

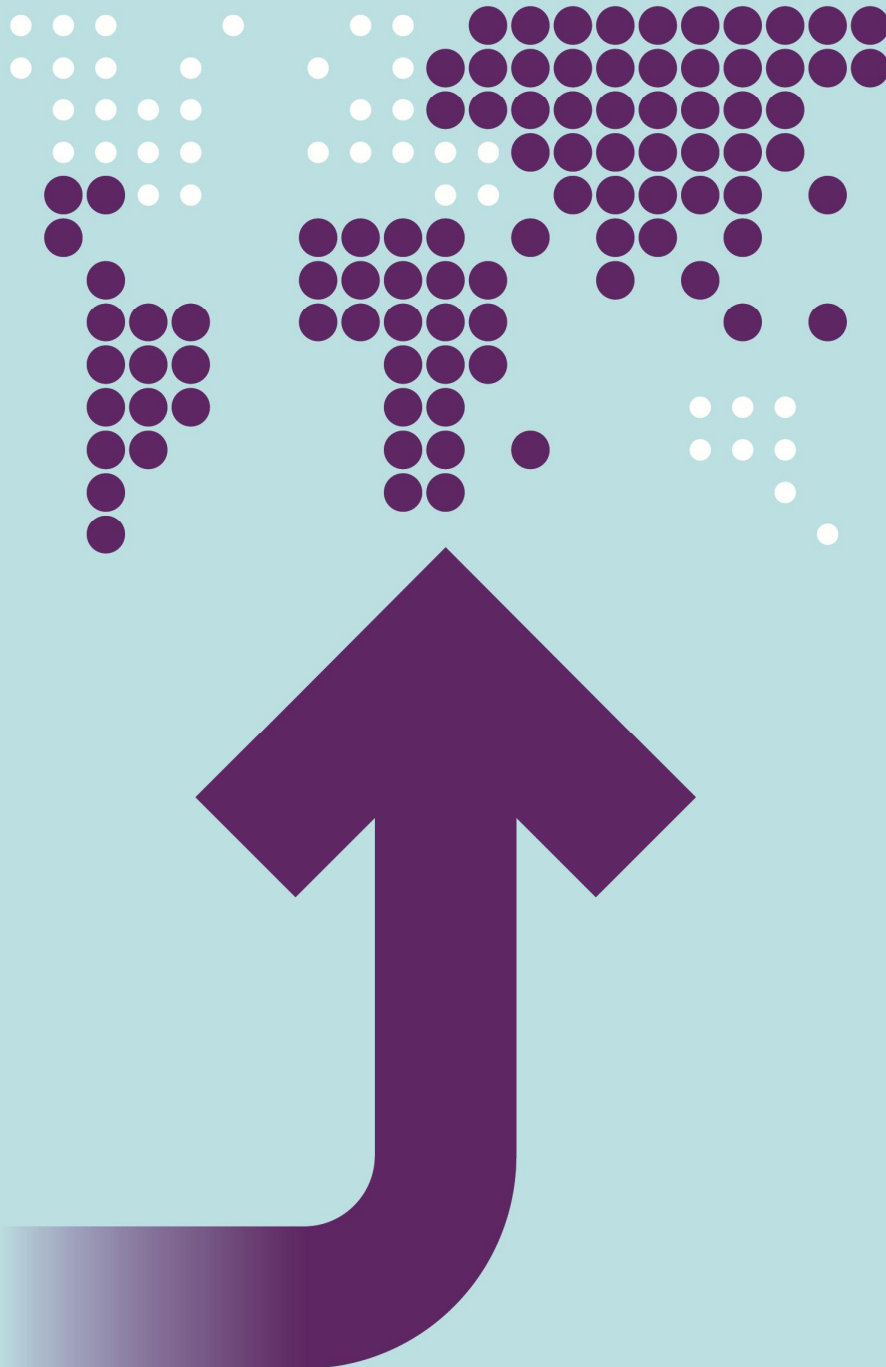
NOVEMBER 2016

MINISTRY for
FOREIGN AFFAIRS
of FINLAND

Centennial
Group

Mid-Term
Evaluation of the
Innovation
Partnership
Programme,
Phase II,
Vietnam

Final Evaluation
Report



DISCLAIMER

The views set out in this report are those of the authors (unless otherwise cited) and do not necessarily reflect the official opinion of the Ministry of Foreign Affairs of Finland, the Ministry of Science and Technology of Vietnam or any other organisation.

Table of Contents

1	Executive summary	vii
2	Introduction.....	1
2.1	Objective of the Mid-Term Evaluation	1
2.2	Focus of the Evaluation	1
2.3	The main evaluation questions	1
3	Context	3
4	The Innovation Partnership Programme Phase II	12
5	Findings and conclusions.....	13
5.1	Relevance	13
5.1.1	<i>Relevance to Vietnamese Government policies and programmes.....</i>	<i>13</i>
5.1.2	<i>Relevance to Finnish Government policies and programmes.....</i>	<i>14</i>
5.1.3	<i>Relevance to Beneficiaries.....</i>	<i>17</i>
5.2	Effectiveness	18
5.3	Impact	28
5.4	Sustainability.....	31
5.5	Efficiency.....	33
5.6	Coordination and Complementarity.....	39
5.7	Cross-cutting objectives	39
5.8	The Updated Strategy	41
5.8.1	<i>Opinion on the Updated Strategy.....</i>	<i>41</i>
5.8.2	<i>Transition from development cooperation to trade-based and other forms of cooperation.....</i>	<i>42</i>
5.8.3	<i>Exit strategy.....</i>	<i>44</i>
5.8.4	<i>Other aspects</i>	<i>45</i>
6	Recommendations.....	45
6.1	Recommendations for immediate action by the PMU.....	45
6.2	Recommendations for immediate action by the Steering Committee.....	51
6.3	Recommendations for immediate action by the Ministry of Science and Technology of Vietnam	51
6.4	Recommendations for immediate action by the Ministry of Foreign Affairs of Finland.....	52
7	Lessons learned	55
	Annex 1: Project fact sheet	56
	Annex 2: Terms of reference for the assignment	57
	Annex 3: Evaluation methodology	66
	Annex 4:Field mission schedule and list of people interviewed	101
	Annex 5: Quality Assurance Statement.....	108
	Annex 6: Main Secondary Information Sources	109
	Annex 7: Evaluation brief	111
	Annex 8: Indicative theory of change and results chain	112

Index of tables and figures

Figure 1: Vietnam’s GDP growth 1990-2014	3
Figure 2: Global Competitiveness Index for Vietnam (2015-2016)	4
Figure 3: Vietnam’s technological readiness (2015-16) showing the score achieved and international ranking.....	4
Figure 4: Innovation in Vietnam (2015-16) showing score and international ranking.....	6
Figure 5: Institutional profile of Viet Nam’s S&T and innovation system.....	8
Figure 6: Results Chain inherent in current IPP-2 Results Framework.....	20
Figure 7: Applicants rating of guidelines for calls for proposals.....	34
Figure 8: Applicants rating of the process of evaluating applications	34
Figure 9: Applicants rating of contracting process.....	35
Figure 10: Applicants rating of the payment process	35
Figure 11: Depiction of the constituent parts of a Results Chains	46
Table 1: Summary table presenting main findings, conclusions and recommendations	x
Table 2: SWOT analysis of Viet Nam’s innovation system	7
Table 3: Monitoring indicators and current level of achievement at the project purpose level	21
Table 4: Monitoring indicators and current level of achievement for Component 1	23
Table 5: Monitoring indicators and current level of achievement for Component 2	25
Table 6: Monitoring indicators and current level of achievement for Component 3	26
Table 7: Monitoring indicators and baseline for Overall Objective.....	29
Table 8: Monitoring indicators and baseline for Project Purpose.....	30
Table 9: Exit strategy management plan	48
Table 10: Planning Matrix for the Exit Strategy	49
Table 11: Evaluation Matrix	66
Table 12: Evaluation matrix: Matching data collection to key evaluation questions.....	73

Abbreviations

Abbreviation	Meaning
CTA	Chief Technical Adviser
GCI	Global Competitiveness Index
GII	Global Innovation Index
GOF	Government of Finland
GOV	Government of Vietnam
HCMC	Ho Chi Minh City
HRBA	Human Rights-based Approach
I PP-2	Innovation Partnership Programme Phase II
LFM	Logical Framework Matrix
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs of Finland
MOST	Ministry of Science and Technology of Vietnam
NAFOSTED	National Foundation for Science and Technology Development
NATEC	National Agency for Technology Entrepreneurship and Commercialisation Development
NIS	National Innovation System
PFD	Project Framework Document
PMU	Programme Management Unit
RBM	Results-based Management
RC	Results Chain
R&D	Research and Development
STI	Science, Technology and Innovation
SC	Steering Committee
TA	Technical Assistance
Tekes	Finnish Funding Agency for Technology and Innovation
ToR	Terms of Reference
ToT	Training of Trainers
VND	Vietnamese Dong

Glossary of Terms¹

Term	Meaning
Activity	Actions taken or work performed through which inputs, such as investment funds, technical assistance and other types of resources are mobilized to produce specific outputs.
Assumptions	Hypotheses about factors or risks which could affect the progress or success of a development intervention.
Attribution	The ascription of a causal link between observed (or expected to be observed) changes and a specific intervention. While rigorous proof of attribution will be beyond the means of almost all programmes, attribution should always be demonstrated to a level that would convince a reasonable but sceptical observer.
Baseline	An analysis describing the situation prior to a development intervention, against which progress can be assessed or comparisons made. This should include the status of indicators before an intervention starts or has resulted in changes at the level being measured.
Benchmarking	The process of comparing a country's performance metrics to international best practices and the performance metrics from other countries.
Competitiveness	The set of institutions, policies and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be earned by an economy.
Effectiveness	A measure of the extent to which an aid activity attains its objectives.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Impact	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs.
Output	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance	The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and government/donor.

¹ Evaluation terms drawn from <http://www.oecd.org/dac/2754804.pdf>

Results Chain	The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired objectives beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback.
Sustainability	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.
Target	Predetermined goal of a development intervention
Theory of Change	The inter-connections of all the activities, outputs, and outcomes required to achieve the required impact. The theory of change is depicted on a map known as a results chain.

1 Executive summary

The overall objective of the Innovation Partnership Programme Phase II (IPP-2) (as stated in the Programme Framework Document of October 2013 [PFD 2013]) is to contribute to Vietnam's overall aim to become by 2020 an industrialized, middle-income country with a knowledge economy and an inclusive national innovation system that actively support socio-economic development. One of the objectives of IPP-2 is to support a transition from Finnish development co-operation to Finnish business-based cooperation reflecting Vietnam's achievement of lower middle-income country status and the resultant change in donor support for the country. As such, IPP-2 acts as a transition instrument to building the networks and partnerships which will make such business-based cooperation a reality². The programme purposes according to the PFD 2013 are to:

- Demonstrate an approach to innovation that multiplies the number of innovative products and services that bring added value to Vietnamese society and employment through strengthened capacity and interaction of multi-helix actors;
- Promote technology transfer and knowledge exchange between Finland and Vietnam; and
- Disseminate the value of innovation to business, R&D institutes/Universities and policy makers and build their capacity.

