

## **Management Response – Aus4Reform Mid Term Review**

### **Summary of Management Response**

The Mid Term Review (MTR) of the Aus4Reform Program assessed the implementation of the Program at both the strategic and operational levels. The MTR report considered the impact of COVID-19 on implementation as well as opportunities for the Program to assist Vietnam in its economic recovery. The Review also considered the broader context of the changes in the sector since the design of the Program, which have had significant and wide-ranging implications on the effectiveness, efficiency and relevance of the Program. The review also considered the next iteration of the Program, making recommendations to be considered during a future redesign.

Overall, the MTR concluded that the Program was relevant, and well-aligned with the Vietnam government's development agenda and the strategies of other development partners. The effectiveness and value for money of the Program was found to be high. The MTR Report provided useful recommendations on how the Program could better assist Vietnam in the reform agenda and what gaps that the Program should address to improve overall effectiveness and efficiency, which were presented to and acknowledged by the government partners of the Aus4Reform Program.

DFAT agreed with the MTR's overarching recommendation that it should focus on steps to enhance the sustainability of outcomes delivered under the current Program, including through consideration of a possible new iteration of the program. DFAT, in alignment with our economic recovery pillar under the Vietnam COVID-19 Development Response, will incorporate recommended improvements and propose an appropriate modality for consideration.

Although DFAT agreed in-principle to almost all the review's recommendations, in practice due to limited time remained before the Program's completion, we are unable to implement those under the current phase. We are, however, presently designing a new phase, and the recommendations will be considered in that process.

DFAT acknowledges the finding of the MTR on the importance of our decades long bilateral cooperation in the field of economic reform agenda to strengthening the overall bilateral relationship between Australia and Vietnam. DFAT acknowledges and thanks the Aus4Reform's partner, the Central Institute for Economic Management (CIEM), under Ministry of Planning and Investment (MPI), for its ongoing engagement and leading the delivery of the program. DFAT acknowledges the contribution of the component agencies, including Vietnam Competition and Consumer Protection Authority (VCCA), part of the Ministry of Industry and Trade (MOIT); Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), part of the Ministry of Agriculture and Rural Development; Vietnam Chamber of Commerce and Industry (VCCI); Central Economic Committee of the Communist Party of Vietnam (CEC); Economic Committee of the National Assembly (ECNA) and other stakeholders.

**Management response to the recommendations**

***Recommendations on the effectiveness of the program in achieving the end-of-investment outcomes***

**Review team findings: Strategic alignment**

The Review team examined the strategic alignment of the Program and found that the Program is relevant, and well-aligned with the Vietnam government’s development agenda and the strategies of other development partners.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p><i>Alignment with government strategies</i> The Program is well-aligned with the Vietnam government’s development agenda. It contributes to many of the goals set out in key high-level Vietnamese economic policy documents, including: the Resolution on a New Growth Model; the Socio-economic Development Plan (SEDP) 2016-2020, and the National Gender Equality Strategy 2011-2020 (see below for more detail).</p> <p><i>Alignment with development partners</i> Development partners and their programs noted that Aus4Reform was broadly in line with their strategies and that they did not see any major overlaps or contradictions.</p>	<p>Agree</p>	<p>DFAT agrees that the program is well aligned with the Vietnam government’s development agenda and the priorities of other development partners. This is supported by the program’s design, where the Central Institute of Economic Management (CIEM) under the Ministry of Planning and Investment acts as DFAT’s key counterpart to manage and implement the program in line with priorities of the Government of Vietnam.</p>	<p>DFAT will continue to engage with implementing partners, other development partners and experts to consider ways to ensure the program is aligned with the priorities of both the Government of Vietnam and Government of Australia and is complementary of the efforts of Vietnam’s other development partners.</p>	<p>Ongoing, and during design of new program.</p>

**Review team findings: Effectiveness and value for money**

The Review team found that the effectiveness and value for money of the Program is high. First, because Aus4Reform outputs are generally of high quality, despite some variability. Second, because outputs readily translate into reform outcomes. Program activities mostly targeted areas where there was a well-defined and already agreed upon reform agenda. This meant that there was an automatic interest in most of the outputs, and these outputs could be linked to short term reform outcomes. Activities linked to emerging issues were also useful in contributing to the evidence base and advocating for change. Third, because the Program delivered outputs and outcomes at relatively low cost and provided additionality by:

- Increasing access to international experience to provide a comparative perspective and highlight good practices.
- Facilitating greater and more structured consultations with a broader range of stakeholders.
- Encouraging more analysis of the overall costs and benefits of proposed reform measures, and their distribution, including attention to disadvantaged groups.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>Given the variability in output quality, quality assurance processes should be augmented. Currently, formal quality assurance by the Program is undertaken at just two points (activity proposals and final drafts), and by limited experts (the Senior Technical Advisors).</p> <ul style="list-style-type: none"> <li>• We recommend that activities are both reviewed more often, and that a wider range of experts are available to undertake reviews.</li> </ul>	Partially Agree	<p>DFAT partially agrees with this recommendation. While we agree that quality assurance processes may be augmented, introducing another formal point of quality control will come at increased cost and given the short time remaining for the program’s completion we do not believe this would represent efficient use of remaining funds.</p> <p>We would also note that in addition to formal quality control, the program includes informal quality assurance processes such as the availability of the Senior Advisor Group to provide advice at multiple points during activity delivery. Some activities also include internal mechanisms such as peer-review processes.</p> <p>Given the only remaining funds for the program are allocated to the flexible fund, quality can be augmented through increased involvement of the Senior Advisory Group and through the Senior Technical Advisors considering where internal quality assurance mechanism such as peer-review might be incorporated into activities. As DFAT also has a role in confirming non-objection to flexible-fund activities, it is also able to provide an added layer of quality control for the few</p>	DFAT will work with the National Program Director, Program Support Unit and Senior Technical Advisors to enhance quality control, such as through increased involvement of the Senior Advisory Group and for Senior Technical Advisors to consider where additional internal quality assurance mechanisms may be included as appropriate.	Ongoing, and during design of a new program

