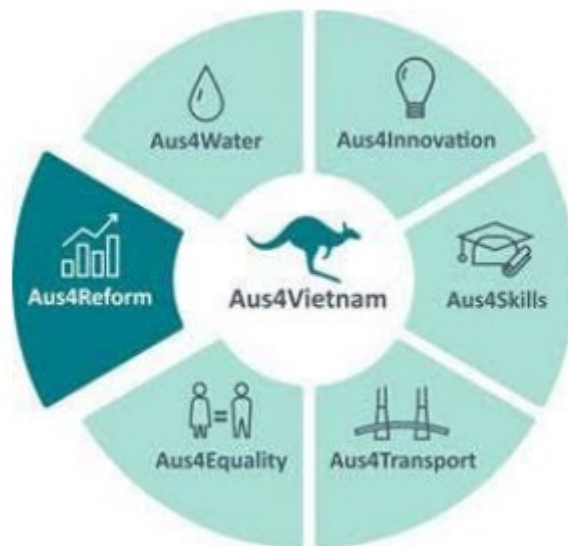




Aus4Reform Review

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Acronyms and Abbreviations

Abbreviation	Explanation
ACCC	Australian Competition and Consumer Commission
AWP	Annual Work Plan
BSO	Business support organisation
CEC	Central Economic Committee of the Communist Party of Vietnam
CIEM	Central Institute of Economic Management, part of the Ministry of Planning and Investment
DFAT	Department of Foreign Affairs and Trade
ECNA	Economic Committee of the National Assembly
FF	Flexible Fund
FTA	Free trade agreement
HCM	Ho Chi Minh City
IPSARD	Institute of Policy and Strategy for Agriculture and Rural Development, part of the Ministry of Agriculture and Rural Development
MOIT	Ministry of Industry and Trade
MPI	Ministry of Planning and Investment
NA	National Assembly
NPD	National Program Director
OM	Operations Manual
PC	Productivity Commission
PCC	Program Coordination Committee
PSU	Program Support Unit
SAG	Senior Advisory Group
SEDP	Socio-Economic Development Plan
SOE	State-Owned Enterprise
STA	Senior Technical Advisor
VCA	Vietnam Competition Authority, part of the Ministry of Industry and Trade
VCCI	Vietnam Chamber of Commerce and Industry
WEE	Women's Economic Empowerment
WoE	Women owned enterprise

Executive Summary

The Review of Aus4Reform was tasked with (1) evaluating the effectiveness of the Program in achieving the end-of-investment outcomes and (2) informing the development of a potential future phase of Aus4Reform.

Part 1: Evaluation of Aus4Reform

Findings

This section evaluates the existing Aus4Reform program against the following six criteria.

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.

Effectiveness and value for money

We also find 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.

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.

Communication

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.

Structure and governance

We 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, we 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.

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.

Recommendations

This section makes high-level recommendations to improve the impact of the Program. Recommendations focussed on the design of the new Program and are discussed in the following section.

- Augment quality assurance processes – outputs should be reviewed more often, and a wider range of experts should be used to undertake reviews.
- Establish an evidence base to better assess effectiveness by systematically collecting information on the impact of Program outputs.
- Improve access to, and communication of, outputs by:
 - uploading all reports to the website, in both English and Vietnamese.
 - always including an executive summary or short policy brief to be uploaded on the website and social media platforms, with a link to the full report.
 - translating suitable reports into info-graphics which can be shared on both the website and social media.
- Commit to additional explicit objectives for gender, with better monitoring and evaluation of gender outputs.
- Appoint internal gender focal points in each component agency and ensure these staff receive adequate gender training.

Part 2: Future Direction of Aus4Reform

This section discusses the future direction of Aus4Reform and makes high level recommendations for a potential new Program. Recommendations focus on the new Program's strategic focus, priority partner agencies, and the program design.

Strategic focus

The most important strategic shift for the new Program should be to focus more on policy implementation. 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.

In terms of specific policy issues, the Review team recommends that the new Program focus on the following core issues:

- The business enabling environment.
- The transition to a more market-based economy through:
 - SOE reform.
 - Corporate governance, for SOEs and private companies.
 - Economic restructuring in agriculture.
- FTA implementation.
- Consumer protection.

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:

- The post COVID-19 recovery.
- The digital economy, digital transformation, and e-government.
- The green economy.
- Gender equality.

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.

One option is to add a fifth component agency. If so, we recommend that ECNA is best placed to join the Program as a component agency because (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.

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. 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).

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.

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.

Preserving what is working well means that the component agencies (CIEM, VCA, IPSARD, and VCCI) should continue to be the core of the new Program. Our major design recommendations therefore center around the other components of the Program.

The **Project Support Unit** (PSU) should be made more independent and augmented to contain a team leader/coordinator, senior technical advisers, and more operations/administrative staff. The PSU would support both the component agencies and the FF. 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. The technical advisers would include economists and a gender adviser. These advisers would scope out potential projects for the FF, review workplans, help develop proposals, and give interim and final feedback on outputs. The PSU could also include a communications adviser to help agencies publicise their outputs and work on the overall branding of the new Program.

The composition of the **Senior Advisory Group** (SAG) should be competitively selected and only include advisers who are able to commit a minimum amount of time. The SAG should include expertise on agriculture and gender.

The new Program could develop and support formal **partnerships** between Vietnamese and Australian agencies (similar to that between the VCA and ACCC in Australia) to provide access to international expertise, particularly around policy implementation, and do so at a low cost.

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. The SC should include the NPD, the team leader/coordinator, representation from DFAT, and technical experts (drawn from the SAG or technical advisers).

Finally, the **Flexible Fund** should be designed to support implementation-focussed activities, including those organised by issue and involving a coalition of partners. This would be made possible by the additional administrative and technical resources under the PSU. A larger budget for the FF would also be highly desirable. The FF also needs to be more widely publicised and the allocation of funding needs to be more open and contested. This can be achieved by using the PSU to review proposals and the SC to ultimately award funding. Proposals would be evaluated against open selection criteria including potential impact, feasibility, alignment with Program objectives, focus on implementation, and incorporation of gender.

Introduction

The Aus4Reform Program

The Australia-Vietnam Economic Reform Program (Aus4Reform, or “the Program”) works with the Government of Vietnam to boost productivity and competitiveness. Aus4Reform is the third iteration of Australia's decade-long support for Vietnam's economic reform agenda. This longstanding commitment has made Australia a trusted development partner on economic reform.

The Program is delivered through grant financing of AUD 6.5 million. There are five components:

- Component 1 - Building more Competitive and Transparent Markets and Business Enabling Environment (led by Central Institute for Economic Management - CIEM)
- Component 2 - Ensuring Markets Operate Competitively in Consumer and National Economic Interests (mainly undertaken by Vietnam Competition Authority - VCA)
- Component 3 - Facilitating the Restructuring of the Rural Economy (mainly implemented by Institute of Policy and Strategy of Agriculture and Rural Development - IPSARD)
- Component 4 - Greater Business and Women's Voice in Investment Climate and Economic Restructuring Issues (led by Vietnam Chamber of Commerce and Industry - VCCI)
- Component 5 - A Flexible Fund (FF) to Respond to Emerging Bottlenecks to Productivity Growth and Innovation (administered by CIEM)

The President of CIEM acts as the National Program Director (NPD), with a program support unit (PSU) embedded in CIEM's Hanoi office. Senior Technical Advisors (STAs) and a Senior Advisory Group (SAG) of independent experts provide strategic support and advocacy. A Program Coordination Committee (PCC) made up of senior representatives from each participating agency and The Embassy set the strategic direction of and approve annual work plans (AWP).

According to the program design, Aus4Reform is expected to contribute to Socio-Economic Development Plan (SEDP) objectives of reducing poverty and ensuring equitable improvements in living standards by supporting an acceleration in business startups, innovation and productivity growth, with an increasing role for the private sector and competitive markets providing a more sustainable and inclusive model of economic development. Program supported reforms are expected to help stimulate business expansion and innovation and the shift to a more knowledge-based economy. Program activities are expected to strengthen the evidence base on the expected impacts of economic reforms, and build broad based support for reform through consultative approaches and advocacy.

Purpose of the Review

The Review of Aus4Reform evaluates the effectiveness of the Program in achieving the end-of-investment outcomes and informs the development of a potential future phase of Aus4Reform (the “new Program”). The primary intended users of the Review are Australia’s Department of Foreign Affairs and Trade (DFAT) and Aus4Reform staff, particularly the PCC and the PSU. There are four key objectives of the Review:

1. to review the performance of Aus4Reform relative to planned outcomes and suggest measures to improve program effectiveness.
2. to review the continuing relevance of the Program design and make recommendations to strengthen results monitoring and knowledge management activities.
3. to review future options for the Aus4Reform Program, including assessment of the need for extension and/or need and scope for mobilising additional resources for the Program.