The IPP-2 has three main result areas/components:

- Result 1 (Component 1 Institutional development and capacity building): Public sector agencies, enterprises and research institutions have strengthened institutional capability for planning, guiding and implementing innovation related policies
- Result 2 (Component 2 Partnerships for innovation): National and international partnerships formed for innovation eco-systems in the selected regions and sectors.
- Result 3 (Component 3 Innovation projects): Development of innovative products and services in selected regions with established multi-helix partnerships, and innovation modelling developed and demonstrated

The objective of the Mid-Term Evaluation of IPP-2, according to the terms of reference, is to assess the relevance, efficiency, effectiveness, impact, sustainability, coordination, complementarity, coherence and Finnish value added of IPP-2 and to validate the updated strategy of the IPP-2 with a view to providing the competent authorities (MFA and MOST) with the basis for informed decisions during the final stage of IPP-2. The focus of the evaluation is to:

- Provide evidence of the performance of the programme to date and likely performance in the future, including the role of IPP-2 in the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam.
- Provide opinions and comments on the updated strategy of the IPP-2 (approved by the Steering Committee on 28 October 2015).
- Suggest recommendations for phase-out and possible need for reorientation and prioritising of activities (within the existing budget for the programme) and practical solutions in order to achieve the objectives, improve the effectiveness and efficiency, ensure sustainability and remove possible problems or constraints during the remaining programme period.
- Provide an assessment on the Programme's alignment and contribution to the new Finland's Development Policy Programme (February 2016) and its objectives.

The MTE is an independent and external exercise. It is a participatory, open and transparent learning process for all stakeholders. In the following table we summarise our main findings, conclusions and resultant recommendations.

² "The whole Innovation Partnership Programme is meant to be a transition from development cooperation to business based cooperation. Therefore it should be ensured that the whole programme functions as an exit strategy aiming at sustained partnerships even after the transition." PFD 2013

Key findings emerging from the evaluation include:

- IPP-2 is extremely relevant to the Government of Vietnam, and also has good alignment with most Finnish development policies – apart from HRBA
- All beneficiary groups rated IPP-2 support as highly relevant – but quite a high percentage said that it could have been better tailored to their needs; It also shows a low level of additionality
- The project demonstrates significant efforts by the PMU leading to real achievement; however, the results are outputs rather than outcomes or impacts
- IPP-2 has good prospects of sustainability at the Government and enterprise level
- Quality of training and Core Curriculum are rated highly by the beneficiaries, but the quality of policy advice to the Government was mixed- some of good and some of very poor quality
- Finish policy HRBA objectives- gender and climate sustainability are barely addressed
- The PMU has good internal management and control systems but no real monitoring system
- Mid-term indicators are mostly not quantified and do not have a baseline or a target
- Updated Strategy does not provide a clear Theory of Change with results chains, budget not broken down to a meaningful level, and lacks a clear exit strategy

Who has benefitted and what are the most important positive results:

- IPP-2 beneficiaries include the GoV, companies/start-ups, universities and individual trainers
- The project's most important positive results include:
 - It is highly popular among beneficiaries and shows solid output results, but not outcomes
 - The project shows a high degree of utility to GoV in advancing its competitiveness agenda, especially innovation and startup ecosystem, and has a good prospect of sustainability
 - IPP-2 played a critical role in encouraging the execution of MoU between Tekes and MOST
 - Innovation Partners meeting is an important coordination tool established by the PMU
 - The PMU has a well-informed and transparent grant application management system

Key recommendations and lessons learned:

1. Preparation of a combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion
2. Introducing upgrades to sub-project selection process
3. Ensuring that HRBA aspects- gender and climate consideration are mainstreamed
4. Development of a clear and explicit exit strategy (as part of 1)
5. Preparation of a plan for IPP-2 support to the transition from Finish development cooperation to trade-based and other forms of cooperation (as part of 1)
6. Steering Committee to ensure that the PMU submit – as a matter of urgency – proposals as to how they intend to implement Recommendations 1 to 5 above
7. MOST to ensure the selection of the MOST Departments and/or Agencies to which elements of IPP-2 (activities, systems, processes, outcomes, etc.) should be transferred during exit phase
8. MFA to contract a separate independent monitoring and evaluation team to:
 - Ex ante assess the planned Theory of Change in the new strategy/action plan to ensure results chains are defined and that realistic and measurable indicators (with baselines and clear targets) are selected
 - Support the establishment of the project (and sub-project where applicable) monitoring framework, processes and systems, including training of relevant staff in their use
 - Monitor on an ongoing basis the performance of the project and prepare reports for the Steering Committee
 - Undertake an annually review of the Implementation Contractor's performance
 - Train beneficiary staff and support the transfer of monitoring skills and systems to them
9. Lessons for MFA include: TA Contractor/team contracts should have ToRs with clear scope, accountability and monitorable deliverables/ indicators for implementing the project and achieving the desired results (with specific outputs, outcomes and impacts). These should be appropriately monitored and updated if there are significant changes in project goals and plan

Further details pertaining to the achievements and shortcomings of the project and a summary of the team's main findings, conclusions and resultant recommendations are presented in Table 1 below.

Table 1: Summary table presenting main findings, conclusions and recommendations³

	Findings	Conclusions ⁴	Recommendations
Effectiveness	<p>The achievement of results as defined in the latest iteration of the Results Framework has been satisfactory but this does not necessarily indicate a high degree of effectiveness as:</p> <ul style="list-style-type: none"> • The anticipated results are outputs rather than outcomes. • There is lack of clarity in the results framework as to which indicator applies to which result. • No definable baselines exist and the planned annual IPP Stakeholder Survey expected to help fill this gap has not been initiated • The mid-term indicators are mostly not quantified and therefore, without the existence of either a baseline or a target, it is difficult to assess whether achievement has been satisfactory. <p>These issues all reflect weaknesses in both the design of the programmes underpinning the Theory of Change and its Results Chain definition, linked to an underdeveloped monitoring system.</p> <p>There is no clear picture therefore as to whether the Updated Strategy will lead to the achievement of the IPP-2's goals.</p>	<p>The key conclusions are:</p> <ul style="list-style-type: none"> • IPP-2 demonstrates a high level of achievement of results: indicating significant effort by PMU leading to real achievement. However - the results are outputs rather than outcomes. • No definable baselines exist and project purpose mid-term indicators are mostly not quantified and therefore, without the existence of either a baseline or a target, it is difficult to assess whether achievement has been satisfactory or whether higher level goals are likely to be achieved. • There is a need for a far clearer definition of the steps that need to be taken to test different systems for innovation development in Vietnam, demonstrate their effectiveness (or otherwise) through clear and reliable monitoring, and then encourage scale-up and/or replication of success to have national impact 	<p>Recommendation 1: Preparation of a combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion that ensures:</p> <ol style="list-style-type: none"> 1 An appropriate, sufficiently detailed and logical results chain is articulated explicitly for the IPP-2 and each of its interventions. 2 Each results chain shows all key changes arranged in logical order, demonstrating as far as possible how the selected intervention leads to achievement of development goals. 3 Each results chain is sufficiently detailed so that changes at all levels can be assessed quantitatively and/or qualitatively 4 The PMU has documented critical external assumptions that affect the logic of the results chain. 5 The PMU has documented reasons that support the logical links of the results chain. 6 The documentation explains how the changes outlined in each results chain are likely to lead to lasting impact. 7 The activity elements of the results chains are adequately documented to form the basis for action and have detailed budgets. 8 An exit strategy (see below) is integrated into

³ All findings, conclusions, and recommendations are based on extensive field visits, interviews, surveys and review of documents.

⁴ All conclusions are based on a combination of fieldwork, interviews and documentary review.

			<p>the Theory of Change and Results Chain.</p> <p>9 The transition from development cooperation to other forms of cooperation is integrated into the Theory of Change and results chain</p> <p>10 Significantly more emphasis is placed on gender and innovation and gender and sustainability – which reflects that these are opportunities and not costs to the programme.</p> <p>11 The development of the monitoring system is undertaken as a parallel integrated process.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Impact</p>	<p>The Ministry of Foreign Affairs guide to Results-based Management stresses that “results based management therefore involves shifting management approach away from focusing on inputs, activities and processes to focusing more on the desired results”. However, IPP-2’s new results framework – even at the project purpose level – remains very activity based with targets set as outputs of activities rather than outcomes. The underpinning theory of change of IPP-2 is not entirely clear or convincing.</p> <p>At this stage, it is premature to assess the achievement of impact, though the report points out the conclusions that can be drawn at this time.</p>	<p>Mid-term of a project is too soon to assess the achievement of impact. However, we can conclude:</p> <ul style="list-style-type: none"> • The current overall objective is extremely broad and the current indicators will not indicate whether the project has had impact or not as their achievement is well beyond the capacity of the IPP-2 to contribute to other than extremely marginally. There is a need to increase the credibility of future claims of impact by having a more realistic indicator to which IPP-2 can claim both attribution and contribution to results. • The existing indicators do not address Finland’s HRBA objectives. • The underpinning theory of change does not demonstrate the clear causal linkage expected in a results-based management approach and thus there is no certainty that IPP-2’s outputs will lead to the expected impact. • We would normally wish to give some guidance as to the level of progress towards achieving the 	<p>See Recommendation 1 above</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

		<p>overall objectives, but the absence of any indicators other than those demonstrated by outputs simply does not allow us to state whether progress is adequate or inadequate. However, the fact that we cannot assess the likelihood of success to any extent should be a real cause of concern for the Steering Committee and indicate that tight monitoring and control must be exercised during the final stage of the project.</p>	
Updated strategy	<p>We do not consider that the Updated Strategy provides a clear Theory of Change with results chain linking inputs to outputs to outcomes and on to impact. We are unable to comment meaningfully on the budget contained within the Updated Strategy as it is not broken down into adequate detail.</p>	<p>The Updated Strategy does not describe a credible approach to the achievement of the project goals, the switch from development to other forms of cooperation or a structured exit of the technical assistance team. It may prove most practical to prepare a combined strategy and detailed action plan/work programme from the current mid-term of the programme until programme completion rather than seeking to update the older document. The critical point is that the new document should have a clear theory of change with indicators (benchmarked and targeted) along comprehensive results chain that shows how the IPP-2's activities will</p>	<p>See Recommendation 1</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