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
		remaining activities which will be funded before the Program ends in November 2022.		
<ul style="list-style-type: none"> <li>Engage senior agency staff or external experts at multiple points throughout the research and writing process—from activity proposal to final draft. For example, to ensure that policy recommendations are specific, realistic, prioritised, and provide clear instructions for the government to move to the implementation phase.</li> </ul>	Agree	<p>DFAT agrees that output quality may be improved through increased use of external experts and internal quality assurance.</p> <p>The Senior Advisory Group was designed to support quality assurance and increased use of its expertise will support implementation of this recommendation, together with increased scrutiny of activity design to ensure internal quality assurance is built in. For the remainder of the program the Senior Advisory Group should increase its role in providing quality assurance at multiple points during an activity's approval and implementation.</p>	DFAT will work with the National Program Director and Program Support Unit to encourage greater use of the Senior Advisory Group and for Senior Technical Advisors to consider where additional internal quality assurance mechanisms may be included as appropriate.	Ongoing, and during design of a new program

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>• Engage a wide range of peer reviewers:               <ul style="list-style-type: none"> <li>○ Establish more quality control over the Flexible Fund, particularly when engaging provincial agencies. One option would be to match provincial agencies with senior staff from the central component agencies. These staff would provide periodic input and peer review, from the proposal stage to the final draft. Depending on the level of involvement this may require some budget sharing across agencies.</li> <li>○ More systematically use development partners to peer review outputs.</li> <li>○ Involve independent and external expertise, including from international experts and through partnerships, more frequently (see the following section on external expertise).</li> <li>○ Augment the program technical staff and better utilise the Senior Advisory Group (see the below section on structure and governance).</li> </ul> </li> </ul>	Partially Agree	<p>DFAT partially agrees with this recommendation while we agree that quality assurance processes may be augmented, we do not think it practical to implement all recommendations including given the short remaining time for the program</p> <p>While DFAT agrees that some benefits may be gained through provincial and central government staff matching, this may be a resource intensive process which may not always result in improved quality outcomes.</p> <p>Similarly, while seeking the input of other development partners of the Government of Vietnam (GoV) could improve quality, it is unclear the extent to which these partners would be willing to provide resources to this purpose.</p> <p>DFAT agrees that activities could look to make better use of external expertise and the Senior Advisory Group could be better utilised. Given the short time remaining DFAT will focus on implementing this aspect of these recommendations.</p>	<p>DFAT will work with the National Program Director and Program Support Unit to encourage greater use of the Senior Advisory Group and for Senior Technical Advisors to consider where additional external expertise may be appropriately included at multiple points during the implementation of activities.</p>	<p>Ongoing, and during design of a new program.</p>

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>We [review team] also believe there is room to improve the impact of Program outputs. However, it is currently difficult to establish theories about what sorts of outputs are most impactful, given that evidence on impact is not collected.</p> <ul style="list-style-type: none"> <li>Thus, we recommend that the Program establish an evidence base to better assess effectiveness. For the most part, we found that the component agencies already have this information; it is just not being recorded systematically.</li> </ul>	Partially Agree	<p>DFAT agrees that more systematic tracking of the impact of project outputs would be ideal, while noting however, that it can be difficult to track the outcome of some research given impacts can occur some time after the activities are completed.</p> <p>Given limited time remaining before the program completes, it is not efficient to design a process to systemically improve impact tracking processes during the remainder of the program.</p>	<p>DFAT will work with the National Program Director, Program Support Unit and Senior Technical Advisors to encourage implementing agencies to strengthen M&amp;E processes for remaining activities where appropriate.</p> <p>This recommendation will also be reviewed as part of a design process for the new program</p>	Ongoing, and during design of a new program.

**Review team findings: Use of expertise**

The Review team found that the Program could benefit from more external and diverse expertise, including international expertise. Indeed, a combination of internal researchers and external consultants is most effective. Internal researchers are better connected to the government and have an insider's knowledge, while external consultants can bring in more diverse views and international perspectives. However, the component agencies face three obstacles in using external expertise: cost, access/recruitment, and operational procedures.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<b>Review team recommendations: Use of expertise</b>	<b>Response</b>	<b>Explanation</b>	<b>Action plan</b>	<b>Timeframe, if practical</b>
<ul style="list-style-type: none"> <li>International expertise should be used on a case by case basis. While it can improve report quality, it also greatly increases costs, especially if travel is involved. Criteria should be developed for deciding when international expertise is useful. For example, international expertise should be used when Vietnam is considering new and niche reforms, such that local experts do not have practical experience.</li> </ul>	Agree	DFAT agrees that use of international expertise comes with costs and benefits, and that international experts may be best utilised on a case-by-case basis including where novel and new reforms are being considered.	DFAT will work with the National Program Director, Program Support Unit and Senior Technical Advisors to encourage use of international expertise where appropriate and where it may bring the most benefits.	Ongoing, and during design of a new program
<ul style="list-style-type: none"> <li>Consider ways to incentivise agencies to engage international experts. Some form of cost sharing would be required.</li> </ul>	Partially Agree	<p>DFAT agrees that additional incentives and mechanisms may be required to encourage greater use of international expertise on appropriate activities. Especially as international experts are not always easy to identify (especially those who understand the Vietnamese context), and component agencies may not have international networks to draw on to find specialist expertise.</p> <p>However due to the short time remaining before the program completes, it would be of limited benefit to formally implement a procedure for incentivising greater use of international expertise. DFAT also notes</p>	DFAT will work with the National Program Director, Program Support Unit and Senior Technical Advisors to encourage use of international expertise where appropriate and where it may bring the most benefits, including to remind proponents that some costs may be	Ongoing, and during design of a new program