4. to inform the alignment of economic reform in Australia's COVID-19 Response Plan (CRP) for Vietnam. The CRP operationalises the Partnerships for Recovery Plan.

As the Program is nearing its completion date, objective 3 is the highest priority for the Review.

Methodology

The Review draws primarily on Program documentation and interviews with key stakeholders and informants. The Review team reviewed a wide range of documents, including:

- Program background documents: the program design, the operations manual, annual work plans (AWPs), the health check, the gender action plan, and quarterly reports.
- Government strategies and policy resolutions.
- Development partner strategies.
- A range of recent Aus4Reform outputs (over 35 documents).

We also conducted 26 consultations with program stakeholders (via video conference given a COVID-19 outbreak in Vietnam), including:

- DFAT officials at the Australian Embassy in Hanoi
- The NPD and all members of the PCC
- Working level staff of each component agency
- Recipients of funding under the FF
- The current STAs and the ex-STA
- Two members of the SAG
- The PSU
- Other government ministries (including the Ministry of Finance), and other areas of the Ministry of Industry and Trade (MOIT)
- Development partners and projects

The Review team also sought additional information from some respondents, either through email or follow up interviews.

Report structure

The remainder of the report is structured as follows:

Part 1 evaluates the existing Aus4Reform program along the following topics:

- Strategic alignment
- Effectiveness and value for money
- Use of expertise
- Communication
- Structure and governance

Part 2 advises on the future Direction of Aus4Reform along the following topics:

- Strategic focus
- Priority partner agencies
- Program design

Part 1: Evaluation of Aus4Reform

This section evaluates the existing Aus4Reform program and makes high-level recommendations to improve the impact of the Program. While some of these recommendations can be implemented over the remaining months of the Program, most relate to the next iteration of the Program. The recommendations are presented in much more detail in Part 2 of this report, which discusses the future direction of Aus4Reform.

Strategic alignment

Findings

Alignment with government strategies

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). For example, the Resolution on a New Growth Model, and the SEDP prioritise "economic restructuring associated with growth model innovation and improving productivity, efficiency and competitiveness".

A series of annual resolutions have also established the government's focus on improving the business enabling environment and strengthening national competitiveness.

Alignment with development partners

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. For example, the World Bank observed that they work on the same issues as Aus4Reform, and with many of the same government partners, particularly CIEM. This team are in regular contact with the Embassy which helps to ensure their work is complementary and not duplicative. USAID also noted that their Governance for Inclusive Growth (GIG) project worked closely with Aus4reform on similar issues. GIZ also have advisers working on similar issues in CIEM.

Many development partners expressed a desire for more regular information sharing with Aus4Reform and for invitations to Aus4Reform events.

Focus on gender

Aus4reform's focus on promoting women's economic empowerment (WEE) is aligned with the government's National Strategy on Gender Equality 2011-2020. This strategy sets out seven objectives to close the gender gap across many areas, including politics and economics. Some specific targets of the Strategy which align with Aus4reform's work include:

- The proportion of women amongst entrepreneurs will reach 30% by 2015 and 35% by 2020.
- The rate of female rural laborers (aged under 45) who are vocationally trained will reach 25% by 2015 and 50% by 2020.

The emphasis on women's economic empowerment is also in line with Australia's Gender Equality and Women's Empowerment Strategy, which applies to all foreign policy and development programs. Aus4reform contributes to the achievement of the strategy's second priority—women's economic participation and women's equitable benefits from economic life.

Effectiveness and value for money

Findings

Aus4Reform activities typically involve building a constituency for reform through evidence-based research and analysis, capacity building, information dissemination, and raising awareness through workshops, the media, influential networks, and other forums.

In this section we first analyse the quality of the outputs under these activities, then consider how the activities translate into economic reform outcomes, and finally consider the costs of inputs in order to be able to comment on overall value for money.

Output quality

The Review team conducted a comprehensive review of recent outputs produced under the Program. Overall, we found that Aus4Reform outputs are high quality. However, there is significant variability, both between the component agencies and between the outputs produced by each agency. Generally, we observed that:

- Quality was improved when outputs were linked to a current policy agenda from the start, and recommendations were specific and achievable.
- Quality was improved when the policy recommendations outlined in reports were specific and prioritised, making it more likely that the report will lead to reform outcomes.
- Quality was higher when a senior researcher was involved throughout the process—from proposal development to peer review. Nevertheless, there were some studies that involved senior researchers still had room for improvement, suggesting that these researchers did not have sufficient time to oversee the work.
- Some reports produced by different components were seen to overlap. However, in most cases we found that this can be useful in building broad support for economic reform, so long as the reports address similar issues from different perspectives.
- Some reports produced seem to be repetitive year to year, especially periodic reports (such as the updates on the implementation Resolution 2). However, we found that in most cases this repetition was expected, and to some extent desirable, as it is part of the process of building support for change.

We also observed the following regarding the outputs produced under each component.

Overall, outputs from **CIEM** are well researched and presented, contain high quality analysis, and directly contribute to relevant and current economic reform debates. It is clear that these studies are produced by experienced researchers. CIEM studies provide specific policy recommendations that can translate into policy formation. Some studies also assessed new policies and recommended revisions where necessary. As CIEM studies are presented to staff in MPI and the broader government it is possible to see how they influenced recent policies designed to cut administrative procedures and improve the business environment. Other studies that have not directly translated into specific policies are nevertheless relevant to shaping the government's understanding of policy issues and may still shape future policies.

Unlike CIEM, **VCA** are not a think tank, but charged with developing and enforcing competition regulation. As such, their outputs are more practical and focused on policy monitoring and implementation. Although their research style is less rigorous (compared to CIEM), outputs are still high quality and relevant. A lot of their work focuses on examining major industries' market structure. They are also beginning to address issues around consumer protection, although this work is less developed. VCA is planning a transition from Agency status to National Commission (but still under MOIT) in the medium term. As such they are focused on increasing their capacity. As Vietnam

continues its transition towards a market economy there is plenty of scope for applied research from VCA.

IPSARD is the only agency focussed on agricultural research. Their outputs cover both broad issues, like the impact of COVID-19 on agricultural trade, and narrow topics, like vocational training for the rural labour force. There is perhaps less scope for IPSARD's outputs to link directly to policy reforms, as reform progress is more difficult institutionally in the agriculture space. Some of IPSARD's reviewed outputs were less rigorous than those of other agencies. This may reflect the fact that the Program does not have any senior technical staff (either the STA or the SAG) with expertise in agriculture.

VCCI's outputs provide comprehensive assessments of the implementation of government policies and resolutions, and recommend ways to improve the investment climate. VCCI's outputs are very complementary to those of CIEM. While CIEM's research focuses on big picture reforms, VCCI examines the impact of these reforms from the perspective of the private sector and provides good feedback to the government. For example, VCCI examined the impact of the CPTPP FTA on businesses, and helped businesses understand the implications of this agreement. Going forward, there are opportunities for CIEM and VCCI to work together to produce more multidimensional research on reform implementation. Overall, the addition of VCCI to Aus4Reform has clearly strengthened the Program's overall impact on economic reform.

The work of the **Flexible Fund** deals with emerging topics which are not covered by the AWP's of the four component agencies, and allows the Program to bring in new partners working on complementary reforms. The FF has helped the Program build credibility, generate analysis on new issues, and build a wider consensus on reform priorities. However, the trade-off is that bringing new partners into the Program can result in slightly lower quality outputs.

For example, some FF outputs were produced by provincial governments, such as Can Tho and HCM. These governments have their own think tanks, but the quality of research is generally not as high as that in central agencies. For example, the HCM study did not provide many new insights or in-depth recommendations. Nevertheless, working with local governments is worthwhile, especially around policy implementation. And the quality of their work can be expected to improve overtime and with more support from the rest of the Program.

Some activities under the FF were undertaken by the existing component agencies. While these agencies have higher research capacity, these activities do not broaden the reach of the Program or create a wider consensus to the same extent as activities that involve new partners.

Outcomes

The Review team found that there are no established processes for documenting and recording how the Program's outputs are used and their impact. Further, agency staff noted that it can be hard to demonstrate the impact of outputs under the Program. Nevertheless, we were able to piece together a picture of the Program's impact through interviews and additional information provided by the component agencies.

Of course, not all activities can be expected to deliver their expected outcomes. It is not possible to fully know in advance what specific findings will be revealed by research, what policy recommendations will resonate best and align with the political economy of the time. The Review team has observed that other reform programs have activities that do not achieve their goals and produce reports that are not widely read. The advantage of the Aus4Reform approach is that the Program is already embedded within the government, and the activities are more demand-driven (by the government), such that there is a good chance that reports will be read and ultimately feed into policy change.