		<p>lead to real impact⁵. The theory of change should embrace both the transition to trade-based and other forms of cooperation and the exit strategy. In our view, the technical assistance team should have clear terms of reference for their actions and deliverables in implementing the combined strategy and detailed action plan/work programme.</p>	
Efficiency ⁶	<p><u>Quality of technical assistance, including performance of TA and staff against TORs:</u> No comprehensive terms of reference exist for the long-term technical assistance team despite the requirement in the MTE team's terms of reference that performance of the IPP TA be assessed against these. Individual job descriptions exist for each core member of the PMU, but these do not contain performance indicators.</p> <p><u>Quality and quantity of short-term TA against the scope of the project:</u> Beneficiaries indicate a high degree of satisfaction with the process of grant scheme management, the quality of training provided and of the Core Curriculum. Based on information collected during the beneficiaries' interviews, the team rated the quality of policy advice provided as good in</p>	<p>They key conclusions are:</p> <ul style="list-style-type: none"> • Most beneficiaries assess efficiency aspects of support scheme management very highly • The quality of training and of the Core Curriculum are rated highly by beneficiaries • Policy advice: some is of good quality (e.g. on supporting high growth innovative companies), but more is of very poor quality • The PMU has good internal management and control systems – with the stark exception of an effective monitoring system – which is a major weakness for a project that is meant to test pilot systems and 	<p>Recommendation 2: Introducing upgrades to the sub-project selection process. The existing project selection system is highly credible, but – if any additional calls for proposals are planned under IPP-2 - it could perhaps additionally benefit from:</p> <ul style="list-style-type: none"> • Formal scoring by selection committee members using a grid with maximum score and weighting for each selection criterion. Future effectiveness and impact of projects should be assessed by considering their contribution to the core indicator goals of IPP-2 (see next section). • Inclusion of the critical selection criteria of replicability/scale up and demonstration impact: these are essential in a project which is primarily expected to demonstrate the validity of different piloted concepts. <p>The use of technical assessors to support (but not supplant the selection committee: technical</p>

⁵ Although the team was presented with a revised results chain, this has not change our conclusion regarding this aspect and the budget for reasons outlined in the Finding section above.

⁶ Value for money aspects were agreed to be not evaluable during the Inception Phase.

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

	<p>some instances and very poor in others.</p> <p><u>Quality of the day-to-day management including coordination and communication:</u> The project has good management control and information systems, but not a functional monitoring system. A systematic approach to the application and selection of grant beneficiaries has been introduced which is highly credible.</p>	<p>replicate those which are successful.</p>	<p>assessors should have no voting rights). This should ensure that selection committee members are given sound technical advice before making their decision rather than suggesting that extremely busy senior staff of other organisations have the time to assess in detail a range of applications.</p> <p>Recommendation 8: Contract a separate independent monitoring and evaluation team in parallel with the implementation technical assistance team: We recommend that the MFA should contract a separate independent monitoring and evaluation team in parallel with the implementation technical assistance is likely to be highly beneficial. Such a team would work with the implementation team to:</p> <ul style="list-style-type: none"> • Ex ante assess the planned Theory of Change of the new strategy/action plan to ensure results chains are defined and that realistic and measurable indicators (with baselines and clear targets) are selected. • Support the establishment of the project (and sub-project where applicable) monitoring framework, processes and systems, including training implementation team staff in their use. • Monitor on an ongoing basis the performance of the project and prepare reports for the Steering Committee • Train beneficiary staff and support the transfer of monitoring skills and systems to them • Undertake an annually review of the Implementation Contractor's performance.
cross-cutting objective	<p>The Inception Report of IPP-2 is silent on gender as is the 2015 Updated Strategy. The guidelines for applicants for support from the programme provide no guidance as to what is</p>	<p>There have been very limited attempts to adopt gender and climate sustainability into the IPP-2 despite their potential importance in the</p>	<p>Recommendation 3: Ensure gender and climate mainstreamed. We recommend that the PMU:</p> <ul style="list-style-type: none"> • Develop a clear gender mainstreaming policy and action plan

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

	<p>expected from applicants with respect to gender equality. The selection committee is also given no guidance as to the weight or importance in gender equality in their assessment.</p> <p>Sub-projects are not asked to define gender key performance indicators nor are these collated at a higher level to assess overall IPP-2 performance.</p> <p>Ten of the twelve innovation champions of IPP-2 are men.</p> <p>The technical assistance team advise that the priority in their work was to select the most innovative proposals regardless of gender dimensions. Gender therefore was not treated as a significant factor in project selection and sub-projects do not need to contribute to higher level gender objectives.</p> <p>The Inception Report and Updated Strategy are silent on climate issues.</p> <p>The guidelines for applicants for IPP-2 support simply advise that a selection criterion will be "The project strengthens climate sustainability". No guidance is given either to applicant or evaluator as to what this means in practice. Sub-projects are not asked to define climate sustainability performance indicators.</p> <p>The IPP-2 results framework contains no climate sustainability indicators.</p>	<p>innovation development process.</p>	<ul style="list-style-type: none"> • Ensure that gender issues are integrated – properly – into all aspects of project operation • Set gender mainstreaming targets and monitor their achievement • Appoint a senior member of the PMU staff to act as gender "champion". • Develop a clear climate sustainability policy and action plan • Ensure that climate sustainability issues are integrated – properly – into all aspects of project operation process • Set climate sustainability targets and monitor their achievement • Appoint a senior member of the PMU staff to act as climate sustainability "champion".
<p>Relevance</p>	<p><u>Relevance to Government of Vietnam:</u> The MTE found close alignment with the main documentation addressing the development of SMEs and support to technology innovation, including:</p> <ul style="list-style-type: none"> • Article 9 (Innovation, technological capacity, technical level) of Decree No. 56 on the policies and management support state assistance for development of small 	<p>IPP-2 is extremely relevant to Government of Vietnam policies and has actually encouraged their continual direction to achieve the goals of the Government.</p>	<p>None</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

	<p>and medium enterprises</p> <ul style="list-style-type: none"> • Section 4.10 of Vietnam’s Socio-Economic Development Strategy (SEDS) for the period of 2011-2020 • The planned Law on SMEs • Resolution No. 35/NQ-CP • Prime Minister’s Decision No. 418/QĐ-TTg approving the Strategy for Science and Technology Development for the 2011-2020” • Decision No. 844/QĐ-TT “Supporting the National Innovative Start-up Ecosystem by 2025” 		
	<p><u>Relevance to Government of Finland:</u> IPP-2 is well aligned with:</p> <ul style="list-style-type: none"> • The Finnish Development Policy Programme 2012 Vietnam • “Creating jobs through private sector and trade development: Aid for Trade – Finland’s Action Plan for 2012-2015” • Finland’s Country Strategy for Development Cooperation with Vietnam 2013-2016 <p>There does not appear to be a direct attempt in the design of IPP-2 (or in the guidelines for support to sub-projects) to mainstream ICT as a cross-cutting objective in line with Finland’s Development Policy Guidelines for ICT and the Information Society.</p> <p>IPP-2’s alignment with the Human Rights-based Approach (HRBA) to development appears weak and superficial and missing opportunities with respect to “gender and innovation”, “sustainability and innovation” and “inclusive innovation”.</p>	<p>The project is reasonably but not totally aligned with Finland’s development policy, but it does not comply with the HRBA of the MFA to a satisfactory level. Consideration should be given as to the extent to which it is possible to integrate Finland’s Development Policy Guidelines for ICT and the Information Society into IPP-2.</p>	<p>See Recommendation 3 above</p>
	<p><u>Relevance (and utility) to IPP-2 beneficiaries:</u> (i) <u>Innovative companies:</u> Around 77% of</p>	<p>The project is relevant to the beneficiaries and indicates a high degree of utility, but the data</p>	<p>None</p>

<p>innovative companies responding to the MTE survey defined the support they received from IPP-2 as valuable and 15% as essential. Respondents indicated that IPP-2 support has helped them in advancing their company's development and growth. Some 77% of survey respondents experienced increase in their profitability, and 84% saw increase in employment since they received IPP-2 support. However, 69% of survey respondents felt that the IPP-2 programme could have been designed slightly differently to better suit their needs. 61% of beneficiaries felt that the cash grant was the most important element of support, 31% felt the capacity building support was most important and 8% rated network access as the most important aspect;</p> <p><i>(ii) Innovation coaches:</i> the innovation coaches were very supportive of the IPP-2 programme. Eleven of the twelve coaches plan to continue providing coaching services: although all indicated that at present none are able to charge a commercial rate for their service (and only two view themselves as consultants operating on a commercial basis). Whilst the ToT1 trainers are a highly-motivated group that wishes to continue to play a pivotal role in the development of innovation in Vietnam, it was clear to us that they feel "forgotten". Although IPP2 actively supports the ToT1 trainers in their post-ToT1 activities, has them involved in almost all of IPP2 events, some of them have been mobilized in IPP2-University collaboration assignments, and there are plans to bring together ToT1 and ToT2 teams, many of those interviewed by the team stated that they were extensively trained and then used</p>	<p>suggests that design improvements might have increased utility further.</p>	
---	--	--

	<p>as paid coaches – and then, in their view, they were forgotten. They feel upset that there was no attempt to bring them together and brainstorm their views and experiences to learn from these. They also feel that IPP-2 should have a clearer picture on how they would be utilised after their initial work was completed.</p> <p>(iii) <u>Universities and education institutions (ToT2)</u>: The ToT2 group is still at the application stage. However, the applicants did have clear views on the relevance of the ToT2 programme. Over 55% of ToT2 applicants felt that the support as set out in the recent open call have been better tailored to their needs. This seems to have been primarily because the applicants felt that the open call process created competition between Vietnam’s universities (and thus a fragmented approach) when what was needed was to encourage cooperation and linkages.</p> <p>(iv) <u>Ecosystem Developers</u>: Ecosystem developers demonstrated a high degree of satisfaction with 78.6% defining it as either essential or valuable. However, 57% of respondents indicated that the support could have been better tailored to their needs.</p>		
Exit strategy	<p>The appraisal of the PFD stated that “planning for an exit/phasing out strategy is a process that should start early on in the inception phase of the programme. Due to the specific changing context of IPP-2 it will nevertheless require more time than just six months. The appraisal recommends that the programme implementation team would prepare an exit strategy by the end of year 1 (month 12 in programme implementation) and submit it to the Steering Committee for approval”. The final PFD foresaw and “Exit</p>	<p>No exit strategy currently exists for IPP-2, but one needs to be developed very urgently to address the complexities of transferring responsibilities from the PMU to local stakeholders in a sustainable manner.</p>	<p>Recommendation 4: Development of an exit strategy: We recommend that an exit strategy needs to be defined as an integral, coordinated element of the new combined strategy and detailed action plan/work programme referred to in Recommendation 1. In our main report, we recommend the nature of an exit plan and how to prepare this. We would suggest that a member of staff of the technical assistance team should be appointed as Exit Strategy manager. And that the Exit Strategy manager should be responsible for drawing up a detailed monitoring and reporting</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

