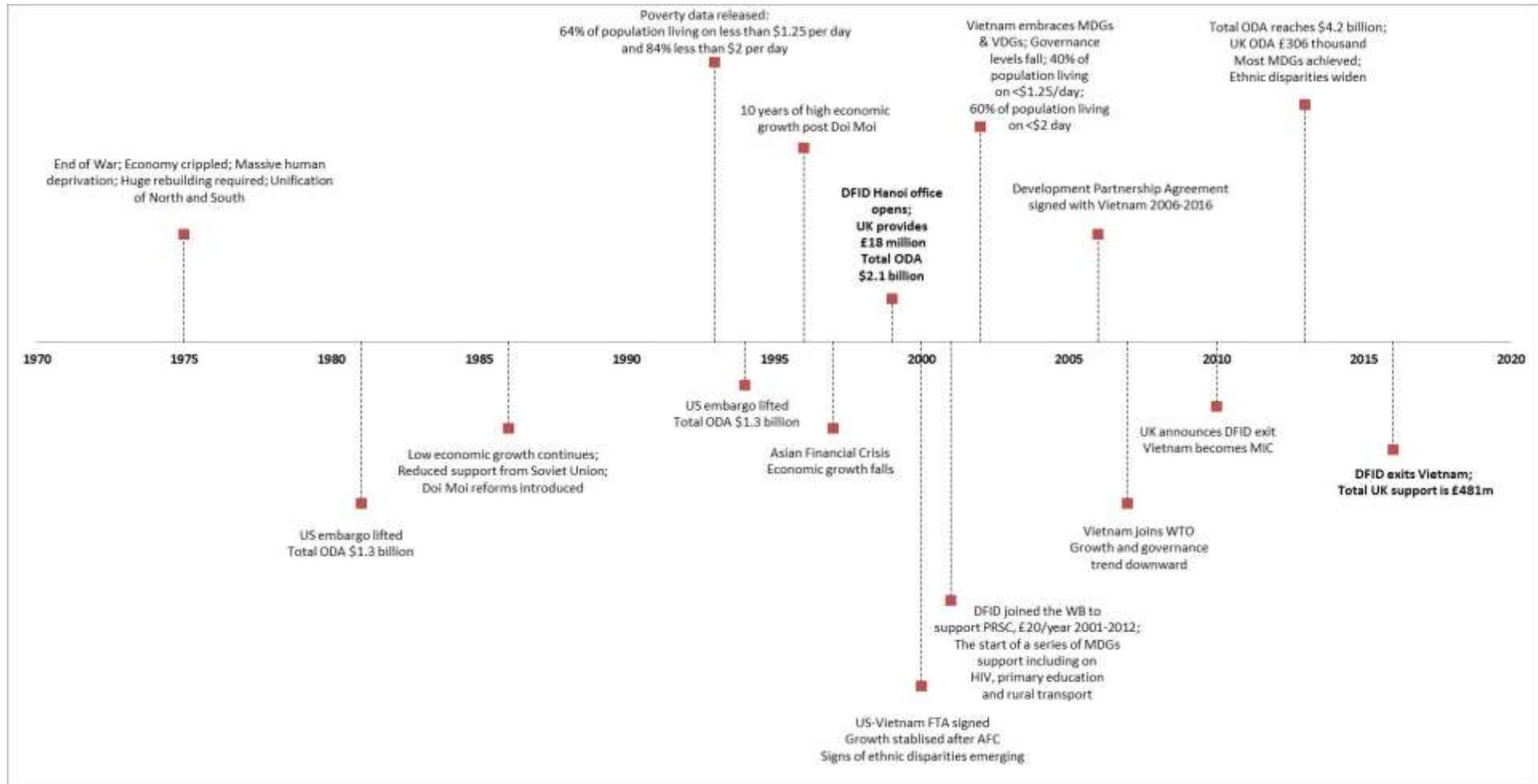
Activity	DFID Pillar	Pillar Distribution (per cent)	Project Budget (£)	Start Date	Modality
Public Private Partnership Support Facility	Wealth Creation		2,000,000	21/12/2012	Direct contractors
Vietnam Business Challenge Fund	Wealth Creation		7,000,000	02/03/2012	Direct contractors
Making Market Works Better for the Poor in Vietnam Phase 1 (M4P1)	Wealth Creation		1,092,834	01/06/2003	Transfer through multilaterals
Making Market Works Better For the Poor, Phase 2 (M4P2)	Wealth Creation		3,232,332	01/10/2006	Transfer through multilaterals
State Owned Enterprise Reform Specialist Technical Assistance Project (SoE TA)	Wealth Creation		738,960	01/01/2002	Transfer through multilaterals
Strategic Secondment to EC Delegation Hanoi	Wealth Creation		82,340	01/03/2005	Transfer through multilaterals
Trade Related Support Project (WTO Project)	Wealth Creation		224,644	01/06/2002	Transfer through multilaterals
Vietnam Climate Innovation Centre	Wealth Creation		5,000,000	10/05/2013	Transfer through multilaterals
Vietnam: DFID-WB Climate change partnership	Wealth Creation		2,935,000	22/12/2010	Transfer through multilaterals
Vietnam: State Owned Enterprise Reform	Wealth Creation		4,818,878	01/01/2002	Transfer through multilaterals
Beyond WTO: enhancing Vietnam's capacity to sustain pro-poor growth and protect poverty reduction gains.	Wealth Creation		3,403,162	01/10/2006	Transfer to Partner Gov
Poverty Reduction Support Credit (PRSC 3-5)	MDG+Wealth Creation+ Governance	40 Wealth Creation, 30 Governance, 30 MDG	60,000,000	01/08/2004	Transfer to Partner Gov
Poverty Reduction Support Credit (PRSC 6-10)	MDG+Wealth Creation+ Governance	40 Wealth Creation, 30 Governance, 30 MDG	100,000,063	01/11/2007	Transfer to Partner Gov
Poverty Reduction Support Credit 3-5 Co-financing	MDG+Wealth Creation+ Governance	40 Wealth Creation, 30	14,000,000	01/09/2001	Transfer to Partner Gov

Activity	DFID Pillar	Pillar Distribution (per cent)	Project Budget (£)	Start Date	Modality
Poverty Reduction Support Credit II	MDG+Wealth Creation+ Governance	40 Wealth Creation, 30 Governance, 30 MDG	10,000,000	01/08/2003	Transfer to Partner Gov

GOVERNANCE PROJECTS

Activity	DFID Pillar	Pillar Distribution (per cent)	Project Budget (£)	Start Date	Modality
Vietnam Empowerment and Accountability Programme (VEAP)	Governance		5,500,000	27/01/2012	Direct contractors
Small and strategic policy support	Governance		7,782,451	01/06/2006	Self-managed by DFID
Anti-Corruption Strategic Fund	Governance		2,400,000	28/05/2012	Transfer through INGOs
Transparency International (TI) Programme in Vietnam: Strengthening Anti-corruption Demand	Governance		359,920	04/08/2009	Transfer through INGOs
DFID-UNDP Strategic Partnership Initiative	MDG+Wealth Creation+ Governance	50 Governance, 30 Wealth Creation, 20 MDG	5,000,000	01/08/2004	Transfer through multilaterals
Public Financial Management Modernisation Project (PFMMP)	Governance		338,000	01/01/2003	Transfer through multilaterals
UN Influencing Policy In Vietnam	MDG+Governance	50 Governance, 25 MDG, 25 Gender	3,000,000	12/03/2012	Transfer through multilaterals
Vietnam Anti-Corruption Initiative	Governance		700,000	15/11/2010	Transfer through multilaterals
Vietnam Governance, Economic Management and Social Protection Programme (VGEMS)	MDG+Wealth Creation+ Governance	40 Governance, 30MDG, 30 Wealth Creation	6,000,000	25/06/2012	Transfer through multilaterals
Vietnam Public Financial Management Reform	Governance		6,001,450	01/06/2003	Transfer through multilaterals
Vietnam: One UN Initiative (July 2007 - December 2010)	MDG+Wealth Creation+ Governance	40 Governance, 30 MDG, 30 Wealth Creation	8,600,000	01/10/2007	Transfer through multilaterals
Ministry of Planning and Investment Inspectorate Technical Assistance	Governance		445,914	01/04/2004	Transfer to Partner Gov

Annex C: Historical Timeline



Annex D: Methodology

Evaluation Methods and Data Sources

Evaluating the history of development cooperation between two countries is a challenging task. It calls for a methodology that can accommodate the broad scope and complexity of the topic while providing a relatively simple organisational framework for the conduct of the evaluation. The problems associated with the conduct of simple evaluations (for example, establishing causality, lack of data, accounting for endogenous and exogenous factors, etc.) are exacerbated to a high degree in an evaluation of this type. Longitudinal evaluations at the country level involve much more than just the assessment of project-level results (although this remains important). They involve making judgements about the relevance of country strategies, the impact of policy dialogue and leadership, and the optimisation of synergies between sectors and programmes; and all this needs to be analysed within the dynamic context of economic development which is affected by myriad endogenous and exogenous factors.

The methodology developed for this evaluation has been influenced to a large degree by the concept of Adaptive Theory.¹⁹ Adaptive Theory combines the use of pre-existing and emergent theory in the formulation and conduct of empirical research. It is underpinned by the idea that the researcher's (or evaluator's) interpretation of phenomena should develop by exploring the linkages between theoretical knowledge and empirical data in an iterative way. At the heart of Adaptive Theory is the continuing engagement between theoretical aspects of the research and the empirical data.

Approaches that focus on attribution are inappropriate for an evaluation of this complexity. Establishing causation in an environment where multiple programmes are interacting within a dynamically changing environment is significantly challenging.²⁰ Establishing contribution is more plausible and this was the perspective that was adopted in this evaluation. The evaluation has considered the extent to which DFID support contributed to the observed results and impacts. It has looked for evidence that DFID's programmes helped achieve the outcomes of interest, but has balanced this against the identification of plausible alternative explanations and an understanding of domestic and international economic, political, and social trends.

Two frameworks were used to better understand the history of DFID's development cooperation with Vietnam since 1998, and the many factors that have influenced aid delivery and effectiveness over time. The first was a Theory of Change (ToC) (see Annex E) to elucidate how DFID had sought to influence change in Vietnam. Developing a ToC is an integral part of contribution analysis and other theoretical approaches to evaluation.²¹ The change in question, given this evaluation's primary question, is poverty reduction. The ToC provides a good understanding of what DFID hoped to achieve and the strategic thinking underpinning its approach to development cooperation in Vietnam. It also helps to understand more about the validity of that approach within the prevailing context. In line with our Adaptive Theory approach this provisional, exploratory ToC was updated to a full explanatory ToC once the empirical data was collected and analysed.

The second framework is the Aid Quality Evaluation Framework (AQEF) (see Annex F). AQEF has been developed to provide conceptual guidance for the evaluation of long-term development cooperation

¹⁹ *Layder (1998).*

²⁰ *Thomas and Tominaga (2013).*

²¹ *Mayne (2001).*

programmes; it maps out what is currently known about the key factors that are thought to drive aid effectiveness. By looking at the key drivers of aid effectiveness the AQEF caters specifically for the many situations where it is not possible to directly observe or quantify the impact of aid on poverty reduction, as is the case here. In line with our Adaptive Theory approach we have not relied prescriptively on this framework, but have adopted a balanced approach between theory and empirical observation. New data gathered in this evaluation was used to further develop our understanding of the factors contributing to aid impact and effectiveness, enabling us to draw important lessons learnt for DFID and other donors (indeed the AQEF has been refined recently to take into consideration further improvements in our understanding of development effectiveness).

Empirical information has been collected and analysed using a combination of qualitative and quantitative methods in a **mixed methods** approach as is common to contribution-based approaches. The purpose of such an approach is to “strengthen the reliability of data, validity of the findings and recommendations, and to broaden and deepen our understanding of the processes through which programme outcomes and impacts are achieved, and how these are affected by the context within which the programme is implemented”.²² These methods were used in a complementary way to interrogate different types of evidence about the context, evolution, and outcomes of DFID’s aid to Vietnam. This approach is grounded in the understanding that adopting different but complementary lines of enquiry invariably lead to more robust and credible research. The specific methods are discussed below.

