

# **MID-TERM REVIEW OF THE AUSTRALIA-WORLD BANK GROUP STRATEGIC PARTNERSHIP PHASE 2 (ABP2) DFAT Management Response, December 2019**

## **Summary of management response**

The Mid-Term Review (MTR) of the Australia-World Bank Strategic Partnership Phase 2 (ABP2) found that the investment is performing well against all assessment criteria. It concluded that the overall quality of the partnership is high and that DFAT and the World Bank are building on each other's comparative advantages. The report identified seven areas where ABP2 is most likely to contribute to impact-level changes across all of the investment's six themes. It recommended opportunities for enhancing the investment, both for the remainder of ABP2 and in potential future phases of the partnership.

Overall, DFAT agrees with the MTR's findings and recommendations. The MTR offers specific guidance for enhancing the investment's effectiveness, efficiency and sustainability. The analysis will help DFAT and the World Bank to adjust the program over the second half of implementation to ensure it can meet its end-of-program outcomes and effectively support Vietnam's policy reform agenda.

Given the MTR's positive findings and the ongoing strategic influence and impact provided by our partnership with the World Bank, DFAT is planning for a third phase of investment (to commence in 2021, dependent on budget availability). The MTR findings and recommendations will inform the design of this next phase of investment.

## Individual management response to the recommendations

Recommendation	Response	Explanation	Action plan	Timeframe
<p><b>Recommendation 1: Ensure follow-up to analytical work and provide for continuity of policy support.</b></p> <p>The Program should ensure that analytical work identifies areas where supplementary support is likely to be needed for results beyond the adoption of a policy or law. The Program should also design analytical work with measures to track and facilitate its use and to identify partners to champion any needed follow-up, including advocacy for recommended reforms. DFAT and the World Bank should explore the extent to which such advocacy falls within and beyond the Program’s scope. The Results Framework should incorporate indicators on whether policy studies identify follow-up actions and responsible parties. To build on reform momentum and avoid adverse effects of abrupt declines in policy support, the Program should seek to ensure smooth transitions when funding ends. This may mean additional ABP2 funding, a transition period to enable the GoV to continue the reform process independently, policy support under an ABP3, and/or coordination with other partners and Australia’s bilateral programs.</p>	Agree in part	<p>Sustainability and country ownership are key goals of both DFAT and World Bank’s work programs.</p> <p>It is not feasible for the Results Framework to incorporate indicators as recommended, but this will instead be reported to DFAT through the Annual Report.</p>	<p>Strengthen sustainability aspects and identify partners to champion follow-up actions at concept and/or progress review stage.</p> <p>Integrate assessment of sustainability in the next Annual Progress Review Meetings.</p> <p>Address sustainability and transition arrangements in DFAT’s end-of-investment review.</p>	<p>Ongoing</p> <p>Late 2020</p> <p>2021</p>
<p><b>Recommendation 2: Strengthen qualitative assessment of results.</b></p> <p>Program should explore tools to track the complex variables inherent in governance reform processes, such as the Qualitative Impact Protocol (QuIP). As an immediate step toward qualitatively assessing results, the Secretariat could ask each Theme to identify at least one success area—or one success area and one area of stalled progress—from which case studies could be developed and consolidated into an overarching story that illustrates what results ABP2 achieved, how they were achieved, and how they connect with the GoV’s long-term development vision. The Results Framework could incorporate indicators on the completion of these case studies/stories and an assessment of how well they are shared internally and externally.</p>	Agree	<p>The need to assess the impact of interventions was identified in DFAT’s 2019 investment quality reporting for ABP2.</p>	<p>Develop case studies, initially focusing on one theme.</p>	<p>Mid 2020</p>

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<p><b>Recommendation 3: Consider incorporating social inclusion more broadly.</b></p> <p>If an ABP3 is pursued, DFAT and the World Bank could consider designing the Gender Theme to encompass social inclusion more broadly. If this could be done without dampening the Program’s gender equality impact, it could provide an avenue for addressing the inclusion of people with disabilities, ethnic minorities, and other excluded groups while enhancing consistency with DFAT’s gender strategy.</p>	Agree	Ensuring our support benefits the poorest and most vulnerable people continues to be a priority of Australia’s aid program in Vietnam.	Consider during ABP3 design. However, the design must also consider the need to maintain a momentum on gender (having a dedicated Gender Theme has been critical to ABP2’s success).	During ABP3 design
<p><b>Recommendation 4: Continue dialogue on the relevance of the Ethnic Minority Theme to evolving priorities.</b></p> <p>If an ABP3 is pursued, the MTR Team recommends that the partners take into account both the nature of Australia’s evolving priorities and the significance of ethnic minority development for Vietnam’s long-term stability and economic growth. If the Gender Theme were broadened to encompass social inclusion, the partners could incorporate some ethnic minority work into that Theme.</p>	Agree	DFAT is open to continuing dialogue with the World Bank on continuing work on ethnic minority issues, subject to resources and strategic focus.	Consider during ABP3 design.	During ABP3 design