Indeed, we found that 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. Other activities were directed to emerging issues where there was no clear commitment to reform. However, such outputs can still be useful if they contribute to the evidence base and advocate for change. Usually this means more effort is needed to secure the attention and interest of policy makers to get the report recommendations included on the national reform agenda.

We also found that the agencies were better able to achieve reform outcomes when they collaborated. For example, CIEM and VCCI worked closely on Aus4Reform-funded activities around FTAs. Likewise, CIEM and VCCA worked together on issues related to competition policy and regional economic integration. This sort of collaboration should be further encouraged.

Some indicative achievements are detailed below.

CIEM proposes recommendations to the government through MPI or other government agencies. They provided input to the Law on Enterprises and the Law on Investment, which seek to improve the business environment and market orientation of the economy. More recent achievements include:

- The report “Making RCEP work for economic well-being and autonomy in Vietnam: Required reforms of trade and investment institutions” (2021) provided (1) inputs to the review of Resolution 06-NQ/TW on effective implementation of FTAs (on-going); and (2) helped prepare a new government resolution on economic integration (upcoming).
- The report “Making economic recovery and institutional reforms intertwined after COVID-19: Way forward for Vietnam” (2021) provided (1) inputs to the government’s economic recovery plan (on-going); (2) inputs to the monthly socio-economic report of the government (submitted by MPI); and (3) inputs to the speech of Vice Minister Tran Quoc Phuong at the APEC Structural Reform Ministerial Meeting.
- More broadly, Vietnam (CIEM) was recently selected to lead the preparation of the new APEC structural reform strategy, due in part to the government’s internationally recognized economic reform achievements (for example, reforms to the business environment, SOEs, and innovation policy). In turn, these achievements were due significantly to Aus4Reform.

Some of the most effective activities of **VCA** include:

- The report on “Nine Years of Enforcement of Consumer Protection Law” (2019) recommended the development of the Law on Consumer Protection (amended) into the Law and Ordinance Development Program in 2022. The recommendations of the report were also presented to the Prime Minister.
- A live broadcasted radio seminar provided information on legal knowledge, legal situations, how to handle consumer disputes in the retail sector, and recommendations to consumers. The seminar helped to raise consumers’ awareness of consumer protection legislation, and strengthen the responsibility of enterprises in protecting the interests of consumers, especially female consumers.
- The report “Assessing the impact of Covid-19 on key industries in Vietnam” (2021) was widely distributed and referenced. It has informed many of MOIT’s reports and activities, including the (1) Industry and Trade restructuring scheme for 2021-2030; (2) Strategy for Import and Export of Goods for 2021-2030; and (3) Action Plan to restore and promote industrial and commercial development during the period of Covid-19 prevention and control. The report also provides data to help MOIT undertake its usual business such as regulating mergers and acquisitions in the post COVID-19 period, and improving foreign investment cooperation.

IPSARD's research has supported the Ministry of Agriculture and Development (MARD) on a range of issues including land, rural labour, the transformation of labour in the Mekong Delta, the impact of FTAs on specific value chains, and the impact of Covid-19 on Agriculture. Some of the most effective activities include:

- Research on “Assessing the current situation of agricultural vocational training and proposing solutions for rural workers” (2021) was integrated into a draft scheme to improve the quality of agricultural vocational training over 2021-2025 that is expected to be approved by the Government in 2021.
- Research on the “Institutional barriers affecting the development of the agricultural land market” (2019), and the study on “Developing institutions for promoting the agricultural land market in Vietnam” (2020) contributed to the development of Decree 62/2019 ND-CP on paddy land management and usage. This research was also used by the Ministry of Natural Resources and the Environment to revise the Land Law to help develop the agricultural land market.
- Research on the “Impacts of African swine fever on the pig sector and pig producer’s livelihoods in Vietnam” (2020) contributed to Decision 2254/QĐ-TTg of the Prime Minister, which detailed the mechanism, policies, beneficiaries, and level of financial support to prevent and control African swine fever in 2020.

Some impactful activities of **VCCI** include:

- The report “Doing Business in Vietnam: Evaluation of Women-Owned Enterprises (WoEs)” was the first large-scale assessment of WoEs in Vietnam. It includes statistics from 63 provinces and cities across the country, and provides a holistic picture of WoEs in Vietnam, covering their business performance, their views on the business environment, the challenges they face, and policy recommendations on how the government can better support WoEs. The report has been widely distributed and referenced, and has directly influence government policy as follows:
 - This report was an important input for the review of the National Strategy on Gender Equality in Vietnam for 2011-2020.
 - The report was also an important reference for the development of a new national gender equality strategy for 2021-2030.
 - The report provides useful information for localities. VCCI has received many requests from provinces to help them implement activities for WoEs.
- The report “Implementation of the Government's resolutions on improving the business environment and developing businesses from the perspective of enterprises” (2019) has been widely distributed and referenced, and has directly influenced government policy. Indeed, the Government Office directed ministries and agencies to study the contents of VCCI report, and to work with VCCI on implementing the recommendations. The recommendations of the report were included in Resolution 01 and Resolution 02 of the Government in 2020. Furthermore, the Government assigned MPI to develop a resolution to implement the recommendations over 2021-2025. Finally, MPI used the VCCI report to evaluate the 5-year implementation of the Government's Resolution 35/2016 on business development.

Value for money

We observed that some similar outputs and outcomes were produced with rather different budgets. Or conversely, some outputs with similar costs were of different quality and were more or less successful in driving economic reform. This means that value for money can differ greatly between activities.

Thus, is useful to identify drivers of output quality and outcomes (as above) and combine this with an analysis of costs to determine the overall drivers of value for money.

Generally, there are two main inputs that make activities more expensive: the involvement of international consultants, and large workshops. The key issue is whether such costs contribute to substantially more support for key reform measures. We found that, for the most part, international input improved the quality of research and policy recommendations, increased credibility, and helped reach a wider audience. Similarly, we found that many high-profile workshops promoted broad ranging discussion can help generate consensus for policy reform. For example, a large (and relatively expensive) National Assembly economic workshop supported by Aus4Reform (with US co-financing) appears to have helped ignite public debate on the environment. Nevertheless, these more expensive input should be used judiciously and well-justified in activity proposals and AWP.

The Review team also observed that some activities under the FF have higher costs. This is to be expected to some extent as activities under the FF are not planned as far in advance as activities under the AWP, and because they often involve new partners who are interacting with the Program for the first time. However, as long as activities under the FF are providing the right information at the right time, they are still a vital part of the Program and can be considered value for money.

In many cases agencies were able to keep costs down, while still producing high quality output. Primarily this was possible because they mobilised contributions from international experts at no or little cost. For example, the ACCC provided considerable support to VCA at no cost to the Program (some of these costs were born by another Program – the Competition Law Implementation Program (CLIP)). Experts from the Australian Productivity Commission provided similar assistance to CIEM.

The Program also mobilises other inputs a little to no cost. For example:

- businesses (and others) provide input to policy dialogue.
- the media is used to disseminate information and build public support for policy reform.
- the agencies meet many of the overhead costs (like office space) and administrative costs (like recruitment).

Another concern regarding value for money is the “additionality” of Aus4Reform. That is, the extent to which Aus4Reform funding generates reform outcomes that wouldn’t otherwise have occurred, or wouldn’t have occurred as soon, or to the same degree.

The Program was designed to support agreed reform priorities. That is, Aus4Reform support was always intended to complement or add value to national initiatives. Thus, it is likely that most studies and reforms would have been conducted regardless of Aus4Reform support. Nevertheless, we find that Aus4Reform provided additionality, and improved the quality of outputs and reforms, in three key ways:

- By increasing access to information on international experience to provide a comparative perspective and good practices (even in studies with no direct international expert input).
- By facilitating greater and more structured consultations with a broader range of stakeholders.
- By encouraging more analysis of the overall costs and benefits of proposed reform measures, and their distribution (in at least a qualitative manner), including attention to underrepresented groups (including women).

Recommendations

Overall, we find that the effectiveness and value for money of the Program is high. However, there is room to improve.

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 STAs). We recommend that activities are both reviewed more often, and that a wider range of experts are available to undertake reviews.

- 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.
- Engage a wide range of peer reviewers:
 - Establish more quality control over the FF, 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.
 - More systematically use development partners to peer review outputs.
 - Involve independent and external expertise, including from international experts and through partnerships, more frequently (see the following section on external expertise).
 - Augment the program technical staff and better utilise the SAG (see the below section on structure and governance).

We 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. 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.

Focus on Gender

Findings

Aus4reform has maintained a good degree of gender mainstreaming in its design. A Gender Action Plan was established and served as an overall strategy, with specific guidance for both gender mainstreaming and gender targeted activities. Gender equality has also been well-integrated into the AWP, and the Program's monitoring and evaluation framework. All of this represents improvements on the first phase of the Program.

