



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Affaires étrangères
et européennes

Direction de la coopération
au développement et
de l'action humanitaire

Mid-term review of the Third Indicative Cooperation Programme (ICP) 2011-2015 in Vietnam

Executive Summary

In 2014, the Development Cooperation Direction of the Ministry of Foreign Affairs ordered a Mid-term review of the Third Indicative Cooperation Programme (ICP) 2011-2015 in Vietnam and Laos. The evaluation was performed by ADE. The Ministry publishes hereafter a summary of the principal results of this exercise.

The observations, appreciations and recommendations expressed in this document represent the point of views of the evaluators and doesn't reflect necessarily those of the Ministry.



Evaluation mandate

The Ministry of Foreign Affairs of the Grand-Duchy of Luxembourg requested an independent Mid Term Review (MTR) of its current Indicative Cooperation Programme with Vietnam (ICP3 for the period 2011- 2015). Interventions are evaluated at sector level and not at project level. The MTR has a mandate to identify options for updating ongoing interventions, reshaping the organizational framework and identifying new opportunities and approaches to reshape collaboration with Vietnam, now a middle-income country. The evaluation process started in March 2014. A draft progress report was finalised in May 2014. The field mission was conducted in Vietnam in May 2014.

With a budget of EUR 42 million, the ICP3 announces a twofold approach:

- A pro-poor support to social sectors where a cooperation already exists (namely in health and education through human resources), with attention to vulnerable groups.
- Support to the key economic needs of a middle income country, through institutional capacity building and human resource development in hospitality, finance and banking.

The development cooperation between Vietnam and Luxembourg has been successful and productive in the intervention domains of health, LRD and TVET. Relations were built on mutual understanding, respect, interaction and collaboration. Interventions have achieved relevant impact at central and provincial levels, where bilateral projects have been implemented in the last decade. This has paved the way for future collaboration and interaction.

Projects are aligned with GoV policies and sector strategies

Particular attention is given to alignment in the formulation process. Project identification is systematically based on requests expressed by local counterparts; Luxembourg has engaged into dialogue with national authorities, so as to translate the development and economic priorities identified into relevant partner needs. The formulation process pays specific attention to coherence with the existing regulatory framework. All projects are aligned with GoV policies and strategies for all sectors.

Interventions are relevant to partners' needs

Each project has developed a participative approach for identifying, planning and implementing activities. Once projects are formulated, efforts are made to match individual activities (i.e. selection of relevant infrastructures or soft support) with the needs of partner ministries/provinces/districts. In turn, support is considered relevant to the needs of the partners. Local partners are in general actively involved in monitoring and in strategic and operational decisions.

But the ICP doesn't make explicit Luxembourg's priorities and sector objectives in Vietnam

The ICP doesn't define how Luxembourg, as a relatively small donor in Vietnam, wants to position itself, what the sector priorities and the expected results are. Additionally selection criteria for engaging in a specific sector or province are not made explicit. This affects the readability of Luxembourg priorities in Vietnam. Further, the content of the ICP is little known to most partners and technicians interviewed. The ICP has not provided a roadmap for Luxembourg cooperation in Vietnam.

At project level, PRODOCs do not make explicit the specific contribution to the country's policies and strategies (i.e. what is the expected value-added of Luxembourg contribution to Vietnam development). The lack of an explicit strategy makes programming and identification phases informal and weak (further to 3 key sectors and a list of focal provinces, there is no identification criterion to help prioritise interventions). Projects are relevant, but are they the most appropriate to Luxembourg's strategy?

If Luxembourg wants to further contribute to the development of Vietnam, it is recommended to formulate explicitly strategies and priorities in the sectors concerned. The expected added-value at sector level must be explicit and should be monitored. This will determine the type of approach to be developed (i.e. how to combine local projects, policy dialogue and coordination with other donors) and the intervention modalities (e.g. deployment of technical experts for sector dialogue).