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
		that proposals for the flexible fund are already able to include costs associated with engaging international experts as part of activity costings.	included as part of activity proposals.	
<ul style="list-style-type: none"> <li>The Program should use an updated cost benchmark for local consultants. Even still, this benchmark should be used flexibly, and agencies should be allowed to exceed benchmarks for specialist expertise on a case-by-case basis.</li> </ul>	Partially Agree	<p>DFAT partially agrees with this recommendation. While we accept a review of cost benchmarks for local consultants may be warranted, given limited time remaining we do not agree it would represent efficient use of funds at this time.</p> <p>Moreover, flexibility does exist for requests for benchmarks to be exceeded to be made for special cases.</p>	DFAT will consider any requests for its no-objection to requests for cost benchmarks to be exceeded on a case by case basis for local consultants and in light of the review team's recommendation.	Ongoing, and during design of a new program.
<ul style="list-style-type: none"> <li>The Program would benefit from a larger Program Support Unit with the capability to assist agencies with competitive recruitment and sourcing international experts.</li> </ul>	Partially Agree	DFAT agrees that program support for the program should be considered during the design of the next phase but does not agree that there is scope to increase the size of the Program Support Unit before the program completes in November 2022.	DFAT will ensure the design process for a new program considers the appropriate level of program support.	Ongoing, and during design of a new program.
<ul style="list-style-type: none"> <li>Consider partnerships with Australian agencies (or agencies from other countries) to help Vietnam learn from international experience and provide a network of international experts.</li> </ul>	Partially Agree	DFAT agrees that where the program can support additional partnerships between Australian and Vietnamese government agencies it could bring benefits in terms of peer-to-peer information sharing.	DFAT will ensure modalities to support agency to agency partnerships are	During design of a new program.



Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
		<p>This could also support Vietnam better implement the reforms it has undertaken to date.</p> <p>However, given limited time remaining before the program completes and the resources it may take for these relationships to be established, this would be better addressed as part of the design process for a subsequent program.</p>	<p>considered as part of the design of a new program.</p>	

**Review team findings: Communication**

The Review team found that Aus4reform regularly publishes and promotes outputs through diverse communication channels. However, a lot of this communication is fragmented, in that it occurs at the agency level. As a result, the program loses an opportunity to build its “brand” and is overall not well known across the government and development partners.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>All program outputs should be uploaded to the website. Where possible, outputs should be available in both English and Vietnamese to increase their audience.</li> </ul>	Partially Agree	<p>DFAT agrees that program outputs should be uploaded to the Aus4Reform website as a matter of course, and that where possible these should be available in both Vietnamese and English.</p> <p>However, DFAT does not support a blanket requirement for all outputs to be uploaded as some may include sensitive information that is not suitable for publication.</p> <p>Translation of program outputs will also increase costs, however DFAT is of the view that in most cases this would be warranted to ensure outputs reach the broadest possible audience.</p>	<p>DFAT will request the Program Support Unit work with implementing agencies to upload outputs as a matter of course to the Aus4Reform website, while noting some exceptions may need to be made for outputs that may contain sensitive information. DFAT will also work with the National Program Director, Program Support Unit and Senior Technical Advisors to encourage project proposals to include costs for translation of final outputs.</p>	Ongoing and during design of a new program.
<ul style="list-style-type: none"> <li>Program outputs should always include an executive summary or short policy brief to be uploaded on the website and social media platforms, with a link to the full report. This makes it easier for readers to</li> </ul>	Agree	<p>DFAT agrees with this recommendation and notes that this action has been effectively applied with the advice from Senior Technical Advisors since Annual Workplan 3 (AWP3).</p>	<p>DFAT to reiterate to the Program Support Unit the value of including a short</p>	Ongoing and during design of a new program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
understand the key messages even if they do not want to read the whole report.			summary with published materials.  Recommendation to also be noted as part of a new program design process.	
<ul style="list-style-type: none"> <li>Suitable reports should also be translated into info-graphics which can be shared on both the website and social media. This makes it easier to convey key messages, will appeal to a broader audience, and increases the likelihood of sharing, reposting, and inclusion by traditional media.</li> </ul>	Partially Agree	DFAT agrees with this recommendation, while noting that production of these types of info-graphics will increase costs and may require additional external expertise. As such they should be produced on a case by-case basis.	DFAT to request the Program Support Unit to work with project proponents to implement this recommendation where appropriate.	Ongoing and during design of a new program.
<ul style="list-style-type: none"> <li>The Facebook page and Aus4reform website should be updated more frequently with relevant economic news, not only with Program outputs. This is more interactive and will engage with readers more frequently.</li> </ul>	Disagree	DFAT disagrees with this recommendation. In our view the purpose of the Aus4Reform Facebook page and Website is to disseminate program outputs and information on program activities. While we are not adverse to other economic news, information or events being reposted on these platforms, we do not think it would be an efficient use of resources to try and boost engagement by making this a focus of these platforms. Nor do we think the Aus4Reform website is necessarily the best platform to effectively disseminate this kind of information.	Use of website, Facebook page and communication strategy to be considered as part of the design of a subsequent program.	During design of a new program
<ul style="list-style-type: none"> <li>Aus4reform should organise an “Eight years of Aus4Reform” conference to mark the end of this iteration of the Program and take stock of the impact of the Program. All component agencies and FF partners would be invited to present their studies and</li> </ul>	Partially Agree	DFAT agrees that it may be useful for a workshop to be held to take stock of Australia’s support for Vietnam’s economic reform. DFAT has commenced discussions with the National Program Director	DFAT will continue to engage with the National Program Director on the potential for a workshop	Before early November 2022.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>engage in policy discussions. The new Program should then include an annual conference or policy forum where the most impactful outputs are presented, and current and emerging policy issues are discussed. This would also foster further collaboration between agencies. These events should be open to government agencies, universities and think tanks, other development partners, and the media</p>		<p>regarding the potential to organise such a workshop, which could also be broader in its focus beyond Aus4Reform. However, any such workshop would be subject to the remaining resources and time of the program.</p>	<p>to be organised prior to the conclusion of the program to take stock of Australia’s support for Vietnam’s economic reform.</p>	
<ul style="list-style-type: none"> <li>• A communication strategy should be developed under the new Program. One aim of this strategy would be to put forward a more coordinated and cohesive view of the Program as a whole.</li> </ul>	<p>Agree</p>	<p>DFAT agrees that a new iteration of the program would benefit from developing a comprehensive communication strategy.</p> <p>Communication of program activities and outputs could be improved to support consistency and strategic focus. This should be a focus during any future redesign of the program.</p>	<p>DFAT will emphasise this task in the design of the next iteration</p>	<p>During design of a new program.</p>
<ul style="list-style-type: none"> <li>• The Program Support Unit should be augmented to include a communications adviser who can undertake the above recommendations. They could also help agencies develop key messages and present data in more user friendly and interactive ways.</li> </ul>	<p>Disagree</p>	<p>DFAT disagrees with this recommendation. The Program Support Unit is already able to draw on the support of a contracted communications team, which has been working with the program since 2019. In the remaining time of the Program, it would be more efficient for the Program Support Unit to consider ways to make use of this contracted support rather than seeking to bring this function inhouse during the remainder of the Program Support Unit.</p>	<p>DFAT to work with the Program Support Unit to increase use of the contracted communication team for the remainder of the program.</p> <p>Recommendation to be considered as part of the development communication strategy for the next iteration or the program.</p>	<p>Ongoing and during design of a new program.</p>