There is also growing realization among agency staff that gender equality is an economic issue that needs to be addressed. They understand that gender mainstreaming across economic reform efforts helps to achieve sustainable and equitable economic growth and poverty reduction.

Aus4reform has also produced highly impactful outputs on gender. In particular, VCCI's research on "Doing Business in Vietnam: Evaluation of Women-Owned Enterprises" (WoEs). This report informed the government's implementation review of Vietnam's previous National Gender Equality Strategy (2011-2020) as well as the development of the subsequent 10-year National Gender Equality strategy.

The other component agencies have also delivered gender-focussed outputs, such as CIEM's report on gender in migration; VCA's work on women's complaints in consumption, and IPSARD's report on employment opportunities for rural women in the Mekong Delta.

However, challenges remain in moving beyond these achievements. Specifically, the component agencies have struggled to implement gender mainstreaming. Very few Aus4Reform outputs dig

deeper into the gender power relations and underpinning structural issues that sustain gender inequalities.

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. Gender mainstreaming can help create a positive feedback loop between gender equality and economic growth.

The current approach to gender mainstreaming is focused on counting women as beneficiaries. For example, VCA's annual work plans track the ratio of women participating in their workshops and other activities. While this is an important first step to reach women, it is not the intention of gender mainstreaming.

Similarly, while the agencies understand how to collect and examine sex-disaggregated data, their outputs do not translate this data into in-depth analysis or specific gender related policy recommendations. For example, IPSARD's report on vocational training in agriculture missed the opportunity to examine women's access to vocational training and the specific training needs of women. Likewise, VCA's report on the industry impact of Covid-19 missed the opportunity to highlight the disproportionate impacts of Covid-19 on female workers, and women in general.

We found that the component agencies face two main constraints in mainstreaming gender:

- **A lack of leadership and incentives**, and a sense of prioritization by management in conducting gender activities. Visible and consistent commitment by agency leadership is important in creating an enabling environment for staff to incorporate gender into their research. Agency staff noted that even though they have received gender mainstreaming training, they are not encouraged to apply this in their work. Respondents also noted that the structure of the Program, with research siloed in each of the four component agencies, does not allow for research targeting the broad structural causes of gender inequality. Further, proposals on joint research on gender between agencies have not got enough attention from the PCC. Finally, staff believed that project budgets were insufficient to hire gender expertise.
- **A lack of gender expertise**, especially the lack of access to a gender expert with an economics background. Currently, there is no full-time gender expertise within the Program, and when gender expertise is available, it is not used early enough in research design to highlight areas where gender could be examined. Agency staff indicated that they did not know how to conduct gender analysis or to identify the links between gender equality and economic reform. CIEM staff also noted the lack of sex-disaggregated data in many areas, such as migration, which prevented gender-focused research on these topics.

Recommendations

- 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.
- The Program must commit to additional explicit objectives for gender, with better monitoring and evaluation of gender outputs.
- More capacity building activities on gender and WEE 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.

- 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 evaluate outputs. The gender expert should also understand economics.
- 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.

The FF should include gender concerns as one of its evaluation criteria, and make gender mainstreaming compulsory for all work supported by the FF.

Use of external expertise

Findings

The Review team found that the Program could benefit from more external and diverse expertise, including international expertise. Such experts provide quality advice and peer review, encourage contestability of ideas, and help strengthen the case for reform.

Output quality is also generally better when a senior expert external to the agency is involved throughout the process. 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.

Many of the Program's activities target very specific and niche reforms, and cover issues that are novel for Vietnam. In these cases, international experts can be very helpful. At other times, the Program covers interdisciplinary issues which requires experts with diverse knowledge and experience across economics, law, management, institutional development, or gender.

However, agency staff identified three key obstacles to using external expertise:

Cost

- For domestic consultants, the Program is required to use the UN-EU 2017 consultant cost benchmarks. However, a high-level review by the Review team found that these rates (both consultant fees and per diems) are out of date and uncompetitive. The rates are particularly uncompetitive for senior economic specialists. This makes it difficult for the agencies to attract high quality consultants. Anecdotal evidence suggests that when forced to use these rates, consultants will inflate the number of days required to deliver an output.
- For international consultants, the cost is even higher, especially when travel is involved. The typical budget allocated per output (often less than AUD 50,000) is insufficient to accommodate significant input from international experts. Further, international experts require translation of background material and the project outputs. This adds time and cost to a research project.

Access

- Many Program activities require niche or diverse experts which are hard to find. Additionally, if such experts can be located, they are often in high demand and have very little availability.
- International experts are hard to find (especially those who understand the Vietnamese context) as the component agencies do not have international networks to draw on to find specialist expertise. Nor is the PSU set up to assist the agencies with recruitment, especially not international recruitment.

Operations

- Neither the agencies nor the PSU is set up to manage the logistics associated with bringing international experts to Vietnam.
- The agencies felt that there are too many procedures required to hire external advisers making it hard to attract qualified experts. This issue is partially resolved when an expert is re-hired, as they don't need to repeat many of the on-boarding procedures.

We observed that the partnership between the VCA and the ACCC was very effective at providing access to international expertise at a low cost. In particular, the VCA found the experience of Australian experts helpful in areas such as conducting market surveys and cross-border trade. The Program has also explored relationships with other Australian organisations and universities (such as the Productivity Commission) to mobilise international expertise. However, these relationships were never formalised and have not continued.

Recommendations

- 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.
- Consider ways to incentivise agencies to engage international experts. Some form of cost sharing would be required.
- 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.
- The Program would benefit from a larger PSU with the capability to assist agencies with competitive recruitment and sourcing international experts.
- Consider partnerships with Australian agencies (or agencies from other countries) to help Vietnam learn from international experience and provide a network of international experts.

Communication

Findings

Effective communication of Program outputs pays an essential role in building broad-based support for economic reform, and therefore achieving program outcomes.

As such, Aus4reform regularly publishes and promotes outputs through diverse communication channels. The Program has an updated website in both English and Vietnamese which includes a sample of outputs (but not all outputs). A communication company was hired to develop, operate, and manage this website. In addition, Aus4reform has a Facebook page with more than 21,000 followers (as at June 2021). More recently, the Journal of Economics and Forecasting (Tạp chí Kinh tế và Dự báo) under MPI has also begun to publish Program outputs. The website, Facebook page, and the Journal are the main avenues for communicating about Aus4reform outputs, activities, and events. Activities of the Program are also regularly publicised by the traditional media (TVs, radio, newspapers, magazines, websites, and talk shows) at both the national and local level.

At the same time, each component agency proactively publicises their outputs and activities using both “traditional” communication methods—like conferences and workshops—and social media—including Facebook news, Facebook livestream, and YouTube—to reach a wider and more diverse audience. Most agencies also share outputs with their networks via email. For example, VCCI’s networks are particularly wide and include other business associations, central and local government agencies, VCCI branches, and the VCCI executive committee.

Despite this impressive record, there is room to improve the Program’s communication strategy. Currently, a lot of the communication and promotion of Program outputs is fragmented, in that it occurs at the agency level. As a result, some media coverage focuses on the component agency with limited reference to Aus4reform. Thus the program loses an opportunity to build its “brand”. Indeed, some agency staff agreed that Australian support to economic reform, and Aus4Reform more specifically, was not well known outside the component agencies. This was reinforced during interviews with development partners and other areas of the government who had largely not heard of Aus4reform.

More could also be done to improve the website. While some outputs are uploaded to the website there is no summary landing page, only the full report. This can deter readers who might want to understand the report’s key messages without having to open a long document.

Agency staff mentioned that they do not have professional communication skills; skills like promoting outputs across the traditional media or social media, or producing user friendly content like infographics. At the same time, the Program does not include dedicated staff to work on consistent branding and promotion, or provide communication assistance to components. Agency staff also mentioned that communication support could help them submit outputs to international publications and journals, further promoting their research and recommendations, and Aus4Reform.

Recommendations

- All program outputs should be uploaded to the website. Where possible, outputs should be available in both English and Vietnamese to increase their audience.
- 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 understand the key messages even if they do not want to read the whole report.
- 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.
- 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.
- 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 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
- 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.
- The PSU 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.