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<p><b>Recommendation 5: Expand the scope of the next partnership workshop and monitor the Partnership Success Indicators (PSIs).</b></p> <p>The partners should consider expanding the scope of the next partnership workshop to address issues of the Program’s substance and to enhance cross-thematic learning. Breakout sessions by Theme would be useful, followed by a plenary session for sharing lessons learned. To ensure that all participants are onboard with the workshop outcomes, the partnership broker’s report could be shared with Theme Coordinators for comment before it is finalized. The Secretariat should qualitatively monitor the overarching PSI, as envisioned in the Operations Manual, and actively facilitate the timely resolution of disagreements. Input on the PSIs could be solicited from Theme Coordinators prior to the partnership workshops and the finalization of Annual and Final Reports</p>	Agree in part	<p>The annual partnership review workshop is a valuable tool for enhancing ways of working and addressing roadblocks to efficient and effective implementation. Adding technical discussions would dilute the main purpose of the meeting.</p>	<p>Share the report of the next partnership review workshop with all Theme Coordinators before finalisation.</p> <p>At the next partnership review workshop, discuss the demand for cross-thematic learning and potential mechanisms.</p> <p>Report on progress against PSIs in the Annual and Final Reports and at Steering Committee meetings.</p>	<p>December 2019</p> <p>December 2019</p> <p>Ongoing</p>
<p><b>Recommendation 6: Remain vigilant to the potential for “scope creep.”</b></p> <p>The ABP2 should pursue new interventions only if they maintain the Program’s strategic focus, reflect shared priorities and client demand, and address areas where the World Bank Group has funding needs and comparative advantage</p>	Agree		<p>Continue to jointly review priorities at the strategic level. Wherever possible, seek agreement for new activities as a package at the annual Steering Committee meeting.</p>	Ongoing

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<p><b>Recommendation 7: Assess the funding mechanism vis-à-vis the IFC.</b></p> <p>The partners should consider opportunities for the IFC to add more value. If a World Bank Group partnership is pursued in an ABP3, all partners should reconsider and agree on the desired role of the IFC and design the program accordingly</p>	Agree	Working with IFC offers opportunities to deepen engagement with the private sector, a focus area for Australia.	<p>Explore opportunities for enhancing engagement with IFC on capital market development.</p> <hr/> <p>Consider in ABP3 design (including contracting implications/requirements).</p>	<p>Early 2020</p> <hr/> <p>During ABP3 design</p>
<p><b>Recommendation 8: Explore opportunities to increase gender sensitivity in ABP2 events.</b></p> <p>The Secretariat should explore opportunities to systematically include data, evidence, and discussion of gender equality in ABP2 events and assess the importance of increasing the proportion of women presenters.</p>	Agree	This is consistent with Australia's <i>Gender Equality and Women's Empowerment Strategy</i> and <i>Women in Leadership Strategy</i> .	<p>DFAT and the World Bank (through the Secretariat) to jointly agree on targets for gender equality at ABP2 events.</p> <p>Develop guidance for Theme leads and report progress and Secretariat and Steering Committee level.</p>	February 2020
<p><b>Recommendation 9: Encourage an expanded role for national experts.</b></p> <p>Where relevant and feasible, the Program should encourage the GoV to identify national expertise and provide budgetary resources to expand the role of national experts as counterparts to ABP2-supported international experts.</p>	Agree	Capacity building and national ownership is important for ensuring sustainability of results.	To be discussed with the Theme Leads and implemented where feasible.	Ongoing

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<p><b>Recommendation 10: Explore opportunities to work with other countries in the region on Mekong Delta issues.</b></p> <p>DFAT and the World Bank have the opportunity to identify investments with potential impact on climate-change resilience at the whole landscape level in the Mekong Delta.</p>	<p>Agree in part</p>	<p>There are potential synergies with Australia’s regional investments, such as the Greater Mekong Water Resources Program. However, broadening engagement to other countries has significant resource implications.</p>	<p>DFAT and the World Bank to identify opportunities for enhancing links and knowledge sharing with relevant regional investments, including during missions to Vietnam.</p>	<p>Ongoing</p>