**Review team findings: Structure and governance**

The Review team found that the structure and governance of the program was mostly suitable and reflected a long history of lessons learned. Some key aspects of the Program that are working well and should be preserved include:

- Support for nationally-led efforts and using national systems.
- Better value for money through government execution.
- Clear accountability and decision-making structures.
- Clear focus and manageable scope.
- Sustainability, flexibility and responsiveness achieved through the combination of regular annual funding of component agencies and the flexible fund (FF).

However, the Review team also identified components of the program that would benefit from a re-design. In particular, while the current design of the FF is flexible and responsive, it does not encourage a wide range of stakeholders to apply.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>• The Flexible Fund (FF) should be more open and allocated based on clear transparent criteria and by a panel (including program staff and technical experts).</p>	<p>Partially Agree</p>	<p>DFAT agrees that procedures to allocate the flexible fund could be made more systematic, while noting that it is already open to application by agencies from across the government of Vietnam including at the provincial level. Applications are reviewed by program staff, senior technical advisers and often members of the Senior Advisory Group. DFAT provides a final ‘no-objection’ to proposal following this review process.</p> <p>Despite these processes, DFAT agrees more could be done to publicise the fund and provide clear criteria around allocation procedures. Given the limited remaining funds in the flexible fund and time for the Program to complete, a more systematic allocation process will be best addressed through the design of a new program.</p> <p>Since the completion of the mid-term review DFAT has publicised the fund with new agencies and a number of these have submitted proposals. The Senior Advisory Group has also been more involved in reviewing applications.</p>	<p>DFAT will continue to work with the National Program Director, Program Support Unit and STA to ensure the openness and transparent allocation of the flexible fund during the remainder of the program.</p> <p>DFAT will ensure recommendations of the mid term review on improving flexible fund management and allocation are taken into account in the design of a subsequent program.</p>	<p>Ongoing and during design of a new program.</p>

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>The Program Support Unit should be augmented to contain senior economic advisers, a gender adviser, a communications adviser, an M&amp;E adviser, and more operations and programming staff.</li> </ul>	Partially Agree	<p>DFAT agrees that the Program may benefit from availability of additional program support resources. Currently, the Program Support Unit is operating with one program manager, one accountant-admin officer, with the assistance of a gender adviser (ad-hoc) and communications support available on contract.</p> <p>Given the limited time remaining before the Program completes and only limited flexible funds remain and not core funding, DFAT does not agree that augmenting the Program Support Unit before the end of the program would be practical or efficient.</p> <p>The availability of program support resources will be best addressed during the design phase of a new program, including as this will relate to the modality chosen for a new program and its management structure (see below recommendations on structure for next phase).</p>	DFAT will ensure recommendations of the mid term review on improving program support capacity are taken into account in the design of a subsequent program.	Ongoing and during design of a new program
<ul style="list-style-type: none"> <li>Develop and support partnerships between Vietnamese and Australia agencies (both government and non-government). Such partnerships provide access to Australian expertise, particularly around policy implementation, and do so at a lower cost than hiring consultants.</li> </ul>	Partially Agree	<p>DFAT agrees that where the program can support additional partnerships between Australian and Vietnamese government agencies it could bring benefits in terms of peer-to-peer information sharing. This could also support Vietnam better implement the reforms it has undertaken to date.</p> <p>However, given limited time remaining before the program completes and the resources it may take for these relationships to be established, this would be better addressed as part of the design process for a</p>	Design team for a subsequent Program to Aus4Reform to consider how the program could support partnerships between Australian and Vietnamese agencies.	During design of a new program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
		subsequent program. Including as there may be benefits of building this into the structure and making it a formal aspect of a new program.		
<ul style="list-style-type: none"> <li>The composition of the Senior Advisor Group should be competitively selected and only include advisers who are able to commit a minimum amount of time. The Senior Advisory Group should include expertise on agriculture and gender.</li> </ul>	Partially Agree	<p>DFAT agrees that the Senior Advisory Group has not always been utilised as effectively as possible and that the availability of relevant experts may have been a contributing factor.</p> <p>Since the completion of the MTR, DFAT has made additional gender resources available to the Program Support Unit as a separate resource. Given the priority placed on gender and its cross-cutting nature, increased gender expertise may be better incorporated as a standalone resource with responsibility for having input on all proposals rather than being incorporated into the Senior Advisor Group where individual advisors do not always comment on all activities.</p> <p>Due to the limited time remaining before the Program completes, increasing the involvement of the Senior Advisory Group to provide advice on flexible funds proposals will be more effective than reforming the selection process of the Senior Advisory Group or broadening its composition to include agricultural expertise when relatively few proposals are focused on agricultural issues. The role and operation of the Senior Advisory Group and its selection process should be considered as part of the design process for a subsequent program.</p>	<p>DFAT to continue to emphasise to the Program Support Unit the benefits of greater engagement of the Senior Advisory Group in the project review process.</p> <p>DFAT will ensure recommendations of the mid-term review on improving the composition and selection of the Senior Advisory Group are taken into account in the design of a subsequent program.</p>	Ongoing and during design of a new program