Concentration objectives, which aim notably to increase visibility and efficiency, are not reflected in the portfolio

Projects identification is primarily guided by continuity: most of the projects launched since 2011 constitute the second or third phase of previous interventions. In other words, the ICP3 has not modified previous allocation criteria.

The ICP3 claimed stronger sector concentration, but as a small donor in Vietnam, Luxembourg has dispersed activities over too many sectors. Typically, technical vocational education and training (TVET) includes very diverse interventions with limited to no interaction.

The ICP3 puts emphasis on stronger geographic concentration, in comparison with previous approaches. But geographical concentration is similar to the ICP2, except in the health sector (switch from national level to district level only). Activities are spread on more than 3 provinces, and multilateral activities have further increased geographical dispersion.

Support through multilateral organisations has not been integrated into sectors strategies, which has created geographical dispersion and has hampered exchange of experiences or synergy with bilateral interventions. No criterion has been defined to select the most appropriated channel between bilateral or multilateral interventions.

It is recommended to phase out of bilateral support through multilateral organisations in Vietnam.

Outputs are adequately delivered. Projects are very flexible in adapting to changing needs

At project level, work plans and resource schedules are available and used. Technical assistants (CTAs) are usually of quality, committed, competent.

Outputs are usually delivered, most the time with delays, but cost or non-cost extensions help to compensate and catch up with those delays.

Infrastructures & equipment are always of high quality. The question is: do they always fit to local capacities (operation and maintenance) and are adapted to the local environment?

As far as soft support is concerned, there is lack of coherence between the statement made by ICP3 (focus on soft support in comparison with ICP2 focusing on hardware), and a budget still mainly dedicated to infrastructure in most ongoing projects, which is in most cases justified.

Outcomes are usually not quantified and monitored

No monitoring system of the ICP is in place, which relates to the absence of targets at ICP level. This clearly affects the capacity of partnership commissions to exert “mutual accountability”, a principle promoted by the Paris Declaration.

At project level, inputs are monitored and corrective measures are taken if required. But the expected outputs and outcomes are usually too ambitious and generally not quantified.

This affects the usability of the logical framework as a decision tool, the readability of the project from an outsider perspective, and mutual accountability. In turn, mid-term evaluations of individual projects cannot always build on a systematic quantification of outcomes (measurement tools are not systematically defined) and actual outcomes are not compared against initial targets.

Me&E instruments should be further developed to monitor outcomes and not only inputs and outputs. The logframe constitutes a key instrument in that perspective.

Consolidation and sustainability have insufficiently been addressed

Consolidation was stated as an objective by the ICP3, but it is neither defined, nor converted at operational level: projects do not define their exit strategy. Extensions are usually aimed to that purpose, which is not an optimal approach.

Ability for local organisations to ensure maintenance is sometimes at risk, and often assessed as limited by available project evaluations. Financial sustainability is usually a matter of concern. Cost-benefit analyses currently put relatively little emphasis on economic sustainability. Although the most recent formulation papers put more emphasis

on institutional capacities, take-over for operation and maintenance has not always been prepared and is insufficiently taken into account.

The most recent formulation papers put more emphasis on institutional capacities

The main challenges for capacity building are institutional, not technical, while capacity building has in the past been addressed through trainings of individual and less through reinforcement of the overall organisation. Further, the actual use of skills gained through training has built on assumptions that are not systematically identified in PRODOCs or tested. This is however changing: approaches aimed to develop organisational capacity and knowledge are included in most recent PRODOCs.

Support to institutions and regulations have mostly been addressed at provincial level (to the exception of cold chain and blood transfusion at national level). Long-standing experience with local authorities has helped LuxDev positively contribute to elaborate and adapt regulation frameworks.

It is recommended to define and monitor the exit strategy for the ongoing and up-to-come projects. More attention should be put on sustainability in PRODOCs.