Qualitative Methods

The qualitative component of this evaluation has focused on the flexible exploration of the evaluation questions through the use of semi-structured interviews and the analysis of documentation. Qualitative information was used to better understand major shifts in aid expenditure and the pattern of DFID’s aid allocation over time, in concert with quantitative analysis. This helped to triangulate documentary evidence from the many project and programme level evaluations that have taken place over time, and highlight the performance of particular projects and programmes. Importantly, it provided a mechanism through which the Government of Vietnam and other stakeholders can comment on the contribution of DFID’s aid to poverty reduction.

- **Key informant interviews** were used to collect the majority of qualitative data. The selection of appropriate informants is critical to the richness and validity of the data collected. Key informants included DFID staff, counterparts from the Government of Vietnam, donors directly involved in the co-financing of DFID activities, other development cooperation stakeholders, third party experts, and beneficiaries.
- **Secondary data analysis** – the evaluation drew on a significant amount of secondary documentation to understand the context of DFID’s support and to assess performance over time. Categories of documents available to the evaluation team included project-related documentation from DFID, implementation partners, and the Government of Vietnam; independent and joint evaluations of project, programme, and thematic level conducted by DFID and implementation partners, programme level operational documents; DFID policy-related analytical papers appraising topics germane to the programme; grey literature from development cooperation partners; academic literature on issues such as pressing development needs in Vietnam, drivers of poverty reduction, aid effectiveness, wealth creation, and governance in Vietnam.

²² *Bamberger (2012)*.

- **Case studies** were also used to explore the evaluation questions in more context-specific ways. The case studies provided an opportunity to discuss the results and impacts of DFID support in more detail. Case studies have been selected for the MDG pillar. These cases have been purposively sampled. Such sampling is consistent with the Adaptive Theory approach, where cases are selected for their value in exploring predefined questions and concepts.²³ Cases were selected that could highlight DFID's contribution to poverty reduction over time, as well as their capacity to generate important lessons.

Noting the objectives and questions guiding this evaluation, questions were developed to guide the choice of cases; these include:

- i. Does the case directly address a pressing development need? Is it representative of DFID's approach to addressing poverty reduction in Vietnam? Is it linked to some higher level strategic approach to poverty defined in country strategy documentation? (allows for the deeper exploration of evaluation sub-question (i));
- ii. Can the case provide insights regarding the effective, efficient, and sustainable delivery of DFID's aid, or otherwise? Does the range of case studies under each pillar reflect the types of modalities used by DFID throughout the history of engagement? (allows for the deeper exploration of sub-question (ii));
- iii. Can the case provide insights into the changes in the broader enabling environment brought about through the intervention, including improvements in human capital, institutional and policy quality? (allows for the deeper exploration of sub-question (iii));
- iv. Can the case highlight some key lessons for DFID particularly with regards to the delivery of aid activities? Or better graduation strategies? (allows for the deeper exploration of sub-question (iv));
- v. Was the intervention (or elements thereof) innovative?

Case studies have been selected, originally, for each of the three pillars: MDGs and Poverty, Wealth Creation, and Governance. Following the revision of the scope of this evaluation, the evaluation team in the end undertook the case studies of the MDG pillar only, under which four cases were selected. Aside from the criteria above, the choice of case study under each pillar was also influenced by a desire to span the evaluation period, representing the different historical phases of DFID's development cooperation. It is important to emphasise that these cases do not necessarily represent the highest value interventions, but this does not mean these important interventions will not be thoroughly covered in the evaluation reports.

The cases selected for deeper review under the MDG pillar were: three phases of the Rural Transport Programme (RT 1, 2 and 3); the Education for All Programme (EFA); 10 years of HIV prevention through the Preventing HIV in Vietnam (PHP) and HIV/AIDS Prevention Programme; and the Central Region Livelihood Improvement Project (CRLIP). These four cases span the entire evaluation period from DFID's early interventions in rural transport dating from 1996, to the finalisation of RT3 and the HIV/AIDS Prevention Programme in December 2013. They also address some of the most pressing development challenges facing Vietnam over the last 20 years, and include a suite of different modalities and partners.

Quantitative Methods

²³ Layder (1998).

The quantitative analysis made extensive use of the most appropriate available statistical indicators. The analysis was applied in a manner that would not be blind to the limitations of quantitative investigation, and would be accessible to the non-specialist. This analysis informed the key stages and components of the evaluation and worked in sequence with the qualitative research. The sources of data included DFID's own records, data provided by the Government of Vietnam (especially including the data identified in the ToR), the World Bank's *Open Data* (including *World Development Indicators*), the UNDP's *Human Development Reports*, the Asian Development Bank's *Development Outlook* and the OECD-DAC's *International Development Statistics*. The team had full access to the aforementioned databases, most of which provide online information on aid and a variety of macroeconomic and aggregate quality of life indicators, in some cases dating back to the 1960s and certainly since the early 1990s.

Quantitative data was predominantly used in two ways. First, it provided descriptive insights, from which various inferences were drawn. The second was more analytical, in which simple correlations between key statistical variables were identified.

The analysis of quantitative data on poverty disaggregated by gender, ethnic minority, and province also provided important information for the analysis of DFID's contribution to poverty reduction, particularly its support for targeted poverty reduction programmes and its long-term support to certain provinces and districts.

Triangulation

Triangulation was used where possible to strengthen the rigour of the evaluation through validation of findings and cross-referencing various sources of information. In particular, three types of triangulation were applied:

- **Methods triangulation.** The evaluation utilised qualitative and quantitative data and information to elucidate complementary aspects of the same phenomenon. One particular example of how this was undertaken was in the historical overview of DFID's aid, where quantitative data were used to highlight key shifts in expenditure or allocation and was further explained using qualitative insights emerging from key informant interviews.
- **Data sources triangulation,** involved examining the consistency of different data sources within the same method. An example of this would be comparing the insights of a range of key informants on the same topic and/or comparing consistency across time. The credibility of this approach was improved through the consistent use of good semi-structured interview guides.
- **Theory triangulation,** which involves using multiple theories to interpret and examine the data. This involved the application of theoretical insights from the AQEF, the Theory of Change, and other development effectiveness literature and evaluations, and the confirmation or refutation of those insights through a process of adaptation in line with our Adaptive Theory approach.

Maintaining independence

Throughout the evaluation period, the team carried out the tasks of undertaking data collection and analysis and report writing and consistent with DFID's Ethics Principles for Research and Evaluation – with the highest degree of professionalism, impartiality, sensitivity, and objectivity. All the members of the evaluation team were neither involved in the design and implementation of any of the projects reviewed nor were they connected with DFID Vietnam at any point in the past. This background, combined with the transparent and systematic process of data collection and analysis and rigorous methods of triangulation ensured that all information, including competing views or contradictory information were taken into account and validated accordingly in the process.

Annex E: Theory of Change

Below we present a narrative summary of the key elements of the Theory of Change: expected results, contextual factors relevant to the evaluation; the main drivers of poverty that aid has the potential to influence; the core assumptions or thinking behind these drivers and their diagrammatic representation.

Expected Results that the UK development assistance seeks to support: Poverty reduction.

Context: Vietnam is a densely populated, ethnically diverse country, in which poverty incidence has been high and widespread. By 1993 the UK and most other donor nations had resumed the provision of development aid to Vietnam. Over the period 1999–2013, Vietnam has successfully reduced levels of absolute poverty. Through consistent and rapid growth Vietnam achieved Middle Income status in 2011. Most of the MDGs, particularly in health and education, have been achieved or are within reach. Vietnam is a strong one-party state, with an actively engaged international donor community. The State, particularly its central political institutions and planning machinery, drives change in Vietnam. The State has legitimacy among power brokers; there is “strong assent to policies”.²⁴ Key state institutions are able to perform effectively with respect to the achievement of economic growth, increased market orientation of economy and reductions in levels of absolute poverty.²⁵

Over the last 28 years, Vietnam has been in the process of transformation from a centrally planned to a “socialist-oriented” market economy. A private sector (mainly SMEs) is slowly emerging and state-owned enterprises (SoEs) remain important economic actors but are gradually being reformed to fit in with the new economic climate. The private sector focus has been on encouraging growth in agriculture/aquaculture and off-farm employment in rural areas where the majority of the population and the majority of the poor live.

In addition, labour intensive manufacturing and agro-industries linked to global supply chains are emerging. Vietnam is a member of the World Trade Organisation (WTO) and is playing a prominent role in global and regional affairs, e.g. as chair of ASEAN in 2010, and with a seat on the UN Security Council in 2007–9.

Context in relation to DFID aid modalities: Since there is strong Government leadership and performance in reducing poverty, DFID provides the majority of its aid as budget support in line with DFID’s Country Strategy Plan (CSP), Country Assistance Plan (CAP) and Development Partnership Agreement (DPA) commitments, the Hanoi Core Statements and the Paris Declaration on Aid Effectiveness. General Budget Support is provided through Vietnam’s Poverty Reduction Support Credit (PRSC) to help pay for necessary broad policy reforms that improve sector spending on basic services for the poor. Targeted Budget Support and technical assistance is used in sectors, such as education and health, where closer engagement with the Government on setting policies and priorities is appropriate.²⁶

Challenges: Since 2008, economic growth has slowed and so has the pace of poverty reduction, especially among ethnic minorities and some women, where poverty incidence remains high and political voice and government accountability is low. Physical infrastructure (transport, water, and power) is under strain, and challenges in social infrastructure (especially sanitation and rural transport), and in the skill-base of the labour force, are not sufficient to support continued growth and meet the social and economic needs of the population.

²⁴ DFID CSP (1998).

²⁵ DFID CSP (1998)

²⁶ DFID (2008).

The Government is considered capable, to some extent accountable, but not transparent. The government structure is fragmented and technical and managerial capacity is relatively limited. Corruption is widespread and persistent and there are increasing expectations for greater state accountability and transparency emerging from the workforce and growing middle class. The demand for increased political and civil rights is taking place in a context of growing inequality, both within and between different ethnic and geographically defined groups. Ethnic minorities in particular have little voice and have benefited the least from economic growth and services delivery. Future poverty reduction and growth are threatened by Vietnam's vulnerability to the ill effects of climate change due to rising sea levels and severe weather.

➤ **Drivers of Change: Pathways to Poverty Reduction**

In a context such as that of Vietnam, the two central drivers of sustained poverty reduction are:

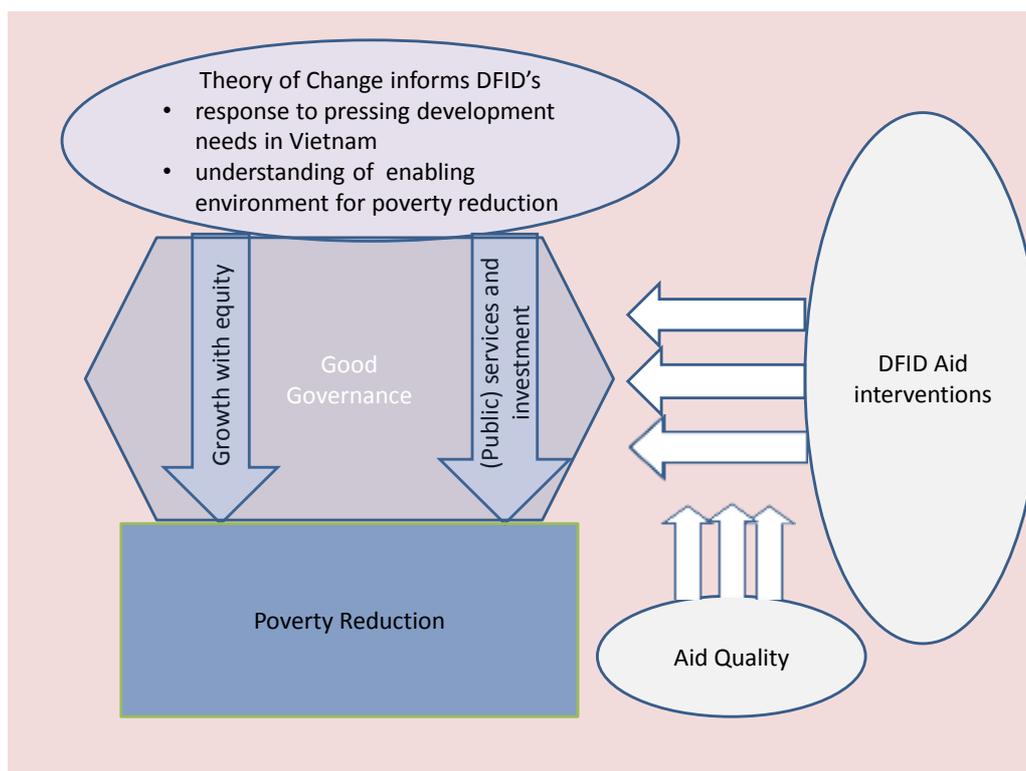
- Economic growth (growth with equity often referred to as *inclusive* or *pro-poor growth*); and
- Effectively targeted public service delivery and investment in infrastructure.