	<p>and Follow-Up Period” of 9 months, but provides no details on this. It should be noted that operating IPP-2 through a parallel structure (a PMU) rather than integrating it within the operational framework of the Ministry makes the exit process more complex. The Updated Strategy does not mention the exit process.</p>		<p>plan on the Exit Strategy which should be integrated into the overall programme monitoring system. Recommendation 7: We recommend that the MOST ensure the selection of the MOST Departments and/or Agencies and other key stakeholders to which elements of IPP-2 (activities, systems, processes, outcomes, etc.) should be transferred during the exit phase</p>
Sustainability	<p><i>IPP-2 Programme:</i> According to the PFD “the aim of the IPP Phase 2 is to build new Vietnamese-Finnish partnerships and facilitate the transition from traditional development cooperation to other forms of bilateral cooperation including STI and business partnerships. Other funding instruments such as the Finnpartnership’s business partnership support facility, Finnfund’s investment financing, Institutional Cooperation Instrument (ICI) and the innovation funding of the Finnish Funding Agency for Technology and Innovation (Tekes) are needed to complement funding for Finnish stakeholders.” The critical aspects of sustainability are therefore to:</p> <ul style="list-style-type: none"> • Determine which aspects of its operations (programmes, activities, processes, systems, etc.) are required after the life of IPP-2 and determine how these essential aspects are to be transferred in a planned and structured manner to the Government of Vietnam and other local stakeholders. This requires a clear Exit Strategy: such a strategy does not currently exist for IPP-2. • Determine how the switch from development cooperation to other 	<p>The high degree of relevance and importance that the Government gives to innovation (as reflected, for example, in Prime Minister Decision No 844/QĐ-TTg approving the scheme on “supporting the national innovative startup ecosystem through 2025”) suggests a good prospect of continued sustainability. Another promising sign is the recently signed Memorandum of Understanding between Tekes and MOST and the first joint call (http://ipp.vn/en/what-we-do/tekes-natif-joint-call/).</p> <p>It is clear that significant elements of the remaining resources of IPP-2 should be used on the necessary capacity building and related tasks necessary to ensure sustainability (in both dimensions described above).</p>	<p>See Recommendation 4 above.</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

	<p>forms of cooperation can be best managed to ensure sustainable ongoing links. This requires a clear plan: such a plan does not currently exist.</p>		
	<p>IPP-2 Programme Beneficiaries With respect to the beneficiaries of IPP-2 and their sustainability:</p> <ul style="list-style-type: none"> • Ecosystem developers: 71% felt that their ecosystem could continue to grow to be self-funding without external support from IPP or another similar programme, but 65% said that this would take 3 to 5 years and 14% felt that it would take more than 5 years. This indicates survival will require further external funding. • Innovative companies: 53% felt that they would have been able to develop their companies without IPP support and 77% said they could have found the funding they received from another source (which indicates limited additionality). 85% of the companies stated that they could continue to grow without further external support. • Innovation champions: 11 of the 12 champions indicated that they wanted to continue to act as coaches, but as we have described already are uncertain what their future role might be. • ToT2 trainers: 96% of applicants for ToT2 stated that they would plan to develop their institution to have a greater 	<p>The data suggests a high degree of sustainability of supported projects, but a relatively low level of additionality.</p>	<p>See Recommendation 4 above</p>

	<p>role in the national innovation system regardless of whether they received IPP-2 support or not. This suggests limited additionality, but strong sustainability⁷.</p>		
<p>Transition to other forms of cooperation</p>	<p>The PFD for IPP-2 is clear with respect to expectation in this field: “The aim of the IPP Phase 2 is to build new Vietnamese-Finnish partnerships and facilitate the transition from traditional development cooperation to other forms of bilateral cooperation including STI and business partnerships. Other funding instruments such as the Finnpartnership’s business partnership support facility, Finnfund’s investment financing, Institutional Cooperation Instrument (ICI) and the innovation funding of the Finnish Funding Agency for Technology and Innovation (Tekes) are needed to complement funding for Finnish stakeholders.” MOST and Tekes have entered on 8 March 2016 into a memorandum of understanding to promote cooperation in supporting and funding collaborative research, development and innovation projects between Finnish and Vietnamese enterprises and research organizations in a wide range of fields. Specifically, the objective is to promote technology transfer, and commercialization of technology between Finnish and Vietnamese enterprises and research organizations on the basis of win-win cooperation. The operational basis for the cooperation is joint</p>	<p>Although partnerships between Finland and Vietnam are not apparently treated as a priority in the Updated Strategy, the IPP-2 played a pivotal role in the new MOST-Tekes memorandum of Understanding and that is a significant achievement. There is an urgent need to build on that and consider other forms of partnership. During our mission, we have had the opportunity to discuss the goals of the MFA with all these key players the development of a range of cooperative partnerships (enterprise-enterprise, university-university, research institute-research institute, enterprise-research institute, etc.). We found all interested and wishing to be involved, but with no clear picture of how the objective can be turned into a reality – but each felt IPP-2 should play a pivotal catalytic role. IPP-2 needs to develop a clear plan as to how this important aspect might be progressed the report.</p>	<p>Recommendation 5: Preparation of a plan for IPP-2 support to the transition from development cooperation to trade-based and other forms of cooperation: IPP-2 should prepare – in close conjunction with Tekes, Finpro, NATEC and EVBN – an action plan for ensuring that the goals inherent in the MoU between Tekes and MOST become a reality. This action plan should consider actions both in Finland and in Vietnam. It should consider, <i>inter alia</i>:</p> <ul style="list-style-type: none"> • Supporting – both in Vietnam and Finland – promotional actions to encourage partnering and match-making of companies and research institutes between entities in both countries. • Supporting Tekes and NATEC to prioritise the sectors defined in the MoU and to use a range of targeted sectoral approaches to encourage partnerships • Support to NATEC in developing effective their element of the planned joint funding schemes and in monitoring their performance <p>The action plan needs to be defined as an integral, coordinated element of the new combined strategy and detailed action plan/work programme referred to above. It should have a clear allocation of tasks and responsibilities of the main players and allocation of their budget accordingly. Given that IPP-2 has greater staff resources to address this</p>

⁷ ToT2 started in August 2016, 2 months after the MTE team’s visit to Vietnam.

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

	<p>funding calls with each party assessing, selecting and funding their national projects. We understand that IPP-2 played a critical role in encouraging the establishment of this memorandum of understanding. The first joint call is now underway (http://ipp.vn/en/what-we-do/tekes-natif-joint-call/).</p>		<p>issue it should take the lead initially, but with a clear exit strategy built in. It should also have a clear monitoring plan to assess its performance.</p>
<p>Coordination</p>	<p>In January 2016, IPP-2 initiated and organized the first Innovation Partners meeting, which has since been organized on a monthly basis rotating between Hanoi and HCMC to enhance support programmes, projects, donors and other sponsors' collaborative actions and to make national and regional innovation systems work better for the success of Vietnam-based innovative start-ups and enterprises.</p>	<p>The PMU has initiated important coordination tools in the sphere of innovation in Vietnam.</p>	<p>None</p>

Recommendation 6: Ensure that the PMU submit – as a matter of urgency – proposals as to how they intend to implement Recommendations 1 to 5 above. IPP-2 has a relatively short remaining life and time is rapidly running out. The Steering Committee should request the PMU to give a clear timetable for the implementation of the recommendations contained in this report if these are accepted by the Steering Committee.

We suggest one broad lesson learned directed at the Ministry of Foreign Affairs of Finland

Lesson 1: A project framework document does not necessarily act as a reliable basis for contracting and monitoring an implementation contractor

We were advised by the MFA that as the Finnish development cooperation system is based upon results-based management that there is no need for specific terms of reference for major technical assistance contracts as the achievement of the defined results within the PFD demonstrates achievement of the contract. We note that the MFA Guidelines for Programme Design, Monitoring and Evaluation (undated) contain at Annex II a "General format for terms of reference" and that the "Handbook on Government Procurement 2010" appears in Section 7.6.2 to require a detailed definition of required services. While noting that this is in line with MFA's guidelines, we see three significant problems with not preparing terms of reference for such major technical assistance contracts:

- The assumption is that each PFD has a clear results-based management framework with SMART indicators against which technical assistance performance can be judged at the time of contracting the technical assistance: that is, even before the inception phase. In the case of IPP-2 this is not the case.
- The assumption is that the technical assistance team is responsible for supporting MOST in the delivery of all results within the PFD – but this is clearly not the case. Most programmes are implemented in partnership with the beneficiary in accordance with aid effectiveness principles (and, in the case of Vietnam, the localization of these in the Hanoi Core Statement on Aid Effectiveness). The technical assistance team's required deliverables and the expected project outputs are therefore not always identical.
- If the PFD is outdated (as happened with IPP-2 as early as the inception report) then it is of no value in enforcing a results-based management approach to judge the performance of the technical assistance contractor⁸. It is unclear under these circumstances what the Steering Committee or MFA are expected to use as a reference point in judging the performance of a technical assistance contractor

⁸ The contract with NIRAS simply states with respect to "the scope and extent of services" that the "Consultant undertakes to carry out the Services, described in detail in Project Document (Annex 4) and consisting of the following main components: Component 1: Institutional development and capacity building; Component 2: Partnerships for innovation; Component 3: Innovation projects.

2 Introduction

2.1 Objective of the Mid-Term Evaluation

The objective of the Mid-Term Evaluation, according to the terms of reference, is to assess the relevance, efficiency, effectiveness, impact, sustainability, coordination, complementarity, coherence and Finnish value added of IPP-2 and to validate the updated strategy of the IPP-2 with a view to providing the competent authorities (MFA and MOST) with the basis for informed decisions during the final stage of IPP-2. According to the ToR "As the updated strategy is focusing more on capacity building than the original plan, the MTE is also expected to assess the adequateness or appropriateness of technical assistance provided and planned needs for short-term consultants."

2.2 Focus of the Evaluation

The focus of the evaluation is to:

- Provide evidence of the performance of the programme to date and likely performance in the future, including the role of IPP-2 in the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam.
- Provide opinions and comments on the updated strategy of the IPP-2 (approved by the Steering Committee on 28 October 2015).
- Suggest recommendations for phase-out and possible need for reorientation and prioritising of activities (within the existing budget for the programme) and practical solutions in order to achieve the objectives, improve the effectiveness and efficiency, ensure sustainability and remove the possible problems or constraints during the remaining programme period.
- Provide an assessment on the Programme's alignment and contribution to the new Finland's Development Policy Programme (February 2016) and its objectives under the four priority areas (girls and women's rights; private sector development and job creation; rule of law and democracy; and food security, water and energy).