More should be done during formulation and identification to assess capacities of organisations in managing infrastructures after achievement. It is recommended to use more strategically the Study Fund for preliminary assessments:

- (i) "Readiness analyses" including organisational assessment prior to define capacity building strategies and in order to pre-define scenarios for a phasing out, and*
- (ii) "Feasibility studies" (which are currently done too late, after the formulation).*

Complementarities between interventions should be improved

There is practically no interaction between the 3 sectors of intervention. Further, there is limited combination of sector interventions in each province (e.g. potential complementarity between health and LRD in Cao Bang).

At sector level, the combination of decentralised and institutional interventions is good in health. In LRD and TVET, the strategic decision was made to work exclusively a provincial level; no formal interaction with ministerial level was foreseen.

Partial complementarity exists between the bilateral and multilateral channels: it is good in health, limited in TVET and LRD. Interaction between MOFA and LuxDev at central and peripheral level can be improved. Harmonization and complementarity with other technical and financial partners are limited: attention is given to the absence of duplication, but there is no specific effort to develop synergies (such as joint interventions).

It is recommended to capitalise and combine expertise within sectors. At the moment, each project demands similar technical expertise, and each CTA must be an expert in various areas. An integrated sector approach could build on a combination of thematic advisors, associated not to a specific project but to a sector programme. The approach could increase synergies and coherence

inside the portfolio. It would certainly require a revised approach in terms of size and phasing of activities.

Capitalisation could be further strengthened within and between MOFA and LuxDev

Luxembourg exploits mid-term reviews and final evaluations of projects to learn from experience on ICP's sectors of concentration, and about beneficiaries/target groups' needs. But efforts are still needed to strengthen institutional memory. LuxDev encourages institutional learning at sector level, but this effort is constrained by an organisational structure exclusively aimed to work at provincial level.

Opportunities for capitalisation and lessons learning with CTAs and at regional level should be encouraged and expanded.

Visibility and influence of interventions are good at provincial level, more limited in Hanoi. Luxembourg doesn't put much emphasis on visibility, which is not defined as an objective in the ICP. Visibility is assessed as poor at national level, both for bilateral and multilateral interventions.

Visibility and communication are meant to explain strategic decisions, communicate on results and legitimate activities. Projects should define a visibility strategy, connect to donor coordination groups, share and promote their approach.

Luxembourg has opted for a decentralised approach, and staff deployment at local level associated to a long-standing partnership have generated confidence and trust with local authorities. But in most focal sectors, Luxembourg is not prepared to combine provincial interventions with influence at national level, due to lack of human resources available in Hanoi and lack of a sector strategy to contribute to coordination forums. The ability for Luxembourg to disseminate its approach, to share experiences and coordinate with other donors in the sector, and be informed of the evolution of the national regulatory framework is in turn limited. There is one exception in the health sector: long standing partnership has made Luxembourg visible and influential on the EPI cold chain.

Luxembourg should better promote the potential value-added of its specific contribution. Any project at local level should be introduced as a "pilot project" for which innovative approaches and lessons will be tested and disseminated.

Interventions should pursue "strategic alliances" with other donors, and systematic combination of interventions at central and local level. This strategy means a concentration of resources on lesser individual interventions, in order to reach a critical mass. The use of the Study Fund could help identify options in that regard.

For the future

The MTR recommends to progressively phase-out and reshape cooperation between Luxembourg and Vietnam, now a middle-income country.

No new ICP4 should be defined. New sector opportunities have been identified by Luxembourg in hospitality, biobanking, capital markets, and green growth. The GoV could seek for new opportunities in these supported sectors. The MTR recommends financing these new activities under the remaining budget for the IPC3.

MOFA and GoV should work together to define an exit strategy for the ongoing projects, that is feasible in the current timespan. Particular attention should be given to sustainability, with a focus on (i) operation and maintenance and (ii) institutional setting for handover.

No new engagement should be made on multilateral interventions or delegated cooperation.

MOFA and GoV should work together to increase the visibility of ongoing and future projects: first, identify together innovations in these projects, and then, promote and share these innovations as good practices.