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>Establish an independent steering committee to provide oversight and high-level strategic advice.</li> </ul>	Disagrees	<p>DFAT disagrees with this recommendation as it represents a substantial change in the Program’s structure which would require significant consideration and consultation.</p> <p>DFAT agrees that the management structure for the Program should be reconsidered as part of the design process for a subsequent phase (see below responses to MTR recommendations on next phase), but it is not an effective use of resources to introduce a new management structure during the current phase of the program.</p>	<p>DFAT will ensure recommendations of the mid-term review on program management structures will be taken into account in the design of a subsequent program.</p>	<p>During design of a new program</p>
<ul style="list-style-type: none"> <li>The National Program Director (NPD) should urgently extend the contracts of the Program Support Unit so that they are able to administer the wrap up of the current Program and ensure a stable transition to the new Program.</li> </ul>	Agree	<p>DFAT agrees that ensuring project support resources are available to wrap up the current program and ensure a stable transition to a new program is important.</p> <p>The contract for the PSU was extended in late 2021 to ensure support for the current phase of the program until November 2022.</p> <p>Given the length of the design process for a new program is not certain, DFAT will work with the National Program Director to determine what program support will be required during program wrap up and redesign and the best avenue to provide this.</p>	<p>DFAT to work closely with the National Program Director on program support resources and transition arrangements between the current phase and commencement of a new program.</p>	<p>November 2022</p>



**Review team findings: Gender**

The review team found that Aus4reform has maintained a good degree of gender mainstreaming in its design. The Program has also produced highly impactful outputs on gender. However, the component agencies have struggled to implement gender mainstreaming due to a lack of leadership and incentives, as well as a lack of gender expertise in the Program. While it is understandable that Aus4reform’s top priority is economic reform, gender quality and economic reform are synergistic goals; there is no trade off between focussing on one or the other.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>DFAT, the PCC, and managers within the component agencies should continue to demonstrate their commitment to gender equality by promoting and encouraging gender mainstreaming and gender targeted research, and by creating favourable conditions to make these initiatives happen.</li> </ul>	Agree	<p>DFAT agrees with this recommendation.</p> <p>A Gender Equality Action Plan (GEAP) has been established which serves as an overall strategy, with specific guidance for both gender mainstreaming and gender targeted activities. Gender equality has also been integrated into the Annual Work Plans, and the Program’s monitoring and evaluation framework. All of this represents improvements on the first phase of the Program.</p>	<p>DFAT will continue to consider ways gender mainstreaming and gender targeted research can be continually approved and will work with the National Program Director, Program Support Unit and component agencies to promote these outcomes.</p> <p>Gender equity, and equity outcomes more broadly including disability, will be considered as essential themes in the design of a new program.</p>	Ongoing and during design of a new program.
<ul style="list-style-type: none"> <li>The Program must commit to additional explicit objectives for gender, with better monitoring and evaluation of gender outputs.</li> </ul>	Partially Agree	<p>DFAT agrees the Program can further enhance its gender focus including to consider additional objectives relating to gender outcomes. However due to limited time remaining before the program completes, redesigning the program to include additional gender objectives will not be an effective use of Program resources.</p>	<p>DFAT will continue to consider ways gender mainstreaming and gender targeted research can be continually approved and will work with the National Program Director, Program Support Unit and</p>	Ongoing and during design of a new program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
		<p>Instead, since the completion of the MTR, DFAT has worked with the Program Support Unit to contract a gender expert to provide advice to the program. DFAT contract managers have also sought advice from internal gender advisors on gender outcomes.</p> <p>Gender equity, and equity outcomes more broadly including disability, should be considered as essential themes in the design of a new program.</p>	<p>component agencies to promote these outcomes.</p> <p>Gender equity, and equity outcomes more broadly, including disability, will be considered as essential themes in the design of a new program.</p>	
<ul style="list-style-type: none"> <li>• More capacity building activities on gender and Women's Economic Empowerment are needed for both managers and working level staff. Feminist Political Economy training would be particularly helpful. It will offer the right frameworks and methodological tools to explore the intersectionality of inequality and economics.</li> </ul>	Partially Agree	<p>DFAT agrees that ideally managers and staff from component agencies and the Program Support Unit should receive additional capacity building beyond that already provided to enhance gender and women's economic empowerment. In addition, equity training, including on disability, would ideally be provided.</p> <p>However, due to limited time remaining before the Program completes, and limited remaining funds, provision of additional gender training will not be feasible before the completion of the program.</p> <p>Since the completion of the MTR, DFAT has worked with the Program Support Unit to contract a gender expert to augment the Program's gender advisory capacity.</p> <p>DFAT will ensure that gender capacity building is considered as part of the redesign of the program.</p>	DFAT will ensure that gender capacity building is considered as part of the redesign of a future program.	Ongoing and during design of a new program.
<ul style="list-style-type: none"> <li>• The Program needs in house gender-expertise to help agencies identify areas for gender mainstreaming at the workplan and proposal stage, research gender issues, and</li> </ul>	Agree	DFAT agrees with this recommendation and since the completion of the MTR, DFAT has worked with the	Implemented.	During design of a