2.3 The main evaluation questions

The main evaluation questions defined in the terms of reference (see Annex 1) are:

Relevance

- To what extent the project is consistent with the needs and priorities of the final beneficiaries and Vietnam's priorities? Are the groups of beneficiaries satisfied (including private sector representatives and people at the grass-root level) with the support modalities, objectives and results of the programme? Has the relevance changed since the beginning of the project?
- How well the project can support the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam, and can measures be taken to enhance this relevance?

Efficiency

- How well have the activities transformed the available resources into intended results in terms of quantity, quality and time? Can the costs of the programme be justified by the results?
 - o Quality of technical assistance, including performance of TA and staff against TORs? Quality and quantity of short-term TA against the scope of the project?
 - o Quality of the day-to-day management including coordination and communication? How well are possible problems in implementation addressed? Functioning of the institutional arrangements, including cooperation and communication between stakeholders?
 - o Quality of monitoring and reporting, including the adequacy and use of indicators?

Effectiveness

- To what extent has the project achieved its purpose and results or will do so in the future?
- To what extent are the risks, including corruption, addressed in project implementation and monitoring?

Impact

- How well has the project succeeded to make progress towards achieving the overall objective(s) including promotion of human rights-based approach and cross-cutting objectives of Finland's development policy?

Sustainability

- What are the possible strengths, weaknesses, opportunities or threats that enhance or inhibit the implementation and achievement of the programme objectives?
- To what extent is it likely that the programme achievements will continue after withdrawal of external support? The analysis shall be broken down by economic, financial, institutional, technical, socio-cultural and environmental sustainability.

Coordination, complementarity, coherence/ aid effectiveness

- How have other programmes and cooperation been taken into account in implementation, including experiences of joint work with other actors?
- How well has the programme promoted ownership, alignment, management for development results, and mutual accountability? To what extent are the implementing partners committed to achieving the results and maintain them after the termination of external support?
- To what degree contradictions or mutual reinforcement with other policies affect implementation and achievement of the programme's development objectives?

Cross-Cutting Objectives

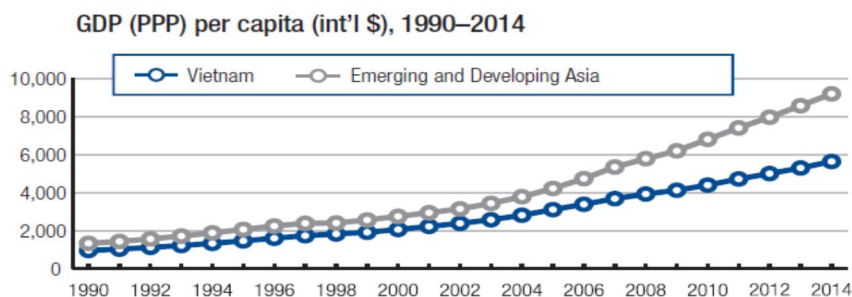
- The evaluation team should examine the success of the project in relation to all cross-cutting objectives of Finland's development policy (gender, reduction of inequality and climate sustainability) as well as the human rights-based approach (HRBA).
- The team should also examine the due attention of the programme personnel has paid to the cross-cutting objectives during the implementation of the project's activities.

The evaluation questions were reviewed during the Inception Phase and in subsequent exchanges with the MFA and IPP2 team. With respect to efficiency we advised the MFA on 11th May 2016 that "Efficiency is more complex – and I am not sure if it is evaluable. There is no obvious comparator (especially for a project which has continuously evolved – unless Aki has one from the wider MFA innovation portfolio) and no Value for Money indicators were defined at commencement or in the recent baseline report. There are no specific terms of reference for the PMU as the contract simply refers to implementing the PFD. However, as the PFD has changed – but not been amended – it itself cannot be used to assess efficiency (has the PMU achieved the tasks in the PFD for the agreed budget?). We could assume efficiency if the effectiveness targets were met, but – as these have only recently been set – cannot say whether the inputs for the whole of IPP2 were VFM for the recently defined outputs. Given that the planned results (and activities) have changed fairly steadily throughout the project it would be impossible to assess the efficiency or utilisation ratio of the resources used (resources applied to results). Seeking to identify cost minimization or yield maximization performance in an every-changing landscape could only be done through unsubstantiated expert judgement – which might call into question or other substantiated findings. Could we agree to leave efficiency mostly to one side?" The MFA replied on 13th May 2016: "You can proceed with efficiency as you suggest." Efficiency therefore was not a major focus of this evaluation in line with the agreement with the MFA.

3 Context⁹

Political and economic reforms (Đổi Mới) launched in 1986 have transformed the country from one of the poorest in the world, with per capita income around US \$100, to lower middle income status within a quarter of a century with per capita income of around US\$2,100 by the end of 2015. Vietnam's per capita GDP growth since 1990 has been among the fastest in the world, averaging 5.5% a year since 1990, and 6.4% per year in the 2000s. Vietnam's economy continued to strengthen in 2015, with estimated GDP growth rate of 6.7% for the whole year.

Figure 1: Vietnam's GDP growth 1990-2014



Source, Global Competitiveness Report 2015-16

Social outcomes have improved dramatically across the board. Using the US\$1.90 2011 PPP line, the fraction of people living in extreme poverty dropped from more than 50% in the early 1990s to 3% today. Concerns about poverty are now focused on the 15% of the population who are members of ethnic minority groups, but account for more than half the poor. Not only are incomes higher, but the Vietnamese population is better educated and has a higher life expectancy than most countries with a similar per capita income. The maternal mortality ratio has dropped below the upper-middle-income country average, while under-five mortality rate has fallen by half, to a rate slightly above that average. Access to basic infrastructure has also improved substantially. Electricity is now available to almost all households, up from less than half in 1993. Access to clean water and modern sanitation has risen from less than 50% of all households to more than 75%. Vietnam's Socio-Economic Development Strategy (SEDS) 2011-2020 gives attention to structural reforms, environmental sustainability, social equity, and emerging issues of macroeconomic stability. It defines three "breakthrough areas": (i) promoting human resources/skills development (particularly skills for modern industry and innovation), (ii) improving market institutions, and (iii) infrastructure development. In addition to the elaboration of three SEDS breakthrough areas, the five-year Socio-Economic Development Plan 2011-2015 focused on three critical restructuring areas – the banking sector, state-owned enterprises and public investment -- that are needed to achieve these objectives. The recent draft of the SEDP 2016-2020 acknowledges the slow progress of the reform priorities of the SEDP 2011-2015 and emphasizes the need to accelerate these reforms in 2016-2020 to achieve the targets set in the 10-year strategy. Vietnam also faces an unfinished economic modernization and structural transformation agenda. Part of this relates to maximizing the gains from the ongoing structural transformations that have been a major contributor to growth since the early 2000s.

With agriculture still accounting for almost half the labour force, and with significantly lower labour productivity than in the industry and services sectors, future gains from structural

⁹ This section quotes extensively from the World Bank's Vietnam overview: <http://www.worldbank.org/en/country/vietnam/overview>

transformation could be substantial. The transformation from state to private ownership of the economy is even less advanced. The state also wields too much influence in allocating land and capital, giving rise to heavy economy wide inefficiencies. So, adjusting the role of the state to support a competitive private sector-led market economy remains a major opportunity. This will be important for enhancing productivity growth which has been stagnating for a long time. Vietnam needs more rapid productivity growth to underpin sustained rapid growth in order to achieve its objective of reaching upper middle income status in the next few decades. The World Economic Forum indicates very impressive growth in Vietnam's global competitiveness.

Figure 2: Global Competitiveness Index for Vietnam (2015-2016)

	Rank (out of 140)	Score (1-7)
GCI 2015–2016	56	4.3
GCI 2014–2015 (out of 144).....	68	4.2
GCI 2013–2014 (out of 148).....	70	4.2
GCI 2012–2013 (out of 144).....	75	4.1
Basic requirements (58.9%)	72	4.5
1st pillar: Institutions	85	3.7
2nd pillar: Infrastructure	76	3.8
3rd pillar: Macroeconomic environment	69	4.7
4th pillar: Health and primary education	61	5.9
Efficiency enhancers (35.8%)	70	4.0
5th pillar: Higher education and training	95	3.8
6th pillar: Goods market efficiency.....	83	4.2
7th pillar: Labor market efficiency	52	4.4
8th pillar: Financial market development.....	84	3.7
9th pillar: Technological readiness	92	3.3
10th pillar: Market size.....	33	4.8
Innovation and sophistication factors (5.3%)	88	3.4
11th pillar: Business sophistication	100	3.6
12th pillar: Innovation	73	3.2

Source Global Competitiveness Report 2015-16

As shown in Figure 3 Vietnam's enterprise demonstrate limited technological readiness: a significant factor for the growth of competitive enterprises.

Figure 3: Vietnam's technological readiness (2015-16) showing the score achieved and international ranking

9th pillar: Technological readiness		
9.01	Availability of latest technologies	4.0 112
9.02	Firm-level technology absorption.....	3.9 121
9.03	FDI and technology transfer	4.2 81
9.04	Individuals using Internet, %*	48.3 73
9.05	Fixed-broadband Internet subscriptions/100 pop.* ..	6.5 79
9.06	Int'l Internet bandwidth, kb/s per user*	20.7 86
9.07	Mobile-broadband subscriptions/100 pop.*	31.0 83

Source: Global Competitiveness Report 2015-16

This has implications not only in terms of the use, adoption and adaptation of technology, but also for innovation and research and development initiatives, which are critical for sustainable

and competitive economic development¹⁰. Enterprises can benefit from new production, process or organizational technologies in several ways:

- The application of new technologies allows enterprises to upgrade their capacities and products.
- New technology often constitutes a major determinant in the development of new products and in improvements to the quality of existing products.
- New technology can lead to enhanced efficiency and thus a reduction in production costs.

However, as at 2010 labour intensive production practices remained the main element in Vietnamese manufacturing with 80% of enterprises using human-operated machines and only 8% using computer-operated machines¹¹. The same survey found that only 12% of enterprises in Vietnam actively engage in research and development and that these were primarily large enterprises. Vietnam demonstrates a low level of innovation which is reflected in the low level of registered patents by Vietnamese inventors. In a 2011 survey¹² of business leaders in 25 economies Vietnam scored lowest as to concerns about protection of its intellectual property rights (with Germany and Singapore scoring the highest concern) reflecting the low valuation of Vietnam's intellectual property rights. According to a recent European Commission document IPR issues remain significant, but "the Free Trade Agreement [between Vietnam and the EU] includes a substantial IPR chapter and should help to improve the IPR framework in Vietnam".