Structure and governance

Findings

The design of Aus4Reform already incorporates a long history of lessons learned. Some key aspects of the Program that are working well and should be preserved include:

- **Supporting nationally-led efforts.** The reform process in Vietnam has remained largely domestically-driven, which has been a critical factor in ensuring the broad-based domestic consensus needed to effectively implement reforms. In line with this, Aus4Reform is government-executed and demand-driven. That is, funding is channelled directly through Vietnamese agencies to align with their economic reform priorities.
- **Value for money.** Government execution means that most of the Program's overhead costs (like office space) and administrative costs (like recruitment) are met by the agencies. This also means there is no managing contractor fee.
- **Clear accountability and decision making.** Getting the right institutional structure (governance, accountability, delegation, and ownership) is critically important for effective support for reform. Complex or ambiguous decision making structures should be avoided. In line with this, responsibility and accountability for component operational and financial decisions under Aus4Reform is delegated to National Component Directors (NCDs), with the NPD responsible for overall program delivery and the implementation of the Flexible Fund.
- **Clear focus and scope.** The Program is tightly focussed and manageable in scope. All component agencies have a clear mandate to support elements of the national economic reform agenda.
- **Sustainability, flexibility and responsiveness.** The regular annual funding of component agencies allows them to make sustainable long-term plans for research activities. At the same time, the Program can also respond relatively quickly and flexibly to emerging issues through the FF.

The Flexible Fund

The FF is designed to respond to issues that arise during the year, or take advantage of time-sensitive opportunities that occur outside the AWP process. The FF can support either the existing component agencies or other policy stakeholders (such as ECNA, CEC, or local government).

There is no formal call for proposals. Instead, opportunities are largely identified, scoped, and prioritised by the NPD and CIEM. The NPD, often with the help of the STA, then 'negotiates' a top-down funding arrangement with potential stakeholders to ensure that the proposal is consistent with the Program objectives. DFAT receives recommendations from the NPD and makes the final decision on whether to approve funding.

The other Aus4Reform component agencies, as well as organisations outside the Program, can submit proposals to the PSU. However, since Aus4Reform is not well known, and there is no promotion of the FF or request for proposals, new organisations are unlikely to independently apply to the FF.

A key advantage of the current approach is its flexibility and responsiveness. The limited number of steps and people involved mean that development and approval of well thought out proposals is relatively fast. This is clearly important when responding to emerging and time sensitive opportunities. Often the staff or external consultants that will undertake the work are pre-identified. This further speeds up the process.

However, the current approach does not encourage a wide range of stakeholders to apply. The FF is neither well publicised, nor is funding awarded through an open and competitive process. Indeed, most funding goes to the existing component agencies, and amongst the four agencies, CIEM has

received the most FF funding. One could argue that a more open and competitive process would result in higher quality outputs overall.

Other structural components

Regarding the **unallocated funds**, the Review team found that they did not serve their purpose of allowing for more flexibility following the first AWP. Instead, the unallocated funds were simply allocated in line with the proportions of the allocated funds. This had the additional drawback of causing resentment among the two agencies that received smaller shares.

Regarding the **SAG**, we noted that agencies often found it difficult to get members of the SAG involved in their work. Agency staff shared that they were not entirely sure on the role of the SAG (despite this being set out in the Operations Manual). However, when the SAG was involved, respondents said they were helpful and that they improved the quality of outputs.

Regarding the **STA**, it is clear that one or two STA can not be experts across all the areas covered by the four component agencies and the FF. While some agency staff regularly contacted the PSU or Embassy to be put in contact with the STA, others mentioned that they were not sure how to contact the STA directly and some were not sure on the role of the STA.

Regarding the **PSU**, respondents noted that at times, the PSU seems overloaded. Many also suggested that the PSU could be augmented with more full-time staff—including administrative, managerial, and technical support.

Regarding **program leadership**, the current structure is overly dependent on the NPD. This meant a large disruption and delays to the Program when the previous NPD left his position as head of CIEM.

Transition to the new Program

When the current Program ends in November the Direct Financing Agreement (DFA) will also expire. At this time, the component agencies will not be able to sign contracts or spend money on related works of Aus4Reform, this includes funding the PSU contracts. However, DFAT's previous experience is that after program completion there are still many activities to administer (such as finalising payments to the component agencies, processing consultant invoices, expenditure acquittal reports, audits, etc). The Program should therefore arrange for this final administration.

Recommendations

- The FF should be more open and allocated based on clear transparent criteria and by a panel (including program staff and technical experts).
- The PSU should be augmented to contain senior economic advisers, a gender adviser, a communications adviser, an M&E adviser, and more operations and programming staff.
- 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.
- The composition of the SAG should be competitively selected and only include advisers who are able to commit a minimum amount of time. The SAG should include expertise on agriculture and gender.
- Establish an independent steering committee to provide oversight and high-level strategic advice.
- The NPD should urgently extend the contracts of the PSU so that they are able to administer the wrap up of the current Program and ensure a stable transition to the new Program.

Part 2: Future Direction of Aus4Reform

This section discusses the future direction of Aus4Reform and makes high level recommendations for a potential new Program. Recommendations focus on the new program's strategic focus, priority partner agencies, and the program design.

Strategic focus

The most important strategic shift for the new Program should be to focus more on policy implementation. It is clear that a lot of work has gone into economic policy research and setting up the right regulatory and legal environment in Vietnam (including through Aus4Reform), and that the government now needs to implement these regulations and reforms.

This strategic shift would be in line with the Party's latest Socio-Economic Development Strategy (2021-2030), which similarly promotes a shift from policy design to delivery and implementation. It is also in line with the government's goals in specific areas such as trade. For example, now that the government has mostly accomplished their goal of establishing a network of FTAs, they need to focus on FTA implementation, including newer FTAs (particularly EVFTA and CPTPP) that require significant domestic reforms.

This shift to reform implementation is expected to present many challenges and require support from development programs. External and international expertise will be more important than ever. Agencies need to interact with practitioners in other countries who have implemented similar reforms.

The component agencies of the current Program are expected to contribute to economic reform implementation. Although CIEM and IPSARD are research institutes they can still conduct applied research, such as monitoring policy implementation progress and identifying any bottlenecks to reform implementation. This is something VCCI and VCA are already doing, for example, by monitoring FTA implementation. The component agencies can also focus more on implementation by collaborating with implementing agencies (like MPI, MOIT, MOF, or SBV) or monitoring bodies (like ECNA, or CEC), including through the FF.

Supporting policy implementation will also require working with new partners, particularly local government, as most policy implementation occurs at the local level. For example, the new Program could share good implementation models and best practices with local governments, coordinate learning between performing regions and underperforming regions, and conduct capacity building activities at the sub-national level.

Supporting policy implementation should also involve the private sector. VCCI is already doing a good job engaging the private sector with economic reform. CIEM also engaged the private sector for some of its outputs. The new Program should promote more private sector participation in policy making and involve a wider range of business support organisations (BSOs).

In terms of specific policy issues, the Review team recommends that the new Program focus on the following core issues:

- **The business enabling environment.** Implementation-focussed work on this topic could involve monitoring whether existing reforms are being implemented, cutting down regulation, familiarising the private sector with new reforms, and setting up “one stop shops” or online platforms to help the private sector abide by new regulations, at both the central and local levels.
- **The transition to a more market-based economy.**
 - **SOE reform.** The government's priorities in this area are to narrow the industries and fields where that the State holds 100% of capital, and step up the process of restructuring, equitising and divesting state capital from enterprises.

- **Corporate governance**, for SOEs and private companies. Work on this topic could include encouraging companies to establish independent boards of directors with higher representation of women.
- **Economic restructuring in agriculture**. Work on this topic could include monitoring the transition to commercial farming with a focus on inclusiveness, the role of cooperatives, the impacts on vulnerable groups, and the transition of the agricultural labour force.
- **FTA implementation**. Vietnam has recently signed a number of important FTA's (such as CPTPP, and the EVFTA). The task now is to implement them. This is no simple task as the FTAs include many requirements tangential to trade itself, such as conditions around SOE reform, the environment, labour, digitisation, intellectual property (IP), and restructuring. All the component agencies could contribute to this topic. For example, IPSARD could focus on trade in agriculture, VCCI could help businesses understand and adapt to the new regulations, VCA could focus on monitoring the implementation of IP, copyright, and monopoly requirements, and CIEM could monitor the implementation of the remaining economic conditions.
- **Consumer protection**. This is an emerging issue for Vietnam that should come under the remit of VCA, and potentially involve collaboration with, and support to, the Vietnam Consumers Protection Association.

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:

- **The post COVID-19 recovery**.
- **The digital economy, digital transformation, and e-government**. Work on this topic could include FF projects that help local governments digitise their services (e-government) as a way to improve efficiency and reduce opportunities for corruption. VCCI could also help SMEs move more of their business online.
- **The green economy**. Work on this topic could focus on adapting agriculture to climate change, implementing environmental protection regulations, and adhering to conditions set out in FTAs.
- **Gender equality** (discussed in more detail below).

These priorities are very much in line with Party's latest Socio-Economic Development Strategy (2021-2030) that calls for the non-state sector to account for more than half of the economy by 2025, up from 42 percent at present. According to the plan, Vietnam is expected to further improve its business and investment climate, requiring efforts from the government to implement new regulations and speed up the SOE reform.