These drivers are more effective if they are mutually reinforcing: the stronger the synergies between them, the stronger the impacts on sustained poverty reduction.

- Good Governance is an enabling factor, not a driver of poverty reduction.

Figure 9 below represents our ToC, which informs the first and third evaluation sub-questions (noted in the oval at the top of the diagram). Specifically, the ToC seeks to inform **(i)** our understanding of DFID's response to pressing development needs in Vietnam and **(ii)** DFID's understanding of the enabling environment for poverty reduction. Good governance (blue hexagon) provides an enabling environment for State and other non-State development actors to drive poverty reduction through public services and investment, and growth with equity (two vertical arrows). The drivers respond to the pressing development needs of Vietnam, while governance supports an enabling environment. We discuss these three elements of the ToC below. Following that, we present a more detailed diagram which hints at the complexities of these relationships (which are addressed more fully in the discussion of aid activities and aid quality elsewhere in the Report).

Figure 9: Theory of Change UK Development Cooperation with Vietnam



▪ *Economic growth*

It is well understood that real growth in GDP per capita is essential to sustain poverty reduction, but alone it is not sufficient. The extent to which growth reduces poverty (the poverty elasticity of growth) depends on the distribution of the benefits of economic growth, often referred to as *pro-poor growth*. The term *inclusive growth* is also commonly used in development policy literature. *Inclusive growth* is that which is not captured by vested interests through their preferential access to finance, land use rights and investment opportunities. For DFID, inclusive growth can benefit the poor when they have access to assets, opportunities, and markets; to land and private sector finance.²⁷ To capture these two normative dimensions of growth, we use the term *growth with equity*, i.e. that which is pro-poor in its distributional outcomes (jobs, incomes and indirectly by generating the resources and incentives for investments in social and physical infrastructure which enhance well-being). It also captures the inclusive participation of business entities (e.g. including non-vested interests) in growth opportunities.

In relation to distributional outcomes of growth, in a context where poverty and inequality co-exist, growth with equity may be accompanied by improved equality in income distribution, e.g. the poor benefit disproportionately from economic growth. Alternatively, if economic growth is accompanied by greater inequality in income distribution (as is the case in Vietnam in recent years), this should be offset by publicly financed provision of services and investments (pro-poor) as well as strengthening the enabling environment for the poor to command a greater share of the benefits of growth (inclusive). Often, the sectoral and industry specific drivers of growth are specified. For example, investments in agriculture/aquaculture sector and in transport, energy and water infrastructure are key elements of

²⁷ DFID (2013).

growth with equity in a context such as Vietnam's. However, this is too detailed to develop for the purposes of this part of the evaluation.

Assumptions: There is a tension between the extent to which market forces / private sector and strategic state interventions are considered key drivers of economic growth. It is generally regarded that market forces alone cannot drive growth with equity and that there is a role for the State in creating an “enabling environment” for growth. In the context of Vietnam, with a nascent private sector (mainly SMEs) the State (central government political structures and central and decentralised implementing agencies) is a key driver of pro-poor growth. Development assistance can contribute to growth with equity by supporting large scale investments in services and infrastructure and to technical assistance to equip the State machinery with the expertise required to improve the enabling environment. As political and economic structures transform, development assistance channelled to NGOs, including private enterprise, can contribute to growth with equity by broadening engagement in the growth process and strengthening distributional outcomes of growth through adequate compensation and decent working conditions, via improved skills, for example.

- *Targeted public services and investment*

This is the area of development assistance that has been most commonly used to drive poverty reduction. Improvements in the quality and inclusiveness of services to the poor (in a context like that of Vietnam this has focused on increasing primary school completion rates of the poor; increasing coverage of hygienic sanitation; preventing and reducing HIV spread; and providing basic infrastructure and health insurance to the poorest). It has also focused on improving physical infrastructure which benefits the poor and promotes growth (such as water, power, and transport). Indeed, many of DFID's programmes have focused on the targeted provision of public services in education, health, WASH, and transport.

Assumptions: Provision of well-targeted, high quality public services (especially health and education) directly reduces non-income poverty by improving the well-being of the poor; and indirectly reduces income poverty by improving people's capacities to earn a living. Investment in infrastructure (transport, water and sanitation, and power) can have direct impacts on poverty reduction through improved well-being of the poor and indirectly by stimulating economic growth, which can generate a virtuous cycle of growth and poverty reduction. The state has a central role to play in supporting this driver of poverty reduction. Therefore, governance is a critical factor in determining the outcomes of public services and investment for the poor. This is discussed below.

- *Good Governance*

The concept of *good governance* captures a broad range of potential interventions relevant to the functions and functioning of the State as well as wider civil society, business and political culture. In much of the development literature, good governance refers to the achievement of accountability, transparency, effectiveness, and efficiency of the State. It also refers to the promotion of empowerment and voice, especially among ordinary citizens (especially those who are poor and marginalised) and civil society concerned. In relation to the drivers of poverty reduction, these good governance qualities of the State are required to strengthen the likelihood that public services and investments meet the needs of the poor and promote growth with equity.²⁸

A wider concept of good governance refers to the presence of political and legal institutions which constitute an enabling environment for market-oriented, sustainable economic growth (growth with equity). In practice, this aspect of good governance includes policies and institutions which support

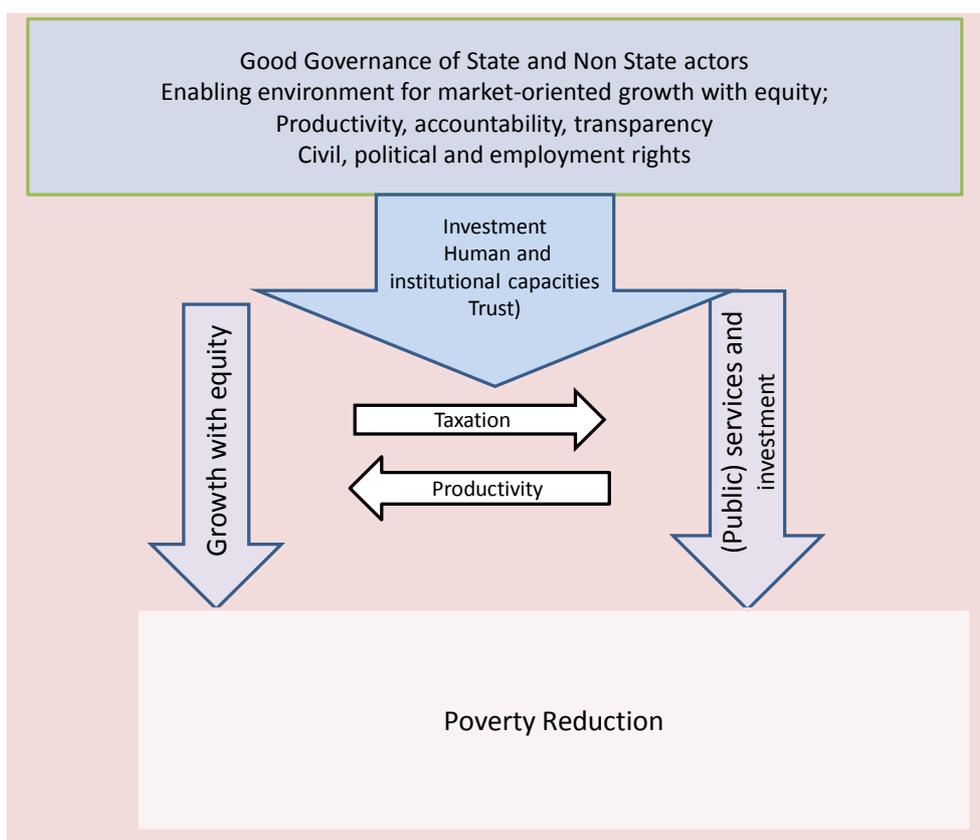
²⁸ *Public financial management (PFM) reform is a common development intervention which seeks to achieve this narrow definition of good governance by increasing transparency and equity of the budget accounting and planning; expanding audit coverage and strengthening the debt management framework and through anti-corruption laws and policies.*

reduced/removal of barriers to international trade; strengthened property rights, laws and fair access to resources which enable investment, production, and innovation by private companies; transparent and accountable SoEs; an enabled labour force (with rights and skills) and transparency in the labour market. The establishment and protection of civil and political and employment rights, and civil society's ability to call government to account are all elements of good governance. Many of DFID's programmes have focused on improving elements of the enabling environment and understanding more about the barriers to good governance in Vietnam.

Assumptions: The mechanisms which translate the different forms of good governance into poverty reduction are largely indirect. Good governance provides an environment in which the drivers can work. To a large extent, government is tasked with implementing good governance. Yet, the State is seen as both the cause of the problem and the solution. This tension will be explored in the evaluation. Furthermore, good governance is assumed to refer largely to the accountability and transparency of state institutions. Good governance principles should apply to both the private and public sectors. Context specific mechanisms for strengthening accountability to the poor and marginalised are needed.

In conclusion, the figure below represents a broad ToC, based on the discussion above. Good governance provides the background for drivers of poverty reduction. Good governance can contribute to a climate which engenders trust, and stimulates/enables investments in productive capacity. Growth and supportive public services and investment can be mutually reinforcing, as growth generates taxation which supports services and infrastructure which, in turn, increases the productivity of human and physical resources. In the context of Vietnam, however, the evaluation has sought to understand how particular elements of good governance have supported poverty reduction in the past and how they are likely to do so in the future.

Figure 10: Theory of Change Governance



Challenges for post-2016 are focused on Governance

The state has been considered capable and, to some extent, accountable and as such is the main driver of change. On the other hand, it is assumed that one-party rule and respect for hierarchy has been captured by vested interests which use political power for personal gain at the expense of ordinary citizens.

Development assistance will end as of 2016 and there will be a shift away from large funding programmes. Instead, there will be more joint work with the British Embassy to develop synergies and more emphasis will be given to technical assistance, private sector relationships, and capacity building. A 2010 evaluation suggested that this should address new areas of importance such as governance, voice, empowerment, accountability, institutionalisation of policy reforms, building in-country research capacity and ensuring sustainability.²⁹

Other Drivers of Poverty Reduction

Figure 10 above represents a broad ToC, identifying key drivers of poverty reduction. Reflecting the complexity of poverty and its reduction, it is not intended to be a fully comprehensive treatment that identifies all drivers of poverty. Nor does it seek to fully capture the complex relationship between poverty and these drivers. In Vietnam, there are many poverty reduction initiatives of both the Vietnamese government and its development partners that directly target the poor.

Our evaluation has not been blind to these factors. Nor has it ignored other cross-cutting issues (in addition to governance). These include gender. Gender can of course be incorporated under empowerment and voice, as identified above. Yet gender is such an important, cross-cutting development issue, relevant to all developing countries and the donor agencies active within them that it deserves special consideration. The issue of gender has therefore been given special attention, especially in the qualitative investigation conducted for the evaluation. As mentioned and as will be discussed in detail below, case studies have been selected for each of the three pillars of MDGs and Poverty, Wealth Creation, and Governance, respectively. MDG3 is concerned specifically with gender equity, but gender clearly is critical to each of the goals, as it is to wealth creation and governance and cannot therefore be ignored.