Innovation refers to the creation of better or more effective products, processes, technologies, or ideas. This can occur at many different levels, for example by creating products that are new just to the innovating firm, to the market, to the country, or completely new at the international level. As of 2010 most of the innovation taking place among Vietnamese enterprises can best be described as relatively modest in nature, leading to new products or processes at the level of the firm (47% of firms undertaking R&D) and local market (39%), and rarely resulting in anything new internationally (under 2%).¹³ These results show that very few firms in Vietnam innovate, and they are thus likely to use technology developed outside of the firm. For those that do innovate, they are in general not creating entirely new products or processes: most firms chose to copy each other rather than innovate.

Data from the World Economic Forum's Global Competitiveness Report demonstrates the issues in innovation.

¹⁰ Fagerberg, J., Srholec, M., Verspagen, B. (2010). "Innovation and Economic Development," in, Handbook of the Economics of Innovation. North Holland: Elsevier, 2010, pp. 833-872.

¹¹ Firm-level Competitiveness and Technology in Vietnam: Evidence from a Survey in 2010, Business Sector Programme Support (BSPS), Royal Embassy of Denmark in Vietnam

¹² GE Global Innovation Barometer 2013: subsequent surveys do not include Vietnam.

¹³ Firm-level Competitiveness and Technology in Vietnam: Evidence from a Survey in 2010, Business Sector Programme Support (BSPS), Royal Embassy of Denmark in Vietnam

Figure 4: Innovation in Vietnam (2015-16) showing score and international ranking

12th pillar: Innovation		
12.01	Capacity for innovation.....	3.881
12.02	Quality of scientific research institutions	3.395
12.03	Company spending on R&D.....	3.357
12.04	University-industry collaboration in R&D	3.392
12.05	Gov't procurement of advanced tech products	3.928
12.06	Availability of scientists and engineers	3.975
12.07	PCT patents, applications/million pop.*	0.291

Source: Global Competitiveness Report 2015-16

Over the last decade there has been increasing acceptance among policy makers globally of the idea that technology diffusion [technology transfer] produces most of the economic benefits of new technology. It is “not the creation of technological leadership in itself that affords a nation its competitive advantage, but the rate and level of diffusion of the technology into economic use”¹⁴. Technology adaption (a key element of diffusion), which involves the modification and refinement of already existing technologies rather than original research and development, is undertaken by 23% of Vietnamese enterprises with the majority being small in size: the adaptation activities cannot be defined as research-based or new-to-world, but they are innovative and directed at the development of appropriate technologies for the enterprises in question. The main motivation for enterprises to undertake technology adaption is to improve product quality and to increase productivity and capacities and the main reason for adaptation is not that an appropriate technology is not available in the market – but that it is considered too expensive.¹⁵

However, the 2015 Global Innovation Index Report listed Vietnam as an “innovation achiever” indicating that it outperformed its peers on the overall GII score during 2011–14 and was “flagged as an innovation outperformer—while advancing 19 places to 52nd”.

¹⁴ Rothwell, R. and Zegfeld, W. (1985), *Re-industrialisation and Technology*, Essex: Longman

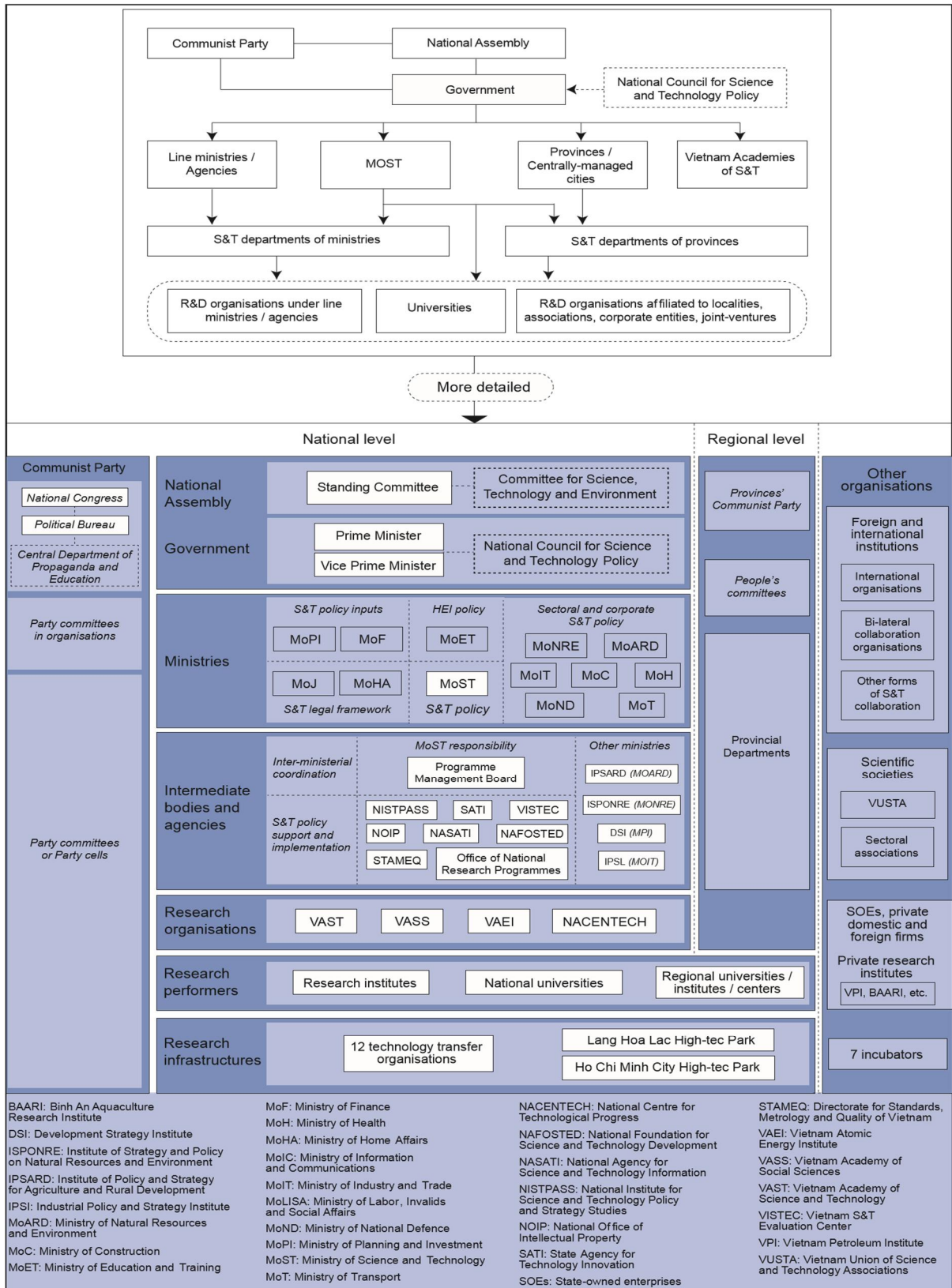
¹⁵ Firm-level Competitiveness and Technology in Vietnam: Evidence from a Survey in 2010, Business Sector Programme Support (BSPS), Royal Embassy of Denmark in Vietnam

Table 2: SWOT analysis of Viet Nam's innovation system

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong economic performance and diminishing poverty levels. • Geographical location in one of the world's most dynamic regions. • Sizeable labour force and favourable demographics. • Substantial national education effort and good secondary education performance. • Attractiveness for investment by multinational enterprises. • Export strengths in a range of sectors. • Reputation in S&T fields such as mathematics and specialisation in agricultural research and biology. • Efforts to create and sustain a set of organisations and institutions to support innovation. • Regional initiatives of national benefit. 	<ul style="list-style-type: none"> • Low levels of productivity and income. • Inadequate framework conditions and disincentives for innovation. • Limited access to finance for enterprises. • Inefficiencies in State-owned enterprises. • Infrastructure deficiencies. • Weak performance of the teaching and learning system. • Low level of sophistication of production and exports. • Little innovation and even less R&D capacity in the business sector. • Weak performance of public-sector research. • Weaknesses in the S&T infrastructure as regards laboratories and research equipment. • Seriously underdeveloped information base for innovation policy making. • Inadequate STI governance arrangements and policy implementation.
Opportunities	Threats
<ul style="list-style-type: none"> • Further developing the human capital and skills base involving the sizeable Vietnamese diaspora. • Nurturing a dynamic business sector and its innovation capabilities. • Diversifying and upgrading the economy. • Developing a healthy attitude to risk-taking. • Improving effectiveness of the innovation system in terms of economic and social impact. • Strengthening inclusive growth. 	<ul style="list-style-type: none"> • Unfavourable macroeconomic developments and a slowdown in growth. • Failure to improve the institutional and business environment by tackling banking system reform and corruption. • Increasing brain drain. • Failure to prepare for increased international competition. • A looming middle-income trap.

Source: Science, Technology and Innovation in Viet Nam, OECD, 2014

Figure 5: Institutional profile of Viet Nam's S&T and innovation system



Source: OECD, adapted from Manh Quan Nguyen (2011), "Current Situation of the Vietnam Science, Technology and Innovation System: The role of S&T Development Strategy for 2011-2020", presentation at NISTPASS, MOST, Hanoi, and information provided by Michael Braun (VISTEC).

The national structure is replicated to some extent at the regional level. S&T policy management at the regional level is ensured by the provincial Departments of Science and Technology (DoSTs). DoSTs are sub-units under city/provincial people's committees and under vertical technical guidance of MoST. They receive local budgets allocated for S&T and decided by city/provincial people's committees and people's councils.¹⁶ According to the OECD, overall the decentralisation of S&T policy remains very limited.¹⁷

In terms of the steering and funding of public R&D organisations there are three levels of governance: the national research institutes/centres under the prime minister (VAST, VASS); research institutes and technological branch institutes under line ministries, cities and provinces; and focal points for S&T in districts, co-operatives, large enterprises – which are themselves not classified as public research organisations – manage the application of S&T results of R&D organisations of the first and second levels.

According to the OECD, “Lack of indicators and other sources of information preclude painting a comprehensive and internationally comparable picture of business-sector innovation. An accurate view of the scope and magnitude of business innovation is further complicated by the fact that the business sector is undergoing rapid change.”¹⁸ According to the OECD available evidence about technological capabilities in state-owned enterprises in Viet Nam is mixed. State-owned enterprises account for the majority of domestic business R&D expenditure. Businesses operating in sectors with a high concentration of state ownership have higher total factor productivity; this may suggest that state-owned enterprises have some technological leveraging potential¹⁹. However, State-owned enterprises, like other domestic businesses, have lower total factor productivity than foreign-owned businesses. Moreover, by some estimates, State-owned enterprises are unable to allocate investments as productively as other domestic businesses. Given their continuing weight in overall economic activity and their potential to act as catalysts for wider change, improving the productivity of State-owned enterprises seems an urgent task. Intensifying competition from domestic and multinational firms should help to raise the productivity of State-owned enterprises and other firms, a process that will be helped by the maturing of a financial sector that remains fairly shallow. State-owned enterprises are in some cases sheltered from competition and may be profitable without necessarily innovating²⁰. Intensifying competition should also stimulate demand for innovation.