Focus on 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.

Given its role as a national think tank, **CIEM** could continue generating evidence on the link between WEE 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 WEE, 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.

VCA, 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).

IPSARD 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:

- the labour and gender implications of Vietnam's economic transition away from agriculture.
- ensuring that women benefit from modern agricultural technologies.
- gender gaps in agribusiness value chains.
- women's land rights.

VCCI, can focus on whether government policies meet the needs of WoEs. They can continue to identify the constraints faced by WoEs (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).

The new Program should also include implementation-focussed work on gender, led by VCCI in partnership with women BSOs (discussed in more detail below). 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 WoEs.

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. Nevertheless, the component agencies can contribute to the policy implementation agenda in other ways, for example through monitoring reform implementation, creating pressure for better reform implementation, and helping prioritise reform implementation.

As such, we recommend that the new Program continue working with the current component agencies on relevant and focussed issues, while also finding ways to involve more partners. There are two ways for doing this, (1) through the flexible fund, and (2) as a new component agency.

We would argue that the Program could sustain one more component agency before the advantages of more partners are outweighed by the disadvantages of increased program complexity and fragmentation. As discussed in the next section, adding another component agency would require a higher overall program budget, as well as augmented technical and operational resources in the PSU.

In this section we recommend that the Economic Committee of the National Assembly (ECNA) is best placed to join the program as a component agency, and then discuss a range of other partners focussed on policy implementation which should be targeted through the FF.

Among other things, ECNA are charged with reviewing laws that are brought to the NA. ECNA would be a suitable addition to the program for the following reasons:

- ECNA 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.
- ECNA is independent from the Government and can therefore increase the diversity of views, and avenues for policy influence, in the new Program.
- ECNA's role includes reviewing new laws and overseeing how laws are implemented. As such, it is well placed to monitor and advise on policy implementation.
- As far as we could determine, ECNA do not currently receive significant support from other donors. At the same time, their own budget is limited. This creates an opportunity for donor funding to make a large difference to their capability.
- ECNA is well placed to organise a forum for policy debate at the national level. Such a forum provides an opportunity for the new Program to present outputs before the NA, media, and government leaders (at the central and provincial level). This is something ECNA has done in the past (when they had support from UNDP over 2011-2016), usually in the lead up to the regular meetings of the NA.

ECNA do not have in house research skills. (Their projects under the FF were undertaken by CIEM or external experts). As such, they will benefit from capacity building under the new Program, including learning from the other component agencies. This can improve the quality of law making in Vietnam.

The Review team also considered the Ministry of Finance (MOF) as a potential component agency, as it is involved in both policy setting and policy implementation. Ultimately we decided that MOF is already well supported by other donors.

In terms of which agencies to support under the FF, the Review team believes that this should be fairly unconstrained, and that funding should be more competitively allocated (discussed in more detail in the following section). That being said, there is value in encouraging suitable organisations to apply to the FF.

The Review team believes the following organisation would be suitable to support under the FF, based on (1) their focus on policy implementation, (2) their influence on policy reform, and where relevant, (3) their successful work under the FF of the current Program.

- Central government:
 - The Economic Committee of the National Assembly (ECNA)
 - 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
 - Other areas of the Ministry of Planning and Investment (MPI)
 - Other areas of the Ministry of Industry and Trade (MOIT)
- The business community, through business support organisations (BSOs):
 - Young Entrepreneurs' Association
 - Women Entrepreneurs' Council and Women Entrepreneur and Business Executive Association
 - SME associations
 - Private Sector Development Committee

- Local government

The Review team had the opportunities to meet with many of the central government agencies to discuss how they might be involved in the new Program. **MOIT** expressed their interest in support for maintaining and upgrading their FTAs portal (previously established with Australian support through the World Bank). They would also like support to evaluate FTA implementation at the provincial level and generate an index to rank provinces and generate competition (similar to the Provincial Governance and Public Administration Performance Index, or PAPI, run by UNDP). This idea stems from the fact that localities haven't done much to push local enterprises to take advantage of existing FTAs.

The Review team also met with various departments under **MOF**. MOF have existing relationships with many Australian agencies, especially the Australian Treasury. MOF is interested to work with Aus4reform on public finance, public investment, the implementation of FTAs, and financial market restructuring.

CEC is interested in working with the new Program on trade and investment policy, supply chain disruption, carbon trade, and FDI in renewable energy. They would use funding to organise seminars, support research, and invite speakers to events. CEC also indicated that they would be interested in joining Aus4Reform as a permanent component agency. However, they signalled that there are significant administrative hurdles to overcome in order for them to receive international funding.

ECNA is interested in support for their regular conferences between provincial representatives and government agencies (previously called the spring and autumn economic forums). They would also like capacity building activities.

The **Can Tho City** Institute for Socio-Economic Development Studies would like to work with international/senior national economic and social experts to help plan socio-economic development for the region.

Focus on Gender

The new Program should also encourage organisations working on WEE to apply to the FF. Some suggestions from interview respondents and the Review team include:

Government partners:

- The Vietnam Women's Union (VWU), particularly the Women Entrepreneur clubs in provinces and cities under the VWU.
- The Vietnam Women Entrepreneurs' Council (under VCCI)

Women Business associations:

- Hanoi Association for Women Entrepreneurs (HNEW)
- Ho Chi Minh City Association for Women Executives & Entrepreneurs (HAWEE)

Non-government organisation:

- Women's Initiative for Start-ups and Entrepreneurship (WISE)

The Center for Education Promotion & Empowerment of Women (CEPEW)

Program design

Supporting more work on policy implementation

The Review of Aus4Reform identified elements of the design and structure that are working well, specifically: supporting nationally-led efforts, value for money, clear accountability and decision making, clear focus and scope, sustainability, flexibility and responsiveness.

The Review team also 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.

Economic reform implementation is best supported through a systemic approach. That is, working flexibly across multiple counterparts (both government and non-government) on a single issue. While there is often a single lead agency with whom to focus effort, economic reform advocacy generally requires coalition building across multiple organisations. Similarly, economic reform implementation often requires action from multiple agencies, and support from and participation of the private sector and civil society.

In contrast, under the current Program structure, activities are siloed within the component agencies. That is, each component is implemented by only one agency. This differs from other economic reform efforts where teams are organised around issues and work across multiple agencies. In addition, some of the current component agencies are think tanks, which are not charged with implementing policies. (Nevertheless they are still able to monitor policy implementation, and advise their ministries—MPI and MARD—on policy implementation).

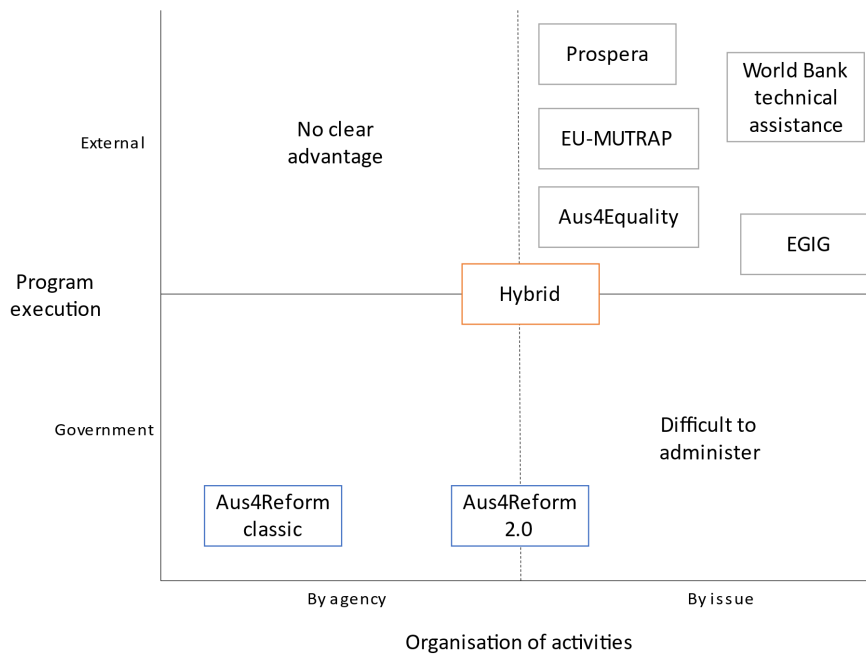
This means that a shift to supporting policy implementation will require working with more implementing organisations, including non-government organisations, and facilitating more collaboration across agencies.

Unfortunately, some of the existing design elements that are working well conflict with a shift to policy implementation. Specifically, it is difficult to achieve both government ownership and execution, and a program structure better suited to supporting policy implementation. This trade-off is depicted in Figure 1.