Another key driver of poverty and its reduction is the natural environment and climate change in particular. This driver was mentioned above, and is highlighted in DFID Vietnam's CPRD. Vietnam is among the countries most vulnerable to climate change. As we note below, millions of Vietnamese live only just above the extreme income poverty line and average material living standards (measured by income per capita) are low by international standards. This invokes valid concerns for vulnerability, resilience, and the sustainability of Vietnam's significant development achievements over recent decades. The same concerns clearly arise for the contribution of development partners to these achievements. Like gender, the evaluation has taken explicit account for climate change and vulnerability in general in its qualitative and quantitative investigation.

²⁹ Bartholomew (2010).

Annex F: Aid Quality Evaluation Framework

The Aid Quality Evaluation Framework (AQEF) has been developed for use in complex, long-term, and large-scale historical evaluations. First used in an evaluation of long-term development cooperation between Sweden and Vietnam,³⁰ the AQEF is a conceptually-grounded, heuristic tool that can be applied to almost any development aid activity. It is based on widely accepted knowledge of generic factors that drive aid effectiveness. Under this framework aid effectiveness is defined in terms of the impact of aid on multidimensional poverty reduction, either directly or via impacts on the drivers of poverty reduction.

By looking at agreed drivers of aid effectiveness the AQEF caters specifically for the many situations where it is not possible to directly observe or quantify the impact of an aid on poverty reduction. It is very difficult to disentangle a particular donor's aid from other aid and other factors in Vietnam's development (including the aid activities of other donors); however, we can use this framework to assess DFID aid against well accepted aid effectiveness criteria. As such, the AQEF is both input-based, in that it takes into account those activities that are thought to contribute *ex ante* to effective aid, and outcome-based, in that it looks *ex post* at observed aid impacts from a development effectiveness perspective.

The AQEF has been refined since its first application in 2010. It has been streamlined to consist of three components, which are: **(i)** development capacity; **(ii)** consistency with Paris Declaration principles; and **(iii)** consistency with pressing development needs in the partner country.

Development capacity is twofold. First, it refers to the capacity of the partner country to use or absorb aid efficiently for development purposes and to sustain benefits from aid-funded activities after donor support for them ends. This capacity is in part based on the simple recognition that there are limits to the amounts of aid that can be efficiently absorbed, with higher and higher levels of aid not necessarily associated with bigger and better development impacts. This absorptive capacity will depend on many factors, in particular including the capacity of relevant partner government staff and administrative systems.³¹ The second aspect of development capacity relates to the donor agency and its capacity to deliver aid efficiently and effectively for development purposes. This is fundamentally an issue of the adequacy of staffing and administrative systems, but also relates to the composition or structuring of the country programmes in question. For example, it may be the case that country programmes are spread across a very large number of activities and sectors, making it difficult for the donor agency to manage effectively for development outcomes.

Application of the AQEF involves examining whether donors have been cognisant of these development capacities and have acted on this cognisance in the delivery of their aid.

The consistency with the Paris Declaration principles component is based on the donor community agreed measures of progress in each of the following five principles:

- *Ownership*: Developing countries must lead their own development policies and strategies, and manage their own development work on the ground.

³⁰ McGillivray et al. (2010).

³¹ *Absorptive capacity is an issue that has become increasingly prominent in aid policy circles, owing largely to concerns over scaled-up aid in order to meet the Millennium Development Goals. It has been recognised, however, that these issues are relevant at all aid levels, large and small. Extensive literature has emerged on these topics and includes Guillaumont and Guillaumont (2006), Bourguignon and Sundberg (2006), Heller and Gupta (2002), Heller et al. (2006) and McGillivray and Morrissey (2001), McGillivray and Feeny (2009) and Feeny and McGillivray (2010).*

- *Alignment*: Donors must line up their aid firmly behind the priorities outlined in developing countries' national development strategies, they should use partner country systems, and their aid must be untied and predictable.
- *Harmonisation*: Donors must coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries.
- *Managing for results*: All parties in the aid relationship must place more focus on the results of aid, and the tangible differences it makes in poor people's lives.
- *Mutual accountability*: Donors and developing countries must account more transparently to each other for their use of aid funds, and to their citizens and parliaments for the impact of their aid.

The Paris Declaration, agreed in 2005 by DAC member countries and endorsed at Accra and (with further articulation) at Busan, is an accumulation of decades of knowledge of aid delivery, building on shared thinking among the donor community and extensive knowledge of lessons learnt. While care should be taken in applying Paris Declaration principles retrospectively, they provide important criteria for the assessment of DFID's support to poverty reduction in Vietnam.

Of all the five Paris Principles, ownership is the most relevant to sustainability, and hence evaluation sub-question 2 and the corresponding OECD-DAC evaluation criterion. Judgements need to be made during the evaluation as to the extent to which Vietnam had a sense of ownership of DFID activities, whether it was involved in the selection and design of these activities and so on. This enquiry has featured in our qualitative investigation. Alignment is also important for sustainability.

The inclusion of the final AQEF component – consistency with pressing development needs – has the same rationale and involves the same lines of enquiry as the first evaluation sub-question, outlined above. To repeat, if DFID aid has contributed to sustainable poverty reduction in Vietnam then it is important that it has been focused on drivers of and enabling factors for poverty reduction. The AQEF requires investigation as to whether donor priorities have been consistent with these drivers, or at least those donors can realistically influence.

Finally, AQEF has been described as Paris++. That is, it is the Paris Principles plus development capacity and consistency with pressing development needs. The simple logic for this is that, even if aid is fully consistent with the Paris Principles, if it does not address pressing development needs and is not cognisant of development capacity it is unlikely to have a significant development impact.

Annex G: Executive Summaries from Landell Mills Reports for this Evaluation

Executive Summary from Landell Mills Inception Report

Development cooperation between the United Kingdom (UK) and Vietnam dates back to the early 1960s. This cooperation entered a new phase in 1998 when DFID opened an office in Hanoi, and shortly thereafter the level of development assistance provided by the UK to Vietnam was substantially scaled up, reaching a peak of £183 million (in 2011 prices) in 2008. Vietnam's development achievements since the late 1980s and early 1990s have been impressive. While many development challenges still remain, it has achieved substantial reductions in poverty and improvements with respect to health, education and the provision of water and sanitation services. Vietnam became a Middle Income Country in 2010.

DFID will close its Hanoi office in 2016 and at that stage will have phased out its development cooperation with Vietnam. The UK will, however, continue a broader partnership with Vietnam especially with respect to trade, private sector development, education, and culture as documented in the UK-Vietnam Partnership Arrangement.

Against this background, DFID has engaged Landell Mills to evaluate the long-term development cooperation between the UK and Vietnam. This evaluation will focus on the period 1999 to 2016.

The overall purpose of the evaluation, adapted from the Terms of Reference (ToR), is to:

- (i) provide a brief historical account of the development cooperation between Vietnam and the UK since 1999;
- (ii) examine the evidence of DFID's contribution to poverty reduction in Vietnam in the context of DFID assistance and broader development efforts in the country; and
- (iii) identify lessons learnt from this cooperation for the Government of Vietnam in light of the development challenges it will likely face after 2016, for other donors still operating in Vietnam after DFID's exit and for DFID operations in other partner countries to improve development effectiveness.

The primary aim of this investigation is to provide DFID with an understanding of the extent to which its development assistance has supported poverty reduction in Vietnam.

This document is the Inception Report, the first output of the evaluation. The purpose of this report is to foster a shared understanding between the evaluation team and evaluation stakeholders regarding the scope and conduct of the evaluation. Building on the ToR, it commences with proposing the key questions to be addressed by the evaluation. The proposed primary evaluation question is "How and to what extent did the United Kingdom's development assistance contribute to sustainable poverty reduction in Vietnam?"

The Report outlines an evaluation approach to be used to answer the primary and sub-questions. This approach builds on the lessons of previous evaluations of the type being undertaken. This approach is based on a rigorous yet very broad Theory of Change, relating DFID development assistance to pre-requisites for poverty reduction in Vietnam and an Aid Quality Evaluation Framework.

The Report also provides an evaluability assessment of the primary evaluation question. This assessment concludes that it is possible to rigorously evaluate how, and the extent to which, the UK's development

assistance supported poverty reduction in Vietnam. The use of the word ‘contribute’ in the primary evaluation question highlights the focus in this evaluation on exploring the *plausible associations* between DFID’s development assistance and observable changes in poverty, rather than supplying definitive proof of any causal relationship between the two. It is not about identifying the precise number of Vietnamese pulled out of poverty by the UK’s development assistance, which, because of the conflation of endogenous and exogenous factors, cannot be evaluated in any rigorous way.

The report outlines an evaluation framework and methodology, the latter being based on a mixed methods approach involving the application of qualitative and quantitative methods. The two principal elements of the evaluation framework are a Theory of Change and AQEF. The former relates DFID development assistance to possible poverty reduction in Vietnam, identifying the principal drivers of the poverty reduction that an aid programme can feasibly influence. The latter looks at key attributes of what might be considered as quality aid. These include the extent to which the aid programme in question addresses pressing development needs insofar as poverty reduction is concerned (as identified in the Theory of Change), on its consistency with the Paris Declaration on Aid Effectiveness, and on whether the programme has been consistent with and addresses capacity issues.

Key to this evaluation is the case study material. The evaluation, consistent with the Terms of Reference, focuses on case studies drawn from the three main pillars of DFID support in Vietnam. These pillars are the MDGs and Poverty Reduction, Wealth Creation, and Governance. This report provides a discussion of case studies (including selection criteria) and a detailed evaluation matrix.

The discussion of case studies is followed by details of the written outputs from the evaluation. The initial written outputs (beyond this report) relate to the investigation or evaluation of each of the three above-mentioned pillars. A report on each of these pillars will be produced. These reports will be followed by a final synthesis report, which will combine the overview of UK development cooperation with Vietnam in the context of the latter’s development achievements over recent decades, each of the evaluations of the three pillars, and an overall assessment of DFID support for Vietnam. This overall assessment will be based on responses to each of the evaluation questions. The evaluation will also provide a number of policy briefs that highlight dominant themes relating to development aid effectiveness that have emerged from the evaluation.

This report also articulates a detailed communication and dissemination strategy. A number of key objectives for this strategy are proposed. Principal among these objectives is the effective communication of the lessons learnt from the evaluation to a range of stakeholders, including the Government of Vietnam and donors that remain in the country after DFID’s exit.

After the provision of a work and risk management plan, the inception report concludes by looking at: (i) Vietnam’s development record since 1975; (ii) overall volume of development assistance to Vietnam from all donors since 1990; and (iii) UK development cooperation.

The Report notes that there are 30 million fewer people living in extreme income poverty in Vietnam in 2008 compared to 1993, a reduction of roughly 70 per cent. Vietnam’s achievements in health and education are high by the standards of the developing country group as a whole, and have improved significantly over recent decades. Incomes have also increased, but remain relatively low by international standards. Despite these achievements, Vietnam faces a number of serious development challenges relating to governance, spatial disparity (in particular large differences in poverty incidence among provinces), vulnerability to shocks, and upward trends in income inequality.

The Report points to Vietnam having received development aid from a relatively large number of donors, with aid increasing substantially in recent years. Total ODA increased from 276 million to US\$4,191 million between 1990 and 2013. The UK is a relatively small donor: in only seven of the 23 years since 1990 has the UK provided more than two per cent of Vietnam’s total ODA receipts. UK development assistance has, however, been scaled up significantly since the late 1990s. From a base of £16.5 million

in 1999, UK ODA to Vietnam reached a peak of £183 million in 2008. It fell thereafter and in 2012 was £117.7 million.

The Report concludes by looking at some stylised facts regarding development assistance to Vietnam, and at the likely impact of DFID assistance on poverty reduction and broader development achievements in Vietnam. It points to evidence that the overall donor effort in Vietnam has been quite successful, although notes that this evidence in itself is insufficient to draw any firm conclusions about the overall development impact of aid to this country. What would appear to be reasonably clear is, while the total level of ODA to Vietnam has been large enough to have made a difference at the national level to its development achievements, the level of UK support is too small for one to reasonably expect to observe such a difference from it and it alone. What will matter is the significance of the development needs that DFID has addressed and on the quality of its assistance. While some evidence was presented in the Report of DFID support being of high quality (in that it is relatively highly focused, with relatively low degrees of fragmentation and proliferation), it must be left up to the evaluation to reach any further conclusions on the extent to which UK development assistance contributed to poverty reduction in Vietnam.