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>evaluate outputs. The gender expert should also understand economics.</p>		<p>Program Support Unit to contract a gender expert to augment the Program's gender advisory expertise.</p>	<p>DFAT will ensure that appropriate gender expertise considered as part of the redesign of a future program.</p>	<p>new program.</p>
<p>● Each component should appoint an internal gender focal point who has attended gender training. The focal point, with the help of the program gender expert, will lead gender mainstreaming efforts.</p>	<p>Partially Agree</p>	<p>DFAT agrees in principle with this recommendation, however given only flexible funds remain DFAT does not agree this would be an effective use of funds prior to the finalisation of the Program.</p> <p>Instead, the design of a future program should consider how mainstreaming efforts can be best promoted with the Program and within implementing organisations.</p>	<p>DFAT will ensure that appropriate gender expertise considered as part of the redesign of a future program.</p>	<p>During design of a new program.</p>
<p>● The FF should include gender concerns as one of its evaluation criteria, and make gender mainstreaming compulsory for all work supported by the FF.</p>	<p>Agree</p>	<p>DFAT agrees with this recommendation and notes that gender is already included as a key evaluation indicator for Flexible Fund proposals.</p> <p>The design of a future program should also consider how mainstreaming efforts can be best promoted in activities it funds.</p>	<p>DFAT will ensure that gender mainstreaming is considered as part of the redesign of all aspects of a future program.</p>	<p>During design of a new program.</p>

***Recommendations on the design of new program***

**Review team findings: Strategic focus**

A lot of work has gone into economic policy research and setting up the right regulatory and legal environment in Vietnam (including through Aus4Reform). The government now needs to implement these regulations and reforms.

The components agencies of the current Program are expected to contribute to economic reform implementation through applied research, such as monitoring policy implementation progress and identifying any bottlenecks to reform implementation.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>The most important strategic shift for the new Program should be to focus more on policy implementation.</p>	Partially Agree	<p>DFAT agrees in principle with this recommendation, which is in line with the findings of other development agencies in Vietnam. This includes the World Bank, which in its 2021 Vietnam Systematic Country Diagnostic Update identified effective implementation of policy reforms as one of the most important issues for enabling Vietnam to achieve its 2045 ambitions to achieve high income status.</p> <p>However, the final strategic direction for a new Program will be subject to examination and consideration during a future design process.</p>	To be considered as part of the design of a future program.	During design of a new program.
<p>In terms of specific policy issues, the Review team recommends that the new Program focus on the following core issues:</p> <ul style="list-style-type: none"> <li>● The business enabling environment.</li> <li>● The transition to a more market-based economy through: <ul style="list-style-type: none"> <li>o SOE reform.</li> <li>o Corporate governance, for SOEs and private companies.</li> <li>o Economic restructuring in agriculture.</li> </ul> </li> <li>● FTA implementation.</li> <li>● Consumer protection.</li> </ul>	Partially Agree	DFAT agrees that the areas identified will be important topics for Vietnam’s continued economic reform, however, the final strategic direction for a new Program will be subject to examination and consideration during a future design process.	To be considered as part of the design of a future program.	During design of a new program.
<p>Additionally, the following cross-cutting topics are important to incorporate into the work of the component agencies, or through standalone projects supported by the FF:</p>	Partially Agree	DFAT agrees that the areas identified will be important topics for Vietnam’s continued economic reform, however, the final strategic direction for a new Program, including for any flexible funding element,	To be considered as part of the design of a future program.	During design of a program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>• The post COVID-19 recovery.</li> <li>• The digital economy, digital transformation, and e-government.</li> <li>• The green economy.</li> <li>• Gender equality.</li> </ul>		will be subject to examination and consideration during a future design process.		new program.

**Review team findings: Priority partner agencies**

The advantageous positions of the component agencies in the current program—as think tanks or alike, that can directly influence policy—are less suitable for undertaking policy implementation. Nor can the component agencies best address some of the new priority issues identified above. As such, we recommend that the new Program involve more partners.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>One option is to add a fifth component agency. If so, we recommend that the Economic Commission of the National Assembly (ECNA) is best placed to join the Program as a component agency because:</p> <p>(1) it has already been involved in the current Program through the FF and so understands how the Program works and is interested in increasing their involvement, (2) it is independent from the Government and can therefore increase the diversity of views, and avenues for policy influence, (3) it is well placed to monitor and advise on policy implementation, and (4) donor funding could make a large difference to their capability.</p>	Partially Agree	<p>DFAT agrees that the design of a future program should consider the best agencies to deliver identified priorities. We also recognise that in contrast to the current phase which has produced significant knowledge to support the development of reforms, should implementation be a key focus of a new program additional partners may be appropriate.</p> <p>ECNA has demonstrated its capacity to deliver flexible fund project, however inclusion as a component agency would need to be tested given its limited human resources and priorities to deliver on the agenda of the National Assembly.</p>	To be considered as part of the design of a future program.	During design of a new program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>Supporting policy implementation will also require working with new partners through the FF, in particular, local government, as most policy implementation occurs at the local level. Supporting policy implementation should also involve further engagement with the private sector, including a wider range of business support organisations.</p> <p>Finally, we believe the following central government organisations would be suitable to support under the FF, based on their focus on policy implementation and influence on policy reform: ECNA, the Central Economic Committee (CEC) of the Communist Party, the Ministry of Finance (MOF), the State Bank of Vietnam (SBV), the Office of the Government (Committee on Sustainable Development and Competitiveness), the Ministry of Planning and Investment (MPI), and the Ministry of Industry and Trade (MOIT).</p>	Partially Agree	DFAT agrees in principle with this recommendation, while noting that the flexible fund under the current Program is open to Vietnamese central and provincial governments. In which case, a future Program may need to consider ways to better publicise itself so a broader spectrum of agencies are aware of funding opportunities to implement reform.	To be considered as part of the design of a future program.	During design of a new program.