Ideally, programs would sit in the lower right quadrant, where they benefit from government ownership as well as organisation by issue. However, government ownership and execution of funds typically requires channelling funds through specific government agencies. Funding multiple agencies to collaborate on different issues through government systems would be difficult to administer. If more agencies were added to the current design, the Program would become fragmented and difficult to manage.

As such, development programs typically fall in the lower left or upper right quadrant of the figure.

Figure 1: Trade-off between government ownership and organisation around implementation



Aus4Reform sits in the lower left quadrant, while most other development programs sit in the upper right quadrant. These programs are mostly administered by managing contractors and include teams organised by issue or theme. Such programs include other Australian programs in Vietnam, like Aus4Equality, or other donor programs in Vietnam, like USAID’s LinkSMEs program or the EU’s European Trade Policy and Investment Support Project (EU-MUTRAP). Australian programs in other countries also follow this design, like Prospera in Indonesia and EGIG in PNG. World Bank technical assistance also sits here.

Design options

We would argue that 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.

As such, we would argue that DFAT should preserve this design element. We present three options for doing so.

1. Aus4Reform classic (the current Program)
2. Aus4Reform 2.0
3. A hybrid program: some program elements are government executed while others are administered by a managing contractor.

Note that options 2 and 3 would require a higher annual budget than under the current Program. Each option is summarised in the figures below.

Figure 2: Aus4Reform classic

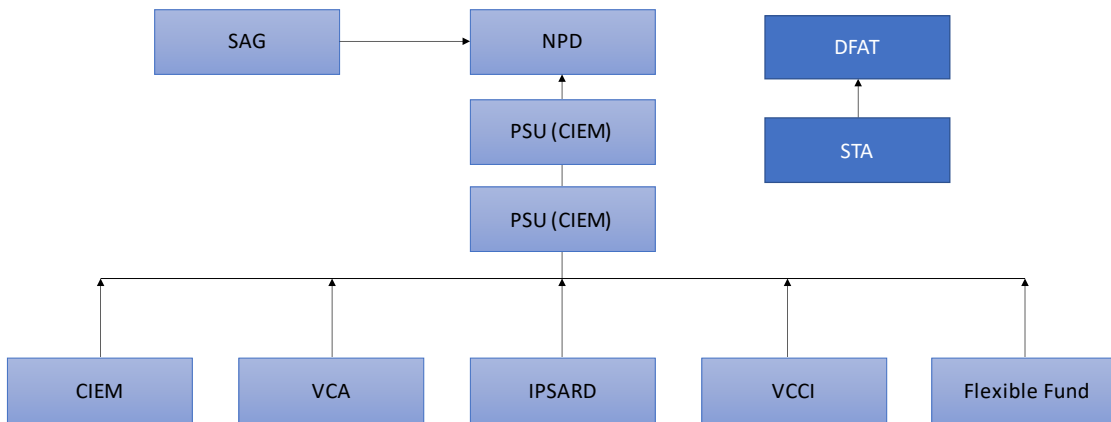


Figure 3: Aus4Reform 2.0

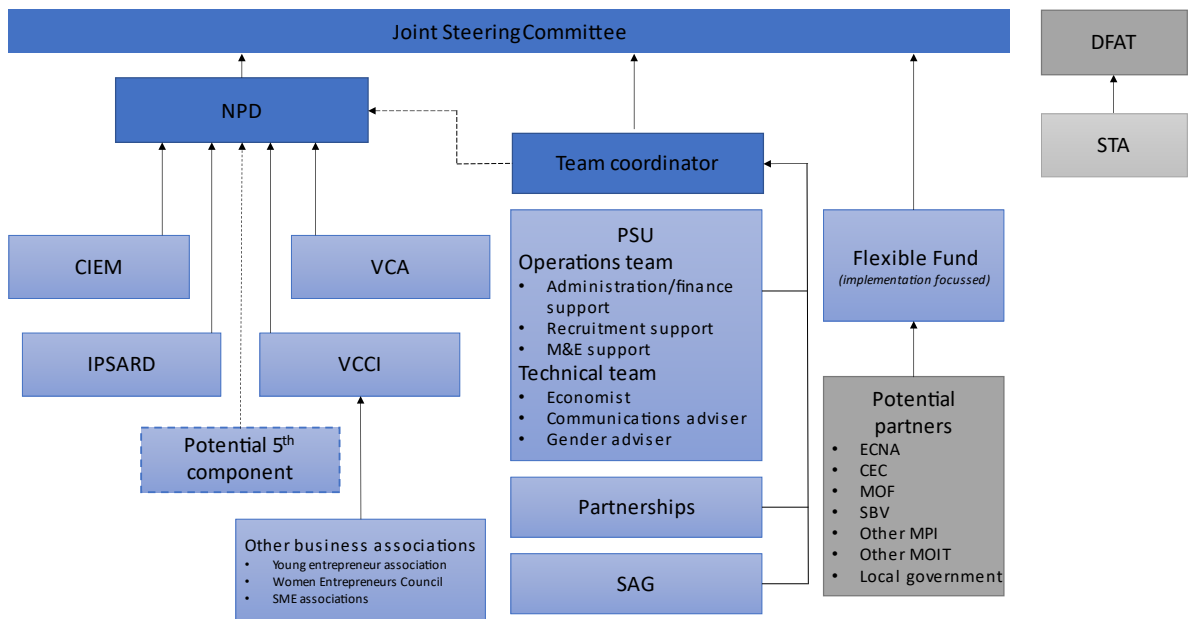
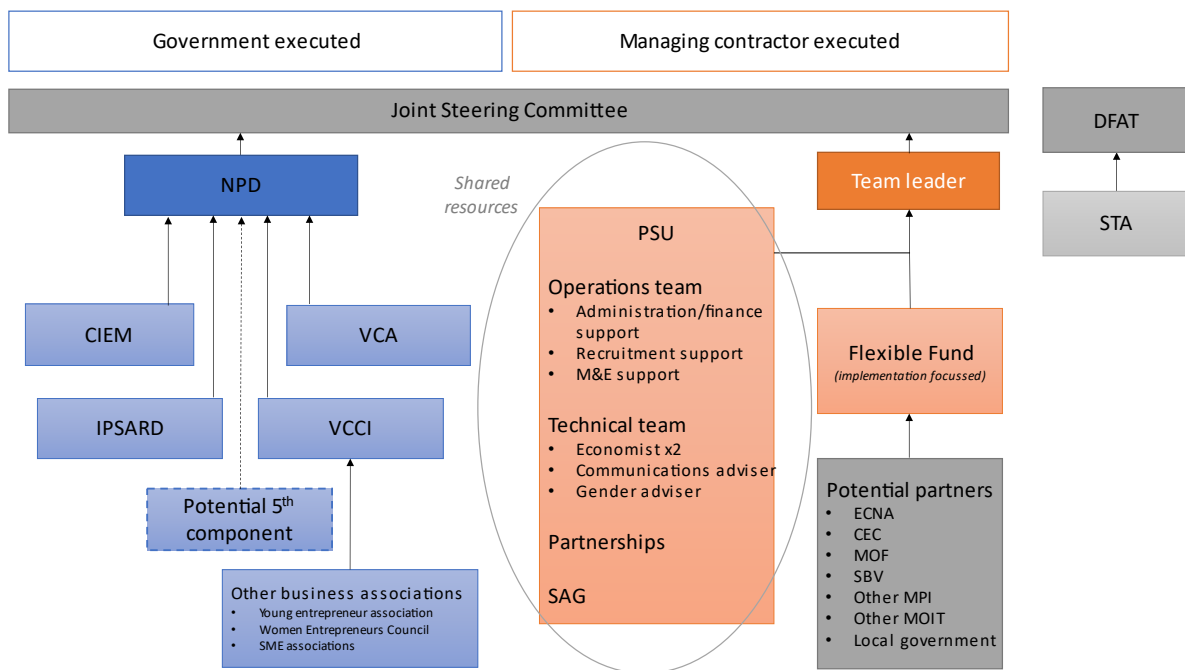


Figure 4: Hybrid model



Aus4Reform 2.0 is similar to the existing Program, in that the whole program is government executed, and that funding is channelled through the component agencies. There are four key differences.

- Augmented administrative and technical resources in the PSU, managed by a team coordinator. The technical resources provide additional internal expertise, while the administrative resources will help agencies mobilise external expertise, including through government partnerships.
- More independent program management. Under this design, the FF and the PSU are administered by a team coordinator and a Steering Committee. The Steering Committee would include the NPD, external advisors, and DFAT.
- Some activities organised by issue. The FF would be designed to support implementation-focussed activities, including those organised by issue and involving a coalition of partners. This would be made possible by the additional administrative and technical resources under the PSU. A larger budget for the FF would also be highly desirable.
- The potential to include a 5th component agency, and a BSO support platform under VCCI.