Executive Summary of Landell Mills Historical Overview of DFID Bilateral Support for Development in Vietnam

Development cooperation between the United Kingdom (UK) and Vietnam dates back to the early 1960s. It entered a new phase in 1998 when UK-DFID opened an office and with the 1999 appointment of a Head of Office in Hanoi. Shortly thereafter the level of development assistance provided by DFID to Vietnam was substantially scaled up, with the UK being among Vietnam's principal bilateral official development assistance (ODA) donors over the last 15 years. The UK has allocated £481 million bilateral ODA to Vietnam since 2001. UK bilateral ODA reached its highest annual level of £54 million in 2009.

Almost the entirety of DFID ODA to Vietnam has been allocated under three so-called pillars: (i) Millennium Development Goals (MDGs); (ii) Governance; and (iii) Wealth Creation. The MDG pillar is by far the largest in terms of expenditure, with 55 per cent of total DFID bilateral support for Vietnam during the period 2001 to 2013 being allocated under it.

DFID will exit Vietnam as a bilateral donor in 2016 and it is this that has prompted this evaluation. The overall purpose of the report is to provide a historical overview of development cooperation between Vietnam and the UK since 1999.

It commences by examining the broad development context in Vietnam around the time DFID established its office and began to scale up its bilateral support. This examination takes into account the broad policy and institutional setting, Vietnam's development achievements, support from the international donor community and various emerging development challenges and problems being faced by the Government of Vietnam and its donor partners. Against this background, the report then looks at Vietnam's development achievements during the period DFID has had an office in Hanoi. It focuses mainly on Vietnam's MDG progress, but also the record with respect to economic growth, governance, inequality and sub-national living standards disparities.

The preceding examination is largely quantitative. The report then moves into more qualitative investigation through an examination of activities that DFID supported under each of its MDG, Governance and Wealth Creation pillars. This involves a mix of (i) case study material, including information obtained from key informant interviews and (ii) review of relevant documentation (relating to previous evaluations, research papers, completion reports and the like) for the MDG pillar. The examination of the Governance and Wealth Creation pillars involves relying on the second of these sources of information.

Key conclusions emerging from this examination are as follows:

- Despite a fall in economic growth in the late 1990s as a result of the East Asian financial crisis. Vietnam was well positioned to continue to make strong development progress in the late 1990s and early 2000s. In particular it was in a good position to embrace the MDGs as development policy objectives, having a high level of government commitment to MDG type objectives, a very strong upward development trajectory since the mid- to late 1980s with respect to both the MDGs and development achievements in general, and having received high levels of support from the international donor community.
- There were, however, emerging inequality and governance challenges, including high disparities in living conditions between geographic areas and ethnic groups within Vietnam. More generally, evidence was emerging of the overall development context in Vietnam becoming much more complex and challenging than had been the case during the first decade after Vietnam's Doi Moi economic reforms that commenced in the mid-1980s.
- Vietnam's development performance from the early 2000s onwards has been exceptionally good by international standards. It has achieved most MDGs and likely to achieve all except the environmental MDG, MDG7, by 2015. Its performance against the income poverty reduction target of MDG1 (poverty reduction) has been particularly impressive. This target was to halve income poverty from its 1990 level by 2015. It achieved this target in the mid-2000s and will by 2015 have reduced income poverty by more than three quarters. More than 23.3 million Vietnamese were pulled out of extreme income poverty between 1993 and 2008.
- Vietnam was a darling of the international donor community throughout the 2000s, being among the top ten aid recipients internationally in terms of ODA volume and is generally considered to be an aid effectiveness success story. The aid architecture in Vietnam did, however, become more congested throughout the 2000s both in terms of the number of donors operating in the country as well as in the number of activities being funded.
- Throughout the 2000s ODA became in purely quantitative terms a relatively small source of development finance in Vietnam. Private remittances, mainly from Vietnamese living abroad, and foreign direct investment (FDI) were more than twice the level of ODA toward the end of the first decade of the 2000s.
- While ODA flows to Vietnam may have become lower in comparison to other forms of development finance, they remain high by international standards relative to the country's population and GDP. They are also sufficiently high for one to expect that they have had observable development impacts at the national level – whether these be good or bad.
- ODA to Vietnam has tended to be focused on its relatively more affluent provinces, potentially widening the already large gaps in living conditions between provinces. This applies to the overall donor effort in Vietnam, rather than to any single donor or particular type of ODA, such as that focused directly on poverty reduction.
- Vietnam's impressive MDG performance was accompanied by a number of increasingly pressing challenges. Economic growth per capita remained high by international standards, but trended downward from the mid-2000s. Governance levels continued to slide downward. During the 2000s poorer provinces fell further behind others. Poorer ethnic minorities experienced improvement in their average living conditions (although the number of poverty living in some increased) but fell much further behind the Kinh ethnic majority and many remained very poor.

Environmental vulnerability was assessed to be of an alarmingly high level, with Vietnam judged to be among the most environmentally vulnerable countries in the world.

Looking at broad details of DFID support, the report notes the following:

- DFID has been among Vietnam's largest bilateral donors, being ranked fifth among bilateral agencies in terms of ODA grants between 2001 and 2012. In the broader scheme, however, it is a relatively small donor in a quantitative sense, providing 2.5 per cent of Vietnam's total ODA receipts over this period. It does, however, have a reputation of being a particularly vocal and visible donor, 'punching above its weight' in this regard.
- DFID has had quite a poverty-focused bilateral programme in Vietnam, with approximately 55 per cent of it being devoted directly to the MDGs through its MDG pillar, all of which is devoted to reductions in poverty and other dimensions of development including health and education. The programme has also been very focused in terms of the number of activities it has supported, which is very small by the standards of most donors. This bodes well for the development effectiveness of DFID support.
- Consistent with its 'working with and through others' policy priority, the vast majority of DFID's activities have been delivered either through multilateral agencies or Government of Vietnam entities. This is good according to the aid effectiveness criteria of harmonisation and alignment. It is, however, a risky attribute as it means that DFID is heavily reliant on others to achieve its own operational objectives.
- DFID entered Vietnam at a particularly challenging time. Vietnam had made tremendous development achievements during the late 1980s and 1990s. But in the late 1990s and early 2000s a number of strains became apparent. These strains are the 'increasingly pressing challenges' noted above. These challenges make it more difficult than would otherwise be the case for development partners in Vietnam, including DFID.

Following the more detailed examinations of the activities supported under the DFID MDG, Governance and Wealth Creation pillars, the report identifies three documented characteristics of bilateral development cooperation between the UK and Vietnam since 1999. They are: strategic consistency involving a focus on working with and through others, longitudinal programmatic focus and spatial portfolio selectivity.

In the context of long-term development cooperation, strategic consistency is the extent to which a donor exhibits long-term commitment to a consistent set of development cooperation organising principles. This not only includes formal commitment through planning documents and partner-level agreements, but also to the operationalisation of such principles in everyday interactions.

Longitudinal programmatic focus is the extent to which a donor exhibits long-term sectoral commitment, 'staying the course' in a sector despite the challenges, and building on previous achievements while tackling systemic issues.

Spatial portfolio selectivity refers to the focus of the DFID portfolio at the activity and sectoral levels.

In the view of the Landell Mills team that produced this report, each of these characteristics are necessary, although not sufficient, conditions for effective development cooperation. The sufficient condition is that the 'others' through which DFID worked have the capacity to deliver the results that are consistent with DFID's operational priorities.

Considering the quality of DFID's bilateral support to Vietnam over the evaluation period, this report notes the following.

- The DFID portfolio has had in broad terms an appropriate focus, addressing pressing development needs in Vietnam. Its focus on the MDGs and poverty reduction has aligned with the Government of Vietnam's priority affording to these international goals and their closely related local counterpart, the VDGs. DFID's focus on wealth creation and Governance has also been appropriate. DFID established its office in Hanoi and scaled up bilateral support to Vietnam at a time when it was becoming clearer that sustaining high levels of economic growth was becoming much more difficult, and that part of the reason for this were governance challenges.
- DFID and other donors recognised that certain provinces and ethnic minority groups had much lower living standards than others, and had extremely high poverty rates by any standards. DFID addressed this pressing development need through its support for poor provinces and ethnic groups, although it is not clear that they were the very poorest provinces and ethnic groups.
- DFID recognised the need to build the capacity of the Government of Vietnam to deliver development results. This was crucial owing to the DFID policy priority of working with and through others, and the Government of Vietnam was prominent among the others with and through whom DFID worked. It had success in building this capacity, but there are clear examples where a lack of capacity in sub-national government was an impediment to DFID achieving its desired development results for the MDG pillar. A lack of capacity in certain Government of Vietnam ministries also had adverse impacts on activities supported within the Wealth Creation Pillar.
- DFID also addressed other pressing development needs in Vietnam through its bilateral portfolio. The focus on governance and wealth creation was clearly consistent with the recognition that, throughout the 2000s and beyond, Vietnam had entered into a much more complex and demanding phase of its development path.
- DFID's work with and through the World Bank was a clear case of successful development cooperation, especially in the area of poverty measurement and analysis. Evidence of the success of support provided through the ADB is less robust.
- Activities supported under the DFID MDG pillar resulted in an impressive array of outputs. It seems to have been the most successful DFID pillar in this regard. The Wealth Creation and Governance pillars had notable successes in support for trade reform and public-private partnerships and accountability and anti-corruption and economic management, accountability and social protection, respectively.
- DFID support was highly consistent with established aid effectiveness criteria, as embodied in the Paris Declaration principles. Owing to the 'working with and through others' operational priority, it was aligned with the priorities of the Government of Vietnam, promoted mutual accountability and sustainability, and was harmonised with the activities of other key donors.

The extent to which UK bilateral development cooperation with the Government of Vietnam delivered through DFID contributed positively to sustainable poverty reduction efforts requires further analysis. It will depend on the strengths of the positive development effectiveness attributes and outputs relative to the adverse impacts of the capacity constraints to which it was subject.

Annex H: Evaluation Matrix

The following evaluation matrices provide practical data collection guidance for the evaluation team. Separate evaluation matrices have been developed for each of the three pillar-level evaluations: MDGs, Wealth Creation and Governance. The two theoretical frameworks outlined in Annexes E and F (Theory of Change and Aid Quality Evaluation Framework) provide conceptual guidance for the collection and analysis of data across all pillars. The matrices detail the qualitative and quantitative data that will be collected and analysed in response to the evaluation sub-questions, and the sources of this data. The matrices will be used to:

- provide conceptual guidance for the evaluation team, linking data collection to the overarching evaluation frameworks
- outline the types of information required to inform the Theory of Change and AQEF analysis
- help with the identification of key informants
- inform the development of semi-structured interview guides for key informants
- guide the classification and review of documentation, and
- aid in the collection and analysis of qualitative and quantitative data.