**Review team findings: Program Design**

The Review team believes that there is scope to improve the design of the Program. The new design should be motivated by the ability to preserve what is already working well, while also delivering on the Review’s key recommendations and the shift to policy implementation.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>This shift to policy implementation not only requires involving more implementing agencies it also requires a more systemic and collaborative approach – one that encourages working flexibly across multiple counterparts (both government and non-government) on a single issue.</p> <p>The managing contractor model is tried and tested by donors, including DFAT. Nationally-executed programs like Aus4Reform are in the minority. In particular because other partner governments do not have the capacity and systems in place to manage such a program.</p>	Partially Agree	<p>DFAT agrees in principle that the design of a new program should consider the best modality for program delivery.</p> <p>The current design has delivered high quality results, however can also place significant administrative burdens on DFAT program managers to augment some administration processes. At times this can take</p>	To be considered as part of the design of a future program.	During design of a new program

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>As such, we would argue that DFAT should preserve this design element. We present three options for doing so.</p> <ol style="list-style-type: none"> <li>1. Aus4Reform classic (the current Program)</li> <li>2. Aus4Reform 2.0, similar to existing program but includes: <ul style="list-style-type: none"> <li>• Augmented administrative and technical resources in the Program Support Unit, managed by a team coordinator.</li> <li>• More independent program management.</li> <li>• Some activities organised by issue.</li> <li>• The potential to include a 5th component agency, and a business support organisation support platform under VCCI</li> </ul> </li> <li>3. A hybrid program: some program elements are government executed while others are administered by a managing contractor.</li> </ol> <p>Note that options 2 and 3 would require a higher annual budget than under the current Program.</p>		<p>away from DFAT's ability to engage strategically with the program.</p> <p>Should a new Program shift towards supporting implementation of Vietnam's reform agenda, it will require additional program management resources. Integrating a managing contractor into the program management structure could be an effective way to deliver these resources. This would allow DFAT to take a more strategic approach to program management. It would also reduce the program management burden for implementing agencies, allowing them to focus more on delivering program outputs.</p>		
<p><i>Component agencies</i> The original component agencies (CIEM, VCA, IPSARD, and VCCI) should continue to be the core of the new Program. They are already delivering quality outputs that contribute to reform outcomes. The new Program could involve a 5th component agency; we recommend ECNA. The component agencies should continue to be provided with stable and reliable funding. Funding should be committed at the outset, without the need for unallocated funding.</p>	Partially Agree	DFAT agrees with the MTR team's recommendation that preserving what is working in the current program should be a priority of a future program. Component agencies have delivered well on Program objectives and would be well placed to continue this under a future program. In considering appropriate component agencies, the program will also need to consider the priorities for a future program.	To be considered as part of the design of a future program.	During design of a new program.
<p><i>BSO support platform</i> A shift to policy implementation further strengthens the need to engage the private sector. The Review team recommends that the new Program involve a wider range</p>	Partially Agree	DFAT agrees in principle that a future program could consider how the private sector could be more directly involved, including through engagement with business	To be considered as part of the design of a future program.	During design of a program.



Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>of business support organisations (BSOs), and that these relationships are managed through VCCI.</p>		<p>support organisations. This recommendation will be considered in more depth as part of the design of a new program.</p>		<p>new program.</p>
<p><i>Steering committee</i> The new Program should involve more open and independent program management, including through a Steering Committee (SC). The SC would be responsible for high level decision making, approval of the AWP, and setting the strategic direction of the Program.</p>	<p>Partially Agree</p>	<p>DFAT is open to considering a steering committee as part of a future design, however this would need to be considered alongside other design elements including current program structures together with the potential to include a managing contractor.</p> <p>This recommendation will be considered in more depth as part of the design of a new program.</p>	<p>To be considered as part of the design of a future program.</p>	<p>During design of a new program.</p>
<p><i>The Flexible Fund</i> Projects under the FF are largely identified, scoped, and prioritised by the National Program Director and CIEM. There is no formal call for proposals or promotion of opportunities under the FF. A key advantage of this approach is its flexibility and responsiveness. However, the current approach does not encourage a wide range of stakeholders to apply. Nor does it encourage collaborative projects (project involving more than one agency). Altogether, this means the FF is not currently set up to promote work on policy implementation. Overall, the Review team recommends a hybrid approach that would maintain some of the agility and responsiveness of the current approach, but also include processes to improve openness, competition, and the diversity of applications.</p>	<p>Partially Agree</p>	<p>DFAT agrees that should a future program include a flexible fund component, this should be structured and managed in an open and competitive way which encourages a diversity of stakeholders to apply and collaboration between agencies.</p> <p>This recommendation will be considered in more depth as part of the design of a new program.</p>	<p>To be considered as part of the design of a future program.</p>	<p>During design of a new program.</p>

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p><i>The Project Support Unit and technical advisers</i> The Program Support Unit should be made more independent and augmented to contain a team leader/coordinator, senior technical advisers, and more operations staff. The ultimate scope and budget of the new Program will determine how many advisers are suitable and whether they should be full time or part time/on-call.</p>	Partially Agree	<p>DFAT agrees that a future program would ideally include additional program and policy support resources. However, how these are allocated will depend on the modality chosen to manage a future program, including the potential to integrate a managing contractor into the management structure.</p> <p>This recommendation will be considered in more depth as part of the design of a new program.</p>	To be considered as part of the design of a future program.	During design of a new program.
<p><i>Independent Senior Technical Adviser (STA)</i> The new Program will still require independent peer review – of both proposals and outputs. This can not be done by Program or Program Support Unit staff. Instead, a part-time independent adviser under DFAT is more suitable. This role is largely the same as that done by the existing Senior Technical Advisers. The Program should also use the Senior Advisory Group and development partners to provide additional peer review.</p>	Partially Agree	<p>DFAT agrees that independent peer review is an important aspect of the current design. However, DFAT does not necessarily need to oversee this adviser for them to maintain their independence.</p> <p>Independent peer review, including the appropriate management modality to support this, will be considered in more depth as part of the design of a new program.</p>	To be considered as part of the design of a future program.	During design of a new program.
<p><i>Senior Advisory Group</i> The composition of the Senior Advisory Group should be competitively selected and only include advisers who are able to commit a minimum amount of time. Advisers should be sought with experience across the strategic issues covered by the new Program, including agriculture. Ideally the Senior Advisory Group would also contain advisers with gender experience and could also include international advisers. The Program Support Unit should ensure that the component agencies and staff working</p>	Partially Agree	<p>DFAT agrees that the role and composition a new program’s advisory group needs to be carefully considered, including in relation to priority issues and what has worked well in the current program and what has not worked so well.</p> <p>Given the Senior Advisory Group has not always been used as efficiently as it could in the current Program,</p>	To be considered as part of the design of a future program.	During design of a new program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>under the FF are aware of the Senior Advisory Group, their range of expertise, and how to use them. As well as their existing roles (technical assistance, informal policy advocacy, and strategic direction), the Senior Advisory Group would provide specialist support on key issues not covered by the permanent technical advisers. Two or three members of the Senior Advisory Group would also be suitable members of the Steering Committee.</p>		<p>this recommendation will be considered in more depth as part of the design of a new program.</p>		
<p><i>Partnerships</i> The new Program could also develop and support formal partnerships between Vietnamese and Australian agencies (both government and non-government). Such partnerships provide access to Australian expertise, particularly around policy implementation, and do so at a low cost. They can also help build staff capacity, either directly or indirectly through learning by doing. A key goal of the partnerships would be to provide an international perspective and practical advice on reforms Vietnam is undertaking for the first time.</p>	<p>Partially Agree</p>	<p>DFAT agrees in principle with this recommendation.</p> <p>Over recent years the peer-to-peer cooperation that has developed between the Australian Competition and Consumer Commission (ACCC) and the Vietnam Competition and Consumer Authority (VCCA) provides a good practical example of how they can contribute to building staff capacity and sharing of practices.</p> <p>Financial agencies has also began to develop similar direct relationships.</p> <p>This recommendation will be considered in more depth as part of the design of a new program.</p>	<p>To be considered as part of the design of a future program.</p>	<p>During design of a new program.</p>