The design of the PSU, Steering Committee, FF, BSO support platform, and partnerships are discussed in more detail in the following section.

The **hybrid model** builds on the design of Aus4Reform 2.0, but adds an additional layer of independent program management through a managing contractor (MC).

The work of the component agencies would remain government administered through CIEM and the NPD. A MC would then administer the PSU and the FF. The resources of the PSU would be available to support both the component agencies and projects under the FF.

A MC would provide more experience recruiting, mobilising, and managing external expertise. It would also allow for more flexibility in terms of organising and funding projects under the FF, particularly around funding non-government partners.

The combined budget of the PSU and FF would need to be higher than under the current Program to be attractive to a MC. The hybrid model would also be less cost efficient because some administration and overheads previously covered by the component agencies would now be undertaken by the MC, and the MC would also charge a management fee.

The advantages and disadvantages of each design option are summarised in Figure 5.

Figure 5 Trade-off between different designs

Design	Aus4Reform classic	Aus4Reform 2.0	Hybrid
Government ownership	✓✓✓	✓✓✓	✓✓
Demand driven	✓✓✓	✓✓✓	✓✓
Cost efficiency	✓✓✓	✓✓✓	✓
Focus on implementation	✓	✓✓	✓✓✓
Access to expertise	✓	✓✓	✓✓✓
Flexibility of the FF	✓	✓✓	✓✓✓
Independent program management	✓	✓✓	✓✓✓

Design components

Component agencies

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, as discussed in Part 1 of this report. As discussed above, 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.

The Program already has annual work planning and peer review processes in place. These processes are already functioning well but could be improved if the Program included more technical resources available in the PSU (as discussed below).

BSO support platform

As discussed above, 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 of business support organisations (BSOs), and that these relationships are managed through VCCI.

VCCI could be provided with additional funding that they would then use to involve other BSOs in relevant activities. VCCI is best placed to understand which BSOs, and what sorts of activities, could best contribute to the objectives of Aus4Reform. Given VCCI's focus on strengthening women's voices in the economic reform process, they should prioritise BSOs such as the Women Entrepreneur clubs in provinces and cities (under the Vietnam Women's Union), or the Vietnam Women Entrepreneurs' Council.

Alternatively, additional BSOs could be brought into the new Program through the FF.

Steering committee

As discussed above, 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.

The SC would need to meet at least twice a year; more often if they took on the role of the FF evaluation panel (as discussed below). The SC should include the NPD, the team leader/coordinator, representation from DFAT, and technical experts (drawn from the SAG or STAs). The PSU would fill the role of SC secretariate.

The Flexible Fund

As discussed in Part 1, projects under the FF are largely identified, scoped, and prioritised by the NPD 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.

A more open and competitive approach can be achieved through a well-publicised “call for proposals” process with clear eligibility criteria and a panel of reviewers. A wide range of organisations could be invited to apply. (See above for a discussion of suitable organisations).

Of course, the key disadvantage of the call for proposals approach is its slower speed. Time must be allowed for agencies to develop and submit proposals, and then the panel needs time to review proposals, seek additional information, and then deliberate. Thus the design of the FF embodies a trade-off between responsiveness and a more competitive process.

Globally, there are many examples of development programs which include a technical assistance funding facility. Some favour the timely and flexible approach (for example, the UK’s Good Governance Facility in Eastern Europe), while others favour the open and competitive call for approvals approach (for example the UK’s Technical Assistance Facility in Lebanon).

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.

Importantly, the FF needs to be more widely publicised. A better resourced PSU could both manage this promotion and “scan the horizon” for opportunities to work with new partners or on emerging issues. The technical team of the PSU could also work with partners to develop quality proposals in line with program objectives. Second, the allocation of funding needs to be more open and contested. This can be achieved by using the SC, comprising key Program stakeholders and technical experts, to evaluate proposals and award funding. Proposals would be evaluated against open selection criteria including potential impact, feasibility, alignment with the Program objectives, focus on implementation, and incorporation of gender.

The total process from opportunity identification to approved proposal would take three to six months.

The Review of Aus4Reform found that the outputs produced by new FF partners tended to be of lower quality. This is to be expected and is no reason to not seek out new partners. Instead, the FF should offer resources to assist new partners with proposal development, undertaking research, peer review of outputs, and coaching if necessary. These resources could include technical staff from the PSU (discussed below). Alternatively, new partners to the FF could be matched with senior researchers in the exiting component agencies. Over time, the FF should continue to support committed partners with capacity to improve.

The Project Support Unit and technical advisers

The PSU 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.

The **team leader/coordinator** would be both a senior economist and manage the PSU. They would ultimately report to the SC, but also work closely with the NDP.

The technical advisers would include **economists and a gender adviser**. These advisers would scope out potential projects for the FF, establish ongoing relationships with the agencies, review workplans, help develop proposals, and give interim and final feedback on outputs. They would organise regular update meetings with each component agency and largely reside in the component agencies to encourage “watercooler” moments. They would work across the original component agencies as well as the FF. They would also be able to help coordinate collaborative work across more than one agency. These roles would subsume some of the work of the existing STAs. The PSU could also include a **communications adviser** to help agencies publicise their outputs and work on the overall branding of the new Program. This adviser could:

- Help agencies convert their research into user-friendly outputs like info-graphics and videos.
- Develop a media and social media strategy for different types of outputs produced by the Program.
- Develop templates for reports and presentations which would help promote consistent branding.
- Coordinate translation requirements.
- Assist agencies to rewrite their outputs so as to be suitable for different journals, websites, and other outlets.

The PSU should also include an **M&E adviser**. A key priority for this position would be generating a better evidence base to assess the effectiveness of the new Program. They should develop and disseminate processes for documenting how Program outputs (from the component agencies and the FF) are used and their impact on policy. They could also work with the communications adviser to document success stories.

It is important that the roles of these advisers, as well as the SAG and STAs (discussed below), are clearly defined to avoid overlap. These roles, and how they are to be accessed, should be communicated to the component agencies and FF partners so they know where to go for different types of support.

The PSU should also contain a **larger operations team** to manage program administration, finance and budgeting, coordinate the recruitment of external advisers, and coordinate the mobilisation of international advisers. Each of the component agencies should nominate a Program Officer to manage administration and coordinate with the PSU operations team (some agencies have already done this).

With added operations capacities, the PSU could also support larger, program-wide events. One suggestion discussed above would be to organise an annual conference to showcase the Program’s outputs. This would also help encourage ongoing collaboration.

With added administrative capacities, the team leader/coordinator and PSU can help manage the SAG and partnerships (discussed below).

Independent Senior Technical Adviser (STA)

The new Program will still require independent peer review – of both proposals and outputs. This can not be done by Program or PSU staff. Instead, a part-time independent adviser under DFAT is more suitable. This role is largely the same as that done by the existing STAs.

The Program should also use the SAG and development partners to provide additional peer review.

Senior Advisory Group (SAG)

The composition of the SAG 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 SAG would also contain advisers with gender experience. With the widespread use of video conferencing, the SAG could also include international advisers. The PSU should ensure that the component agencies and staff working under the FF are aware of the SAG, their range of expertise, and how to use them.

As well as their existing roles (technical assistance, informal policy advocacy, and strategic direction), the SAG would provide specialist support on key issues not covered by the permanent technical advisers. Two or three members of the SAG would also be suitable members of the SC.

Partnerships

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.

At the outset, these partnerships would likely have to operate remotely, but once conditions allow, the Program could support two-way missions on a semi-regular basis. Such missions would foster the relationship and create a sense of urgency around deliverables.

Australia already has significant experience with government-to-government (G2G) partnerships in other countries and could leverage this experience and lessons learnt to design a fit for purpose partnership arrangement under the new Program.

The following Australian agencies are worth considering based on a preliminary analysis of their alignment with the component agencies, alignment with the suggested strategic focus of the new Program, history of international cooperation, and with suggestions from Review respondents.

- Australian Productivity Commission (suitable to work with CIEM)
- Australian Ministry of Planning (suitable to work with CIEM)
- Australia Competition and Consumer Commission (ACCC) (already has an established relationship with VCA)
- Australian Treasury (suitable to work with CIEM and VCA)
- Australian Centre for International Agricultural Research (ACIAR) (suitable to work with IPSARD)
- Commonwealth Scientific and Industrial Research Organisation (CSIRO) (suitable to work with IPSARD and CIEM)
- Australian Ministry of Agriculture (suitable to work with IPSARD)
- Australian Institute of Company Directors (AICD) (suitable to work on corporate governance)
- Australian APEC Study Center (suitable to work with CIEM, VCCI, and ECNA)
- Australian Universities