1. MDG Evaluation Matrix

Secondary evaluation questions (MDG)	Framework Information Requirements	Method and data source	
		Qualitative	Quantitative
<p>Has the UK's development assistance responded to pressing development needs in Vietnam?</p>	<p>Theory of Change</p> <ul style="list-style-type: none"> - DFID political, country strategy and policy guidance; MDG sector focus and expenditure; results of MDG interventions; reported impacts of MDG interventions - Multidimensional poverty data pertaining to MDG sectors in Vietnam at national and sub-national level 	<p>Key informant interviews:</p> <p>DFID: former HOOs, former Deputy Heads, MDG team (current and former), former health and education advisers, former transport advisers</p> <p>GoV: Senior officials from MOET, MoH, MoT, MoF, CIEM, MoLISA and MPI with oversight of DFID funded or co-financed projects, or with capability to provide overview of pressing development needs</p> <p>Co-financing/implementing partners: World Bank Head and advisers (Education, Health, Transport, Poverty Analysis, Poverty Reduction Credits); ADB Advisers (Transport, Poverty, Economics); JICA (Transport, Economics); WHO advisers (HIV/AIDs); UNICEF advisers (Education, Quality); Australia Aid advisers (Education, Health, WASH)</p> <p>Third Party Experts: UNSW (HIV), academics from VASS, ANU, Oxford University and other universities; private sector development consultants with significant experience in Vietnam and knowledge of DFID's MDG Programme</p>	<p>Human Development Index education and health data; GoV data including: Population and Housing Census, Labour Force Surveys, DHS surveys, HIV/AIDs surveys; Vietnam Household Living Standard Survey (2002-); Poverty Surveys (1999)</p>
		<p>Document analysis:</p> <p>Independent evaluations of major DFID funded health, education, transport, WASH and poverty programmes</p> <p>State Economic Development Plans and other major GoV plans including at the MDG sector level (health, education, transport, WASH)</p> <p>CPRGs; MDG reports; Poverty Analysis literature generated through GAPAP and PAPAP</p> <p>Academic articles pertaining to economic development and poverty reduction in Vietnam</p>	

<p>Has the UK'S development assistance been delivered in an efficient, effective and sustainable manner?</p>	<p>AQEF <u>Component 1 – Development Capacity (DFID):</u> - M&E framework information, project level results, DFID Vietnam financial resources, staffing profiles, country strategy guidance and consistency, political and development policy consistency, leadership, fragmentation and proliferation <u>Component 1 – Development Capacity (GoV):</u> - Absorptive capacity analysis, quality of partner government systems, planning and policy development Component 2 – Paris Principles: - Strategies and actions to align and harmonise aid delivery; indicators of ownership, managing for results and mutual accountability</p>	<p>Key informant interviews DFID: current and former 'MDG team' staff, former health, education, WASH, RD and transport advisers, senior DFID staff based in UK and Vietnam, operational staff GoV: project level staff involved in the daily activities associated with DFID-funded or co-financed activities from MOET, MoH, MoT, MoF, CIEM (and others) Co-financing/implementing partners: World Bank project officers (Education, Health, Transport, Poverty Analysis, Poverty Reduction Credits); ADB project officers (Transport); Programme officers from other development partners who co-financed DFID/World Bank activities including: Canada, Norway, Belgium, EC, Japan, WHO. Australia</p> <p>Document analysis Systematic review of DFID, GoV, World Bank, ADB project documentation pertaining to co-financed projects in health, education, transport, WASH and poverty analysis Systematic review of DFID country strategies, policy documents and operational guidance Systematic review of independent evaluations undertaken for major health, education, transport, WASH and poverty-related projects and programmes conducted by DFID or implementing partners</p>	<p>DFID audit reports, implementing agency audit reports (if available), DFID Programme expenditure data DFID Programme proliferation and fragmentation analysis</p>
<p>Has UK's development assistance contributed to an enabling environment for sustainable poverty reduction in Vietnam?</p>	<p>AQEF <u>Component 1 – Development Capacity (GoV):</u> - Evidence of improvements in partner government systems including: human capital improvements, institutional quality and policy quality in MDG-specific areas <i>Theory of Change</i> - Political economic</p>	<p>Key informant interviews GoV: senior officials within GoV ministries with oversight of MDG-related service delivery areas including MOET, MoH, MoT, MoF and knowledge of DFID-funded programmes Co-financing and implementing partners: technical advisers within World Bank, ADB and other agencies with expertise pertaining to state capacity in education, health, transport, WASH, poverty analysis Third party experts: senior consultants from the private sector with experience delivering and evaluating institutional capacity in PFM, service delivery, strategic planning</p>	<p>Public Expenditure Framework Assessments (PEFA); fiduciary risk assessments pertaining to MDG sector-level performance (e.g. education and health sectors)</p>

	assessments of governance challenges in MDG sectors	<p>Document analysis</p> <p>Systematic review of independent evaluations in the areas of economic governance and service delivery in particular</p> <p>Review of GoV literature on public service capacity improvements in relevant sectors</p> <p>Review of the grey literature from key multilateral institutions such as the World Bank and IMF on sector-level governance indicators</p> <p>Review of academic literature and independent research projects on economic governance and service delivery particularly in education and health.</p>	
<p>What lessons can be learnt from the UK's development cooperation with Vietnam to enhance development effectiveness?</p>	<p>Meta-analysis of all qualitative and quantitative data generated in response to sub-questions 1, 2 and 3</p>		

2. Governance Evaluation Matrix

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
<p>Has the UK's development assistance responded to pressing development needs in Vietnam?</p>	<p><i>Theory of Change</i></p> <p>DFID political, country strategy and policy guidance regarding Governance; Governance sector focus and programme expenditure; results of interventions; reported impacts of interventions Governance data at national and sub-national levels</p>	<p>Key informant interviews:</p> <p>DFID: former HOOs, former Deputy Heads, current and former Governance advisers</p> <p>GoV: Senior officials from MoF, MoJ, MoHA, Government Inspectorate, MPI and National Assembly with oversight of DFID-funded or co-financed projects, or with capability to provide overview of pressing development needs in Governance</p> <p>Co-financing/implementing partners: World Bank Head and governance advisers, Towards Transparency head and advisers, bilateral donor advisers, EC Governance advisers</p> <p>Third Party Experts: experts from VASS, CIEM, and international universities and CSOs with expertise in Governance challenges in Vietnam</p>	<p>Analysis of trends in: World Bank Governance Indicators; Transparency International Perception Index; DFID and other donor Public Expenditure and Integrated Fiduciary Risk Assessments; other GoV national and sub-national level PFM quality data; EITI, MeTA and CoST data</p>
		<p>Document analysis :</p> <p>Independent evaluations of major DFID-funded anti-corruption, PFM, Governance Analysis and Policy Development, Human Rights and Government Accountability projects and programmes</p> <p>Systematic review of major DFID technical reports in areas such as: public financial management, government accountability, and anti-corruption</p> <p>Review of GoV Financial Management, Anti-Corruption,</p>	

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
		and Parliamentary-related policies and strategies Academic articles pertaining to Anti-Corruption, PFM, Governance Analysis and Policy Development, Human Rights and Government Accountability in Vietnam	
Has the UK'S development assistance been delivered in an efficient, effective and sustainable manner?	<i>AQEF</i> Component 1 – Development Capacity (DFID): M&E framework information, project level results, DFID Vietnam financial resources, staffing profiles, country strategy guidance and consistency, political and development policy consistency, leadership, fragmentation and proliferation analysis	Key informant interviews DFID: current and former Governance Programme staff and advisers GoV: project level staff involved in the daily activities associated with DFID-funded or co-financed activities from MoF, MoHA, Government Inspectorate, National Assembly and MoJ Co-financing/implementing partners: World Bank project officers, Towards Transparency project officers, other CSO project officers, bilateral donor project officers, and EC Programme officers and Governance advisers	DFID audit reports, implementing agency audit reports (if available), DFID Programme expenditure data
	Component 1 – Development Capacity (GoV): Absorptive capacity analysis, quality of partner government systems, planning and policy development Component 2 – Paris Principles: Strategies and actions to align and harmonise aid delivery; indicators of ownership, managing for results and	Document analysis Systematic review of DFID, GoV, TT and World Bank project level documentation pertaining to DFID-funded anti-corruption, PFM, Governance Analysis and Policy Development, Human Rights and Government Accountability projects in Vietnam Systematic review of DFID country strategies, policy documents and operational guidance pertaining to Governance issues in Vietnam Review of all independent evaluations of major DFID-funded anti-corruption, PFM, Governance Analysis and	

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
	mutual accountability	Policy Development, Human Rights and Government Accountability projects in Vietnam	
Has the UK's development assistance contributed to an enabling environment for sustainable poverty reduction in Vietnam?	<p><i>AQEF</i></p> <p>Component 1 – Development Capacity (GoV): Evidence of improvement in partner government systems including: human capital improvements, institutional quality and policy quality in Governance-related areas</p> <p><i>Theory of Change</i> Political economic assessment of major Governance challenges</p>	<p>Key informant interviews</p> <p>GoV: senior officials within GoV ministries with oversight of Governance-related areas including MPI, MoF, MoHA, MoJ, Government Inspectorate and National Assembly</p> <p>Co-financing and implementing partners: technical advisers within World Bank, bilateral donor agencies and the EC</p> <p>Third party experts: senior consultants from the private sector with experience delivering and evaluating institutional capacity in PFM, government accountability and anti-corruption in Vietnam</p>	<p>Analysis of trends in: World Bank Governance Indicators; Transparency International Perception Index; DFID and other donor Public Expenditure and Integrated Fiduciary Risk Assessments; other GoV national and sub-national level PFM quality data; EITI, MeTA and CoST data</p>
		<p>Document analysis</p> <p>Review of all independent evaluations of major DFID-funded Anti-Corruption, PFM, Governance Analysis and Policy Development, Human Rights and Government Accountability projects in Vietnam</p> <p>Review of the grey literature from key multilateral institutions such as the World Bank and IMF on Governance indicators</p> <p>Review of academic literature and independent research projects on Governance and related issues in Vietnam</p>	

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
What lessons can be learnt from the UK's development cooperation with Vietnam to enhance development effectiveness?	Meta-analysis of all qualitative and quantitative data generated in response to sub-questions 1, 2 and 3		

3. Wealth Creation Evaluation Matrix

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
<p>Has the UK's development assistance responded to pressing development needs in Vietnam?</p>	<p><i>Theory of Change</i> DFID political, country strategy and policy guidance regarding wealth creation and private sector development; wealth creation Programme focus and expenditure; results of interventions; reported impacts of interventions Trade, income and private sector development information at national and sub-national level in Vietnam</p>	<p>Key informant interviews:</p> <p>DFID: former HOOs, former Deputy Heads; current and former SoE reform, trade, PPP and PSD advisers</p> <p>GoV: Senior officials from VCCI, MoF, PMRC, CIEM, MoLISA and MPI with oversight of DFID-funded or co-financed SoE reform, trade, PPP and PSD projects</p> <p>Co-financing/implementing partners: World Bank Head and advisers (PSD, SoE reform, PPPs, A4T); ADB Advisers (PSD, PPP, A4T and SoE reform) SNV project heads and technical leads; Australian aid PSD advisers Third Party Experts: academics from VASS and HEU; private sector development consultants with significant experience in Vietnam and knowledge of DFID programmes; international academics with expertise in PPP, SoE reform, trade and PSD in Vietnam</p> <p>Document analysis :</p> <p>Independent evaluations of major DFID wealth creation projects</p> <p>GoV State Economic Development Plans, economic restructuring policies, trade policies, WTO accession action plans, PPP and SoE reform policies</p> <p>Academic articles pertaining to growth in the SME sectors, and barriers to PSD, PPP and SoE reform in Vietnam</p>	<p>Income poverty and economic growth data at national and sub-national level e.g. HLSS, GoV poverty surveys</p> <p>Analysis of World Bank Ease of Doing Business indicators</p> <p>Analysis of statistics pertaining to SoE performance, PPPs, PSD and trade in Vietnam since 1999</p>

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
<p>Has the UK'S development assistance been delivered in an efficient, effective and sustainable manner?</p>	<p><i>AQEF</i></p> <p>Component 1 – Development Capacity (DFID): M&E framework information, project level results, DFID Vietnam financial resources, staffing profiles, country strategy guidance and consistency, political and development policy consistency, leadership, fragmentation and proliferation analysis</p> <p>Component 1 – Development Capacity (GoV): Absorptive capacity analysis, quality of partner government systems, planning and policy development</p> <p>Component 2 – Paris Principles: Strategies and actions to align and harmonise aid delivery; indicators of ownership, managing for results and mutual accountability</p>	<p>Key informant interviews</p> <p>DFID: current and former PSD, A4T, SoE reform and PPP Programme staff, senior DFID staff based in UK and Vietnam, operational staff</p> <p>GoV: project level staff involved in the daily activities associated with DFID-funded or co-financed activities from CIEM, MPI, MoLISA, PRMC</p> <p>Co-financing/implementing partners: SNV project officers; World Bank project officers; ADB project officers; Programme officers from other development partners who co-financed DFID /ADB wealth creation activities including Australian Aid and Denmark</p>	<p>DFID audit reports, implementing agency audit reports (if available), DFID Programme expenditure data pertaining to wealth creation projects</p>
		<p>Document analysis</p> <p>Systematic review of SNV, DFID, GoV, World Bank, ADB project documentation pertaining to co-financed projects in wealth creation specifically those pertaining to SoE reform, PSD, trade reform and PPPs</p> <p>Systematic review of DFID country strategies, policy documents and operational guidance in the areas of SoE reform, PSD, trade reform and PPPs</p> <p>Independent evaluations of all wealth creation projects and programmes conducted by DFID or implementing partners</p>	
<p>Has the UK's development assistance contributed</p>	<p><i>AQEF</i></p> <p>Component 1 – Development</p>	<p>Key informant interviews</p> <p>GoV: senior officials within GoV ministries with oversight</p>	