A sizeable foreign-owned sector has developed in the years since *doi moi*. While some parts of the foreign-investment sector conduct R&D, OECD suggests that they do not always use the latest production methods²¹. Interviews with relevant stakeholders suggest few spill-overs from multinational enterprises and joint ventures²².

According to the OECD, ²³The available evidence, while partial and fragmented, points to very weak linkages between science and industry. Businesses account for only 2.8% of the funding of public research. The 2012 CIEM and World Bank survey found that only about 6% of firms had

¹⁶ DoSTs only receive a portion from the central budget (through MoST) in case of unexpected tasks.

¹⁷ As stated in the Proposal on the Reform of the S&T Management Mechanism, there is no “clear delegation and decentralisation of rights and responsibilities from Ministries, branches and the central government to localities” (Decision 171/2004/QĐ-TTg).

¹⁸ Science, Technology and Innovation in Viet Nam, OECD, 2014

¹⁹ Newman, C., N. Gaia, F. Tarp and V.X. Nguyet Hong (2009), “The Role of Technology, Investment and Ownership Structure in the Productivity Performance of the Manufacturing Sector in Viet Nam”, Working Paper No. 0109, Department of Economics, Trinity College Dublin.

²⁰ Tagscherer, U. (2010), “Analysis and Assessment of Industry-Science Linkages in Viet Nam”, Study for the OECD Review on Innovation in South East Asia on behalf of the German Ministry of Education and Research, Fraunhofer ISI.

²¹ Science, Technology and Innovation in Viet Nam, OECD, 2014

²² Tagscherer, U. (2010), “Analysis and Assessment of Industry-Science Linkages in Viet Nam”, Study for the OECD Review on Innovation in South East Asia on behalf of the German Ministry of Education and Research, Fraunhofer ISI.

²³ Science, Technology and Innovation in Viet Nam, OECD, 2014

engaged in innovation-related co-operation with an outside partner and only about 1% collaborated with research institutes and universities. This is hardly surprising, given the small amount of business research, in absolute as well as relative terms, and the proclivity of the majority of businesses to engage in small-scale research. The public research system also suffers from pronounced resource constraints, which may limit opportunities for collaboration. There are other factors at work as well. Many institutes do not actively look for the market, and seem to be content with simply conducting research using their currently available resources without concern for the needs of enterprises." The lack of intermediary institutions, agencies, consultancy, evaluation, valuation and provision of technology-related information is also a constraint on interactions between the public research sector and businesses. Information technology and training are the services that firms commonly seek outside their boundaries. MNE affiliates are not connected to the local research system and find it difficult even to establish supplier relations owing to quality issues.

The establishment of industrial parks has been extensively used for industrial development in Viet Nam and is a major policy initiative that is somewhat related to the strengthening of linkages. It is estimated that by the end of 2010, 261 industrial parks had been approved (173 operational) and housed 8 339 firms and employed 1.6 million workers. While industrial parks are recognised as having facilitated structural change to in some cases technologically intensive manufacturing, their low occupancy rate suggests that their rate of growth may not be commensurate with manifested demand for investment. The Que Vo Industrial Park and the Saigon High Tech Park offer examples of some of the more advanced activities that take place in such parks. Because state-owned enterprises enjoy preferential treatment, multinational enterprises develop joint activities with them, taking advantage, among other things, of their easier access to land. Evidence on the impact of industrial parks in strengthening innovation linkages is lacking.²⁴

With respect to research institutions a decision was made in 2000 to create 17 National Key Laboratories, with three main goals: promoting creative scientific research whose results can be published in top international scientific journals; generating patented inventions which can be commercialised and contribute to improve the country's S&T level; enlarging the pool of qualified scientists who can perform national S&T missions according to international quality standards. These labs were to be designed to serve six fields of basic science: biotechnology, information technology, material technology, mechanics-automation, petro-chemistry and infrastructure. In 2012 there were 88 laboratories managed by higher education institutions, but very few were world-class, and many did not perform high quality research. The most important and productive were and still are concentrated in a few places. Only a limited number of faculties and academic departments at Viet Nam's universities and colleges have sufficient personnel, equipment and other resources to perform serious R&D. Among them, the two national universities (in Hanoi and Ho Chi Minh City) and the two largest polytechnics (Hanoi University of Science and Technology and Ho Chi Minh City University of Technology) are the most research-intensive bodies in the Vietnamese academic system. In 2012 there were 953 public R&D and engineering organisations: the most important is the Viet Nam Academy of Science and Technology which is by far the largest Vietnamese research agency.

The planned Law on SMEs (in course of drafting) will, we have been advised, provide significant emphasis on innovation to meet the goals of SME development. Other changes in national legislation (see relevance section of this report) continue to provide a supportive environment for start-ups and innovation.

The high degree of relevance and importance that the Government gives to innovation (as reflected, for example, in Prime Minister Decision No 844/QĐ-TTg approving the scheme on

²⁴ Ibid.

"supporting the national innovative startup ecosystem through 2025") indicates that the context is becoming more and more favourable to project implementation.

With respect to changes in the donor support context two major World Bank programmes were meant to be working parallel to IPP-2: Fostering Innovation through Research, Science and Technology (FIRST)²⁵, which is implemented through MOST, and the Viet Nam Inclusive Innovation Project (VIIP)²⁶, which is implemented by the MPI Agency for Enterprise Development. Neither programme has moved forward as planned and this has changed the context in which IPP-2 has had to work.

The recently signed Memorandum of Understanding between Tekes and MOST is a positive change in the operating context: and more specifically the Minister of Science and Technology's decision to allocated approximately US\$ 1.5 million to allow a joint support call for project proposals under this memorandum to be initiated in July 2016 using procedures drawn from IPP-2's grant scheme processes with a special focus on transparency.

IPP-2 was expected, according to the PFD, to undertake "mapping of key multi-helix stakeholders in the selected regions, including initial identification of regional facilitators for organisation of OIFs; assess other relevant donor programmes and modalities for promoting international and local multi-helix stakeholder participation". According to the MFA and IPP-2 team such mapping was never undertaken meaning that there is no clear picture of the sub-national context.

The PFD correctly states that "three principal needs manifest themselves with regard to NIS:

1. Enabling the stakeholders to become fully aware of the role of innovations in the business development and how interacting in a NIS may benefit them;
2. Stimulating interaction through opportunities and enhanced expertise among the stakeholders; and
3. Creating an innovation environment with strong financial and technical support for stakeholders, who are actively involved in innovation processes".

This is the context in which IPP-2 operates and which it was expected to influence to bring about the programme's objectives.

At a national level, we do not assess that there have been any critical changes in the operating environment which might influence the performance of the programme.

At the sub-national level, the absence of mapping of the sub-national players – which should have been undertaken by IPP-2 during the inception phase – makes it impossible to assess what changes have occurred in the sub-national operating environment (from project commencement until the current period) or therefore what impact any such changes may have had on programme performance. However, our missions to Da Nang and HCMC demonstrated to us that there was a high level of interest in innovation and start-ups at a sub-national level.

²⁵ The scope of the FIRST programme will include support to science, technology and innovation policy; the process of autonomy of research institutions; training and capacity building; innovation initiatives of enterprises and connecting them to research institutions; incubator activities; and re-positioning innovation capacity. The FIRST project is a 5 year loan for around 100 million USD. There are good opportunities for close linkages and cooperation with the FIRST programme as the programme is only starting in early 2014 and (currently) shares premises with the IPP.

²⁶ The VIIP content includes support to improve inclusive technologies at grass-root level institutions, capacity building and training, national development challenges and crowd sourcing, and grants to enterprises for inclusive technologies and innovations. This project is the first World Bank pilot on inclusive innovation theme, and scheduled to start in April 2013 with a 4-5 year implementation phase. The current budget is 55 million USD. Key sector focus areas include ICT applications, traditional herbal medicines, and agriculture based products and services.

At the international level, the slow operation of FIRST and VIIP may have had an impact on IPP-2, but without seeing an evaluation of those programmes it would be impossible to assess how²⁷. The performance of these projects was not defined as a risk in the PFD.

Overall, we do not consider that changes in the operating context have had a significant impact on project operating performance.

4 The Innovation Partnership Programme Phase II

The overall objective of the IPP-2 (as stated in the Programme Framework Document of October 2013 [PFD 2013]) is to contribute to Vietnam's overall aim to become by 2020 an industrialized, middle-income country with a knowledge economy and an inclusive national innovation system that actively support socio-economic development. The project fact sheet is shown at [Annex 1](#). One of the objectives of IPP-2 is to support a transition from Finnish development co-operation to Finnish business-based cooperation reflecting Vietnam's achievement of lower middle-income country status and the resultant change in donor support for the country. As such, IPP-2 acts as a transition instrument to building the networks and partnerships which will make such business-based cooperation a reality²⁸. The programme's purposes according to the PFD 2013 are to:

- Demonstrate an approach to innovation that multiplies the number of innovative products and services and brings added value to Vietnamese society and employment through strengthened capacity and interaction of multi-helix actors;
- Promote technology transfer and knowledge exchange between Finland and Vietnam; and
- Disseminate the value of innovation to business, R&D institutes/Universities and policy makers and build their capacity.

The IPP 2 has three main result areas/components:

- Result 1 (Component 1 Institutional development and capacity building): Public sector agencies, enterprises and research institutions have strengthened institutional capability for planning, guiding and implementing innovation related policies;
- Result 2 (Component 2 Partnerships for innovation) is: National and international partnerships formed for innovation eco-systems in the selected regions and sectors;
- Result 3 (Component 3 Innovation projects): Development of innovative products and services in selected regions with established multi-helix partnerships, and innovation modelling developed and demonstrated.

The Country Agreement on IPP 2 was signed on 6th March 2014. The programme, which will run from February 2014 until January 2018, is being implemented by the Ministry of Science and Technology of Vietnam (MOST) with financial support from the Ministry of Foreign Affairs (MFA) on behalf of the Government of Finland. Technical Assistance Services to the programme are provided by NIRAS Finland Oy.

MOST appointed its Department for International Cooperation to be the host unit for the Programme Management Unit (PMU). The Embassy of Finland in Hanoi represents the MFA in Vietnam. The IPP 2 follows the general policy framework and administrative regulations of Vietnam, as well as applicable Finnish policies and regulations concerning bilateral development cooperation. Detailed organisation, responsibilities and management processes and practices, including financial issues, are described in the Integrated Management Guidelines²⁹.