**Review team findings: Gender**

In line with the Review of Aus4Reform above, the new Program should have a stronger focus on gender. The new Program should continue the twin track approach of supporting gender specific activities while improving their gender mainstreaming efforts.

While the new Program should largely focus on policy implementation, there is still a need for applied research on gender. In this section we detail the most important issues for each component agency to address.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p>Given its role as a national think tank, <b>CIEM</b> could continue generating evidence on the link between Women’s Economic Empowerment and economic growth. CIEM could also explore the issue of gender participation in the green economy, how to make up for the impact of Covid-19 on women workers and entrepreneurs, women leadership in SOEs, the role of technology and digitalization in advancing Women’s Economic Empowerment, and the constraints (policies, social norms, and structural barriers) preventing women from fully participating in the economy. CIEM should strive to be the definitive source of policy advice on gender-responsive economic reform.</p> <p><b>VCCA</b>, with its mandate of enforcing competition and consumer protection law, can explore the gender differences in e-commerce, gender issues associated with FTAs, factors that hinder women’s ability to compete on an equal footing, and consumer protection issues that are particularly important for women (such as accessibility, safety, and the right to information).</p> <p><b>IPSARD</b> is well placed to work on gender given that women account for a large proportion of the agricultural labour force. Their work could focus on:</p> <ul style="list-style-type: none"> <li>● the labour and gender implications of Vietnam’s economic transition away from agriculture.</li> <li>● ensuring that women benefit from modern agricultural technologies.</li> <li>● gender gaps in agribusiness value chains.</li> <li>● women’s land rights.</li> </ul>	<p>Agree</p>	<p>DFAT agrees that in a new iteration of the program all lead agencies should have specific gender related priorities while gender mainstreaming should also be pursued across all aspects of the program.</p> <p>For the design of a new program, attention should be given to areas where each lead organisation can have the most impact. The recommended areas of focus for current lead agencies made by the MTR review team should be used in this process, in addition to other potential areas of focus. However, some recommendations relating to delegated areas of responsibility by the GoV, such as CIEM striving to become the definitive source of policy advice on gender-responsive economic reform, may be out of scope in terms of the remit of a future program.</p> <p>This recommendation will be considered in more depth as part of the design of a new program.</p>	<p>To be considered as part of the design of a future program.</p>	<p>During design of a new program.</p>

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<p><b>VCCI</b>, can focus on whether government policies meet the needs of Women owned enterprises. They can continue to identify the constraints faced by Women owned enterprises (not only economic barriers but also social norms and structural barriers), and help promote a business environment conducive to women-led start-ups. VCCI can build on its existing research by examining the emancipatory role of entrepreneurship (not only its role in wealth creation).</p> <p>The new Program should also include implementation-focussed work on gender, led by VCCI in partnership with women BSOs. Such work could include supporting women’s professional networks, promoting women entrepreneurs and women in business as role models, providing management and leadership training to women in business, and capacity building activities for Women owned enterprises.</p>				
<p>The new Program should also encourage organisations working on Women’s Economic Empowerment to apply to the FF. Some suggestions from interview respondents and the Review team include:</p> <p>Government partners:</p> <ul style="list-style-type: none"> <li>• The Vietnam Women’s Union (VWU), particularly the Women Entrepreneur clubs in provinces and cities under the VWU.</li> <li>• The Vietnam Women Entrepreneurs’ Council (under VCCI)</li> </ul> <p>Women Business associations:</p> <ul style="list-style-type: none"> <li>• Hanoi Association for Women Entrepreneurs (HNEW)</li> </ul>	Partially Agree	<p>DFAT agrees in principle with this recommendation. Depending on the design of a future program, any flexible fund element should not only be open but also encourage organisations working on women’s economic empowerment to apply. In addition, organisations working on other economic empowerment and equity issues including disability organisations should be encouraged to participate.</p> <p>This recommendation will be considered in more depth as part of the design of a new program.</p>	To be considered as part of the design of a future program.	During design of a new program.

Findings and Recommendation	Response	Explanation	Action plan	Timeframe, if practical
<ul style="list-style-type: none"> <li>● Ho Chi Minh City Association for Women Executives &amp; Entrepreneurs (HAWEE)</li> </ul> <p>Non-government organisation:</p> <ul style="list-style-type: none"> <li>● Women's Initiative for Start-ups and Entrepreneurship (WISE)</li> <li>● The Center for Education Promotion &amp; Empowerment of Women (CEPEW)</li> </ul>				