Secondary Evaluation Questions	Framework Information Requirements	Method and Data Sources	
		Qualitative	Quantitative
to an enabling environment for sustainable poverty reduction in Vietnam?	Capacity (GoV): Evidence of improvement in partner government systems including: human capital improvements, institutional quality and policy quality in PSD, SoE reform, PPPs, and trade reform in Vietnam	of wealth creation areas and knowledge of DFID-funded programmes including: MPI, MoLISA, CIEM, VCCI, PRMC, and MoF	
	<i>Theory of Change</i> Political economic assessments of governance challenges in PSD, SoE reform, PPPs, and trade reform in Vietnam	Co-financing and implementing partners: technical advisers within World Bank, ADB, SNV and other agencies Third party experts: senior consultants from the private sector and academics with experience evaluating the constraints to PSD, SoE reform, PPPs, and trade reform in Vietnam	
		<p>Document analysis</p> <p>Systematic review of independent evaluations of DFID-funded wealth creation projects</p> <p>Review of GoV literature on public service capacity improvements in relevant sectors and improvements in policy and institutional quality</p> <p>Review of the grey literature from key multilateral institutions such as the WTO, World Bank and IMF on PSD and PPP capacity within GoV</p> <p>Review of academic literature and independent research projects which outline challenges and opportunities associated with wealth creation in Vietnam</p>	
What lessons can be learnt from the UK's	Meta-analysis of all qualitative and quantitative data generated in response to sub-questions 1, 2 and 3		

Secondary Evaluation	Framework Information	Method and Data Sources	
Questions	Requirements	Qualitative	Quantitative
development cooperation with Vietnam to enhance development effectiveness?			

Annex I: Communication and Dissemination Plan

The plan below was as originally proposed in the Inception Report. Following an iterative process of discussing with DFID Vietnam throughout the course of the evaluation, the plan has evolved to include the dissemination of the Inception Report, the MDG Case Study Report, and Historical Account to DFID Vietnam. A presentation before donor groups was also held in January 2015 collaboratively with DFID Vietnam to share the findings of the MDG Case Study. A Policy Brief and a brief topical paper is scheduled for broad dissemination after the approval of this Final Report; and coinciding with DFID Vietnam's organised event for its exit will be a presentation of the findings of this final report in October 2015 and for which the evaluation team will render support to DFID Vietnam on press activities where required.

KNOWLEDGE PRODUCTS ³²	TARGET STAKEHOLDER	DISSEMINATION TOOLS	PURPOSE	PROPOSED TIMELINE
Evaluation Reports				
1. Inception Report	<ul style="list-style-type: none"> ▪ DFID 	<ul style="list-style-type: none"> ▪ Email 	<ul style="list-style-type: none"> ▪ Provide DFID a detailed account of the conduct of the evaluations, the final evaluation questions, methodology, framework, governance structure, and evaluation timeframe 	April 2014
2. In-depth reports (MDG, Governance, and Wealth Creation)	<ul style="list-style-type: none"> ▪ DFID ▪ Other donors ▪ Government of Vietnam (Central and Local) ▪ Other countries ▪ Civil Society ▪ Academia and independent 	<ul style="list-style-type: none"> ▪ Email ▪ Print (and posting of print copies) ▪ Website upload (Landell Mills, MDRI, DFID, OECD) ▪ Organised events (see below) 	<ul style="list-style-type: none"> ▪ Provide a review of DFID portfolio in each of the pillar ▪ Present the evaluation findings and answers to the evaluation questions. 	Phased dissemination: For DFID: <ul style="list-style-type: none"> ▪ MDGs: July 2014 ▪ Governance and Wealth Creation: by end of 2014

³² Note that the organised events such as roundtable discussion, press releases etc. have been listed under knowledge products even if they are at the same time dissemination tools/communication channels to highlight their purpose and means by which they will be implemented (i.e. tools).

KNOWLEDGE PRODUCTS ³²	TARGET STAKEHOLDER	DISSEMINATION TOOLS	PURPOSE	PROPOSED TIMELINE
	researchers			For other stakeholders and online uploading: <ul style="list-style-type: none"> After the launch of the evaluation report
3. Policy Briefs	<ul style="list-style-type: none"> DFID Other donors Government of Vietnam (Central and Local) Other countries Civil Society Academia and independent researchers 	<ul style="list-style-type: none"> Email Print (and posting of print copies) Website upload (Landell Mills, MDRI, DFID, OECD) Press releases Organised events (see below) 	<p>Communicate the following, in English and Vietnamese:</p> <ul style="list-style-type: none"> General lessons learnt and policy implications for government officials in the UK and Vietnam; Specific lessons learnt and policy implications for issues such as aid effectiveness, maximising poverty reduction impact, and addressing future development challenges. 	Phased, in line with the in-depth reports' dissemination schedule
4. Emerging issues/debrief materials	<ul style="list-style-type: none"> DFID Vietnam (HOO and Evaluation Adviser) 	<ul style="list-style-type: none"> Email 	<ul style="list-style-type: none"> Share findings and emerging issues identified to DFID Vietnam for utility purposes. 	After the evaluation missions
5. Brief Topical Paper/s (at one least per mission)	<p>Depending on the topic but may include:</p> <ul style="list-style-type: none"> DFID Other donors Government of Vietnam (Central and Local) Other countries Civil Society Academia and independent 	<ul style="list-style-type: none"> Email Print (and posting of print copies if of public nature) Website upload, if of public nature (Landell Mills, MDRI, DFID) 	<ul style="list-style-type: none"> Share findings on relevant topics generating emerging themes, lessons, or issues and debates to a wide audience, in English and Vietnamese. 	Phased, in line with the in-depth reports' dissemination schedule

KNOWLEDGE PRODUCTS ³²	TARGET STAKEHOLDER	DISSEMINATION TOOLS	PURPOSE	PROPOSED TIMELINE
	<ul style="list-style-type: none"> researchers Evaluation groups/independent evaluators 			
6. Final Evaluation Report with Synthesis of Lessons Learnt	<ul style="list-style-type: none"> DFID Other donors Government of Vietnam (Central and Local) Other countries Civil Society Academia and independent researchers Evaluation groups/independent evaluators 	<ul style="list-style-type: none"> Email Print Website upload (Landell Mills, MDRI, DFID, OECD, websites of Evaluation Groups) Print (and posting of print copies if of public nature) Organised events (see details below) 	<ul style="list-style-type: none"> Present and share the summary of findings from the case studies/in-depth study of the three pillars, the comprehensive answer to the evaluation questions, and the synthesis of lessons learnt and recommendations. 	Phased: <ul style="list-style-type: none"> For DFID, May 2014 For other stakeholders, during the formal launch and through succeeding dissemination activities
7. Press releases	<ul style="list-style-type: none"> DFID Other donors Government of Vietnam (Central and Local) Other countries Civil Society Academia and independent researchers Evaluation groups/independent evaluators Private sector 	<ul style="list-style-type: none"> Email/fax to various media outfits through DFID Communications and DFIDV Communication Officer 	<ul style="list-style-type: none"> Highlight and disseminate the key messages of the evaluation to a wide range of audience, may be in English and Vietnamese 	<ul style="list-style-type: none"> Prior to the formal launch of the final evaluation report

Organised Events

KNOWLEDGE PRODUCTS ³²	TARGET STAKEHOLDER	DISSEMINATION TOOLS	PURPOSE	PROPOSED TIMELINE
1. Presentation	<ul style="list-style-type: none"> ▪ DFID HQ/EK 	<ul style="list-style-type: none"> ▪ In-country presentation using PowerPoint slides 	<ul style="list-style-type: none"> ▪ For the inception report, present the evaluation approach and framework to the Evaluation Department and key stakeholders in DFID HQ and East Kilbride including former Vietnam office staff and other relevant staff that may be directly or indirectly involved in Vietnam country programmes, strategies, and policies. ▪ For the final synthesis report (including all the sector studies, policy briefs, and thematic paper/s), present the findings and responses to the evaluation questions and lessons and recommendations to the Evaluation Department and key stakeholders in DFID HQ and East Kilbride including former Vietnam office staff and other relevant staff that may be directly or indirectly involved in Vietnam country programmes, strategies, and policies. 	<ul style="list-style-type: none"> ▪ After the submission of draft inception report (April 2014) ▪ After the acceptance of the Final Evaluation report (July 2014)
2. Report Launch	<p>Invited representatives from:</p> <ul style="list-style-type: none"> ▪ DFID ▪ Donor community ▪ Government of Vietnam (Central and Local) ▪ Programme partners ▪ Civil Society ▪ Academia and independent 	<ul style="list-style-type: none"> ▪ Organised forum, invitational only with an estimated up to 80 participants 	<ul style="list-style-type: none"> ▪ Formally launch the final evaluation report in Vietnam and provide the first set of copies to a number of invited guests representing the different groups of stakeholders. ▪ Highlight the key lessons contained in the policy briefs and thematic paper/s. ▪ Formally share with the stakeholders the findings of the evaluation. 	<ul style="list-style-type: none"> ▪ After the acceptance of the Final Evaluation report (July 2014)

KNOWLEDGE PRODUCTS ³²	TARGET STAKEHOLDER	DISSEMINATION TOOLS	PURPOSE	PROPOSED TIMELINE
	<ul style="list-style-type: none"> researchers Private sector 			
3. Roundtable Discussion	<p>Invited representatives from:</p> <ul style="list-style-type: none"> DFID Other donors Programme partners Government of Vietnam (Central and Local) Civil Society Academia and independent researchers Private sector 	<ul style="list-style-type: none"> Organised forum, invitational only with an estimated maximum of 20 participants 	<ul style="list-style-type: none"> Provide a platform for a more in-depth discussion of the findings of the evaluation from the three sector studies and the final synthesis report, and the lessons and recommendations. 	<ul style="list-style-type: none"> After the formal launch of the final evaluation report (July 2014)
4. Press Interviews	<ul style="list-style-type: none"> Various local media outfits (print and broadcast) 	<ul style="list-style-type: none"> Organised forum, invitational only with an estimated maximum of 15 participants 	<ul style="list-style-type: none"> Highlight and disseminate the key messages of the evaluation to a wide range of audience, may be in English and Vietnamese. 	<ul style="list-style-type: none"> After the formal launch of the final evaluation report (July 2014)
5. Individual Consultations and Meetings	<ul style="list-style-type: none"> DFID Other donors Programme partners Government of Vietnam (Central and Local) Civil Society 	<ul style="list-style-type: none"> A 1-1 consultation with the team leader/s about specific details of the findings of the evaluation (may be in specific sector/pillar or the synthesis) 	<ul style="list-style-type: none"> To provide information tailored to the specific requirements of stakeholders. 	<ul style="list-style-type: none"> After the formal launch of the final evaluation report (July 2014)
Other activities to be explored				
1. Webinar on methodology and framework (with Vietnam as case study)	<ul style="list-style-type: none"> DFID Other donors Government of Vietnam 	<ul style="list-style-type: none"> Webinar platforms used by evaluation associations such as 	<ul style="list-style-type: none"> Present to a wide range of audience the methodology and framework used in the evaluation and subject them to closer 	<ul style="list-style-type: none"> To coincide with the webinars of the concerned

KNOWLEDGE PRODUCTS ³²	TARGET STAKEHOLDER	DISSEMINATION TOOLS	PURPOSE	PROPOSED TIMELINE
	(Central and Local) <ul style="list-style-type: none"> ▪ Other countries ▪ Civil Society ▪ Academia and independent researchers ▪ Evaluation groups/independent evaluators 	IDEAS, normally supported by Rockefeller Foundation	scrutiny of potential users.	evaluation association that can host the webinar
2. Conference Presentation/Proceeding/Paper	Academia and independent researchers <ul style="list-style-type: none"> ▪ Evaluation groups/independent evaluators 	Potentially, UK Evaluation Society	<ul style="list-style-type: none"> ▪ Present to evaluation practitioners the methodology and frameworks used in the evaluation and subject them to closer scrutiny of potential users. 	<ul style="list-style-type: none"> ▪ As the annual conference is scheduled

Annex J: List of People Consulted

1. INCEPTION PHASE

CATEGORY	ORGANISATION	POSITION	NAME
DFID Vietnam Staff	DFID Vietnam	Head of Office	Jim Carpy
	DFID Vietnam	Deputy Head of Office	Neil Satchwell-Smith
	DFID Vietnam	Results and Evaluation Adviser	Hoa, Ngo Thi Quynh
	DFID Vietnam	Corporate Planning and Communications Officer	Ha Nguyen Thi Hoang
	DFID Vietnam		Trang Nguyen Thu
	DFID Vietnam	Transition Manager	Ms Hue
	DFID Vietnam	MDG Team	
	DFID Vietnam	Prosperity Team	
	DFID Vietnam	Governance Team	
DFID Heads of Profession and Policy Leads	DFID	Regional Statistic Adviser and Results Lead, Asia Division	Sarah Pannel
	DFID	Head of Profession, Infrastructure	Stephen Young
	DFID	Head of Profession, Private Sector	David Elliott
	DFID	Head of Profession Governance	Stefan Kossoff
	DFID	Senior Regional Health Adviser	Lizzy Smith
	DFID	Director, Evaluation Department	Penny Hawkins
	DFID	Country Liaison Team in Asia Division	Tim Palmer
Multilaterals	The World Bank	Country Director	Victoria Kwakwa
	The World Bank	Lead Economist – Poverty Reduction and Economic Management Unit	Sandeep Mahajan
	The World Bank	Senior Governance Specialist	James Anderson
	The World Bank	World Bank Team Leader, International Financial Institutions Department	Loga Gnanasambanthan
	Asian Development Bank	Principal Country Specialist	Yumiko Tamura
	Asian Development Bank	Country Economist	Dominic Mellor

	European Union	Head of Cooperation, EU Delegation	B�erence Muraille
	United Nations	UN Resident Coordinator	Pratibha Mehta
	United Nations	Head of UN Resident Coordinator's Office	Jones
Bilaterals	Belgium	Head of Unit	Vansintjan Geert
	Belgium	Attache-adjoint	Ngo Thu Huong
	CIDA	Head of Cooperation/Counsellor (Development)	Victoria Sutherland
	CIDA	Senior Development Officer	Vu Thi Yen
	DANIDA		Lis Rosenholm
	Finland		Katja Hirvonen
	Irish Aid	Deputy Head of Development	Fionna Quinn
	Norway	Deputy Head of Mission	Ragnhild Dybdahl
INGOs	Oxfam	Senior Technical Adviser	Andrew Wells-Dang
	Towards Transparency	Deputy Executive Director	Conrad Zellman
	Action Aid	Country Director	Hoang Phuong Thao
DIRECT CONTRACTORS	IMC Worldwide	Team Leader of Public Private Partnership Facility	Stephen Raggett
	SNV	Team Leader of Vietnam Business Challenge Fund	Javier Ayala
EX DFID VIETNAM STAFF	IFC		Alan Johnson
	DFID		Donal Brown
	DFID		George Turkington
	DFID	Policy Analyst	Fiona Lappin
	DFID	Social Development Adviser, Climate and Environment Group	Kirsty Mason
	DFID	Acting Director, ASCOT	Keith MacKiggan
	DFID	Team Leader, Wealth Creation and Corporate Services, DFID	Phil Harding

		Sierra Leone	
	DFID	Senior Education Adviser, DFID Ghana	Steve Passingham
	DFID	Team Leader, Human Development, DFID Mozambique	Bridget Crumpton
	World Resources Institute	President and CEO	Andrew Steer
GOVERNMENT	Ministry of Planning and Investments	Director General (FERD)	Hoang Viet Khang
	Ministry of Planning and Investments	Deputy Head FERD/national lead person for aid effectiveness	Cao Manh Cuong
	Ministry of Planning and Investments	Official (FERD)	Dao Quoc Cuong
EX-GOVERNMENT	Ministry of Planning and Investments	Former Head of FERD	Dr Ho Quang Minh
	MoNRE	Former Vice Minister	Prof Dang Hung Vo
	Ministry of Planning and Investments	Former DFID desk officer	Mr Thong
OTHER STAKEHOLDERS	VASS		Nguyen Thang
	VCCI		Mdme Pham Chi Lan
	CIEM	Vice Chairman	Dr Nguyen Dinh Cung

2. INTERIM EVALUATION REPORT (MDG)

Full name	Position	Organisation
Tran Dinh Thien	President of Vietnam Institute of Economics	Vietnam Institute of Economics, Vietnam Academy of Social Sciences (VASS)
Gabriel Demombynes	Senior Economist	The World Bank
Todd Hamner	Economic Growth Office Director	U.S. Agency for International Development
Nguyen Thang	Director of Center for Analysis and Forecasting (CAF)	VASS
Le Van Minh	Senior Adviser, Climate Change programme	Ministry of Natural Resources and Environment
Nguyen Thi Lan Huong	Director of Institute for Labor Science and Social Affairs (ILSSA)	Ministry of Labour, Invalids and Social Affairs
Trinh Cong Khanh	Director of Policy Department	Committee for Ethnic Minority Affairs
Samuel Waelty	Country Director	Swiss Agency for Development and Cooperation
Nguyen Vinh Hien UK Ambassador	Vice Minister	Ministry of Education and Training
Nguyen Duc Thanh	Policy adviser to the Prime Minister President of Vietnam Centre for Economic and Policy Research	University of Economics and Business, Vietnam National University, Hanoi
Cao Viet Sinh	Head - PM Advisors group Permanent Deputy Minister	Ministry of Planning and Investment
Giang Thanh Long	Director of Institute of Public Policy and Management (IPPM)	IPPM
Garvan McCann	Head of Development	Irish Aid
Andrew Shepherd	First Secretary to Economic and Infrastructure	Australian Government - Department of Foreign Affairs and Trade
Nguyen Tien Phong	Head of Social and Poverty Cluster	United Nations Development Programme in Vietnam
Ho Le Phong	Task Team Leader	ADB
Nguyen Chi Kien	Ex-Consultant	The Louis Berger Group
Ung Viet Trung	Consultant	Institute of Transport Science and Technology (TIDICC)

Full name	Position	Organisation
Nguyen Thi Phuong Hien	Consultant	Transport Development & Strategy Institute (TDSI)
Chris Jackson	Coordinator of Rural Development	The World Bank
Vuong Xuan Tinh	Editor-in-Chief	Anthropology Review Journal
Nguyen Truong Nam	Director	Institute of Social and Medical Studies
Dr. Tran Dinh Thuan	Central Project Management Unit	Ministry of Education and Training
Nguyen Thuy Anh		WB
Than Thien Huong	DFID Adviser	DFID
Truong Thanh Hai	Finance and Planning Dept.	Ministry of Education and Training
Ms. Tran Thanh Nga	Project Management Coordinator	
Nguyen Thi Minh Tam		Vietnam Administration of HIV/AIDS Control, Ministry of Health
Khuat Thu Hong	Director	Institute of Social Development Studies
Tran Thi Van	UNFPA Representative	UNFPA
Tran Thi Minh Phuong	Project Team Leader	WB
Nguyen Anh Tuan	Head of HIV/AIDS Department	National Institute of Hygiene and Epidemiology (NIHE)
Tu Thu Hien	DFID Adviser	DFID
Nguyen Van Kien	DFID Adviser	DFID
Nguyen Bich Thuy	Vice Head of Environmental Health and Community Division	Health Environment Management Agency, Ministry of Health
Nguyen Ngoc Minh	DFID Adviser	DFID
Ms Hoa & Ms Hue	DFID Adviser	DFID
Nguyen Duy Thieu	Vice Director	Vietnam Museum of Ethnology
Vu Manh Loi	Vice Director	Vietnam Institute of Sociology
Dr. Dao Huy Khue		Institute of Anthropology
Doan Hoai Anh (Tran Anh Tuan)	Head of Department for International Relations	Department for International Relations State Bank of Vietnam
Mr. Nguyen Thanh Hai		VICA Consultants Ltd

Full name	Position	Organisation
Nguyen Thi Lan	Agriculture Development Expert (TTH)	VICA Consultants Ltd
Nguyen The Hinh	Project Management Advisor (TTH)	VICA Consultants Ltd
Bui The Hung	Agriculture Development Expert (QB)	VICA Consultants Ltd
Dao Huy Khue	Ethnic Minorities Expert	Enterplan (UK)
Dr. Trinh Thi Quang		Institute of Sociology
Do Thi Mua		Centre for Environment and Health Research
Mr. Quang	Deputy Director Cooperation and Rural Development Dept Team Leader	Ministry of Agriculture and Rural Development
Mr. Nguyen Tien Phong	Head, UNDP Poverty and Social Development Cluster	
Mr. Truong Quang Can	Acting Director, Ethnicity Department	Ethnic Council
Nguyen Tu Uyen		AusAID
Mr. Le Kien	Director	Head of Domestic Economic Department Ministry of Planning and Investment
Mr. Son	Task Team Leader	WB
Le Kim Dung		Oxfam
Ngo Thu Huong		Belgium
Le Anh Thao		Canada
Nguyen Hong Giang	Ex. Officer at NORAD	Swiss State Secretariat for Economic Affairs
Martin Rama	WB Economist and Head of PREM (Poverty Reduction and Economic Management)	WB

Province	Project	Full name	Position
Hue	RT3	Phan Ngoc Tho	Vice Chairman of People's Committee
		Nguyen Van Bat	Vice Director of Department of Transport
		Ngo Van Tuan	Director of PPMU and Vice Director of Department of Transport
		Nguyen Anh Thi	PPMU Expert of Environmental and Social Issues
	CRLIP	Le Truong Luu	Vice Chairman of People's Committee
		Le Dinh Khanh	Deputy Director, DPI cum Director, PPMU
		Nguyen Dac Khoi	Infrastructure Officer, PPMU
		Le Thi Thu Huong	Officer, WU
		Doan Van	Chairman, Thuong Long Commune, Nam Dong District
		Nguyen Thi Thoa	Chairperson, Women Union, Thuong Long Commune, Nam Dong District
		Ho Van Voi	Beneficiary, Thuong Long Commune, Nam Dong District
		Tran Thi Hanh	Beneficiary, Thuong Long Commune, Nam Dong District
		Le Thi Mam	Beneficiary, Thuong Long Commune, Nam Dong District
		Ho Van Ninh	Beneficiary, Thuong Long Commune, Nam Dong District
Lao Cai	RT3	Vu Van Cai	Vice Chairman of People's Committee
		Mr. Thanh	Director of PPMU
		Vu Ngoc Thanh	PPMU Expert of Environmental & Social Issues
		Nguyen Ngoc Dung	Director of Department of Transport
		Nguyen Thi Thu Ha	Chairman of Women's Union
Hai Duong	RT3	Nguyen Duong Thai	Vice Chairman of People's Committee
		Nguyen Tien Thang	Vice Director of Department of Transport
		Nguyen D. Huan	Director of PPMU
		Nguyen Van Thanh	PPMU Environmental & Social Expert
Quang Nam	RT3	Nguyen Ngoc Quang	Vice Chairman of People's Committee
		Tran Thanh An	Vice Director of Department of Transport
		Luu Nhat	Vice Director of PPMU, Environmental & Social Expert
		Nguyen Tuan Phong	PPMU Expert
Phu Yen	RT3	Tran Quang Nhat	Vice Chairman of People's Committee
		Nguyen Trong Su	Vice Director of Department of Transport
		Mr. Thanh	Director of PPMU
		Tran Ba Lan	PPMU Environmental & Social Expert
Kon Tum	CRLIP	Nguyen Huu Hai	Vice Chairman of People's Committee

Province	Project	Full name	Position
		Tran Van Chi	Deputy Director, DPI cum Director, PMU
		Kieu Van Ha	Infrastructure Officer, PMU
		Tra Van The	Deputy Head, Investment Division, DOF
		A Veu	Chairman cum Head CPMU, Po Ko Commune, Dak To District
		A Hieu	Beneficiary, Po Ko Commune, Dak To District
		A Nar	Beneficiary, Po Ko Commune, Dak To District