²⁷ The MTE of IPP-2 was originally considered as a joint evaluation with the MTE of FIRST and VIIP, but this was not undertaken for some reason.

²⁸ "The whole Innovation Partnership Programme is meant to be a transition from development cooperation to business based cooperation. Therefore it should be ensured that the whole programme functions as an exit strategy aiming at sustained partnerships even after the transition." PFD 2013

²⁹ Approved by Steering Committee 4 on 21st April 2015

An updated strategy was prepared in October 2015. The 6th Steering Committee approved the updated strategy with some comments requiring improvements of the proposed indicators. The minutes of the meeting note that the budget within the strategy is only indicative and that a substantive proposal will be submitted following the mid-term evaluation.

5 Findings and conclusions

5.1 Relevance

Findings

5.1.1 Relevance to Vietnamese Government policies and programmes

All Vietnamese national government (and think tank) officials interviewed view as “excellent” the IPP-2 programme’s alignment with the Vietnamese Government’s S&T strategy, and other initiatives focused on achieving the middle income, industrialized country status by 2020.³⁰

We found close alignment with the main documentation addressing the development of SMEs and support to technology innovation, including:

- Article 9 (Innovation, technological capacity, technical level) of Decree No. 56 on the policies and management support state assistance for development of small and medium enterprises³¹
- Section 4.10 of Vietnam’s Socio-Economic Development Strategy (SEDS) for the period of 2011-2020 which states that ‘Science and technology development is really the key motivation for process of fast and sustainable development.’ SEDS stresses the application of science and technology and increasing its role.
- The planned Law on SMEs (in course of drafting) will, we have been advised, provide significant emphasis on innovation to meet the goals of SME development
- Resolution No. 35/NQ-CP states that “the Ministry of Science and Technology shall quickly implement a scheme to support innovation ecosystem after the Prime Minister approves it.”
- Prime Minister’s Decision No. 418/QD-TTg approving the Strategy for Science and Technology Development for the 2011-2020 period states that the objective is that “by 2020, science and technology will contribute a significant part to the economic growth and restructure of the economy, value of hi-tech products and hi-tech application products will account for about 45% of the GDP. The speed of technology and equipment innovation will reach at 10-15%/year for the 2011- 2015 period and over 20%/year for the 2016-2020 period. Transaction value of the science and technology market will increase 15-17%/year on average.”

Recently, the Government of Vietnam (GOV) has set a target of developing Vietnamese enterprises of high competitiveness and sustainable development, with at least 1 million operating enterprises, including large-scale enterprises having reliable resources, by 2020. Altogether the private sector will contribute around 48-49% of the GDP, and every year, approximately 30-35% of Vietnamese enterprises have some innovation activities.³² Similarly, the Government would like to achieve the average of the ASEAN-4 countries ((Indonesia, Malaysia, Philippines, and Thailand) on a number of competitiveness indicators under the

³⁰ Vietnam’s Socio-Economic Development Strategy for the Period of 2011-2020.

³¹ This envisaged support to: a) encourage investment in technological renovation and renewal of technical equipment according to the strategy development and production expansion of small and medium enterprises to export products, industrial products supported; b) raise the technological capability of small and medium enterprises through programs to support research, technological development to produce new products, technology transfer and application of scientific techniques to produce production; c) Introduction, provides information technology equipment for small and medium enterprises, supporting assessment, technology selection.

³²/ Resolution No. 35/NQ-CP dated May 16, 2016 on supporting and developing enterprises by 2020.

effective improvement index by the end of 2017, and the average of ASEAN+3 countries on a number of indicators of international practice by 2020.³³

Resolution No. 35/NQ-CP. also requires that “by the third quarter of 2016, the Chairmen of the People's Committees of provinces and centrally-run cities shall sign commitments with the Viet Nam Chamber of Commerce and Industry, with the witness of the Steering Committee for Innovation and Enterprise Development on the creation of a favourable business environment for enterprises.”

In order to achieve these targets, among different government agencies, MOST is tasked to lead implementation of a scheme on “Supporting the National Innovative Start-up Ecosystem by 2025” reflected in the Decision No. 844/QĐ-TTg dated 18 May 2016. Through this scheme, by 2025, 2,000 innovative startup projects and 600 innovative startup enterprises will be supported, and 100 enterprises participating in the scheme will be able to attract investment from venture investors or get involved in merger and acquisition deals of a gross value of around VND 2 trillion.

As MOST is being directly supported by the IPP-2, results from this Programme, especially in terms of capacity development at different levels in MOST agencies³⁴, demonstration of innovative practices and business models, and learning are very helpful to ensure a good continuity and coherence of Finland's support to the needs and priorities of GOV and wider business community.

Conclusions

It can be concluded that IPP-2 is extremely relevant to GoV's policies and has actually encouraged their continual direction to achieve the economic development goals of the Government.

5.1.2 Relevance to Finnish Government policies and programmes

Findings

In the Finnish Development Policy Programme 2012 Vietnam is identified as a long-term partner country, with which Finland is gradually shifting to new cooperation modalities. This means that during the strategy period bilateral grant-based development cooperation will continue but it will be in a state of transition towards a more comprehensive partnership for mutual benefit. As a result, the traditional project-based development cooperation between Vietnam and Finland will be gradually replaced by a more comprehensive partnership, responding to the changing needs of a middle-income Vietnam as outlined in the Aid for Trade Policy Action Plan.

The Finnish policy paper “Creating jobs through private sector and trade development: Aid for Trade – Finland's Action Plan for 2012-2015” states that “In developing countries, the private sector will create the majority of jobs in the future. Finnish society participates in this in two ways. On the one hand, we can, through Aid for Trade, help developing countries develop inclusive green economies that promote employment and use their substantial natural resources in a sustainable manner. On the other hand, the Finnish private sector can build partnerships directly with companies in developing countries or together with the public sector and civil society organisations. This will create the basis for future successful responsible business in new emerging markets. We believe that Aid for Trade is an initiative that combines the objectives of both development policy and trade policy in an ideal way.” IPP 2's current and future objectives are clearly exactly in line with this policy.

³³ / Resolution No. 19/2016/NQ-CP dated April 28, 2016 on key tasks and measures to improve business environment, enhance national competitiveness in two years 2016-2017, with an orientation to 2020.

³⁴ / Several MOST departments and agencies have benefited from IPP-2 TA including the National Agency for Technology Entrepreneurship and Commercialisation Development (NATEC) previously National Institute of Science and Technology Strategy and Policies.

According to the latest guidelines set by Research and Innovation Council³⁵, the priority countries for internationalisation of science and technology are the EU area, countries that have bilateral agreements with Finland, countries with FinNode cooperation (South Korea, Japan, China, Russia, United States) as well as emerging economies in Asia, the Americas and Africa, such as India, Vietnam, Bhutan, Brazil, Chile, Tanzania and South Africa. According to ERA Survey 2014, the share of Finnish R&D budget allocated to collaboration programmes carried out with third countries was around 1.5 % of funders' budgets, which was below the EU average (2.4 %). Finland was also one of the Member States with no specific measure or strategy to this end.³⁶

Finnish funding agencies for research and innovation have established cooperation agreements with corresponding organisations in countries outside of the EU. For example, the Academy of Finland has bilateral agreements with 16 countries. Most of the agreements deal with mobility, while there are also joint research activities.

The international strategy of the Academy of Finland states that the Academy will create strategic partnerships with foreign funding organisations to create opportunities for researchers to engage in joint projects, as well as enhance the impact of international activities in general.

The Academy provides funding for international joint projects through various targeted calls, often as part of its research programmes or in the context of bilateral or multilateral agreements with China (CAS Fellowship to China), India, Japan (JSPS Fellowship to Japan) and Russia.

The FinNode Centres (global network of Finnish innovation organisations operating via nodes in global innovation activity) in China, India, Japan, Russia and the USA are also valuable instruments for international cooperation. Their establishment has brought together domestic organisations – Finpro, Sitra, the Academy of Finland, Tekes and VTT – and pooled resources in a novel way, which has improved coordination and the impact of cooperation. The aim is to help businesses enter the markets in the target areas, increase mobility and research and innovation cooperation and spotlight Finland as an investment target.

Over the past decade or so, the Ministry for Foreign Affairs of Finland (MFA) has conducted with developing countries a number (12) of collaborative programmes that have focused on innovation system development at large. The latest ones include Vietnam-Finland Innovation Partnership Programme (IPP), the Information Society and ICT sector development project in Tanzania (TANZICT) and Southern Africa Innovation Support Programme (SAIS).

The Team Finland network promotes Finland and its interests abroad: helps companies in internationalisation, attracts foreign investment in Finland, and promotes the country's image. At the heart of the Team Finland network are three Ministries - the Ministry of Employment and the Economy, the Ministry for Foreign Affairs and the Ministry of Education and Culture - together with publicly funded bodies and Finnish offices abroad (including diplomatic missions, the offices of Finpro and Tekes, and national culture and science institutes), all operating under the ministries' guidance. The network is coordinated by the Prime Minister's Office. The Government External Economic Relations Unit serves as the project secretariat, assists the Prime Minister and the Steering Group in the setting up of the strategic priorities, and directs their implementation within the Team Finland network.³⁷

³⁵ Internationalisation of Finnish Education, Research and Innovation, RIC, 2009. The Council is responsible for the strategic development and coordination of Finnish science and technology policy as well as of the national innovation system as a whole. The key tasks of the Research and Innovation Council are: to direct S&T policy and make it nationally compatible and to prepare relevant plans and proposals for the Council of State; to deal with the overall development of scientific research and education, to prepare relevant plans and reviews for the Council of State, and to follow up on the development and the need of research in various fields.

³⁶ http://publications.jrc.ec.europa.eu/repository/bitstream/JRC101190/fi_cr2015.pdf

³⁷ <http://vnk.fi/en/projects/teamfinland>

For example, in 2015 Tekes and MFA launched a joint Team Finland BEAM – Business with Impact Programme (BEAM). The aim of BEAM is to assist Finnish enterprises and other actors in addressing global development challenges by converting such challenges into successful and sustainable business. The programme supports Finnish companies, NGOs, research organisations, universities, universities of applied sciences and others in developing, piloting and demonstrating innovations that improve wellbeing in poor countries, while giving rise to international business opportunities for Finnish companies. BEAM is a five-year programme with a total volume of €50m, about 50 % of which is financed by Tekes and the Ministry for Foreign Affairs. The programme is not restricted to particular sectors, and the target countries can be any of the developing countries listed as eligible for official development assistance by the OECD/DAC (Development Assistance Committee), except China.

Tekes has established cooperation agreements with funding agencies in other countries, such as USA, Japan, China, Canada, Israel, Singapore and South Korea. It has recently signed an agreement with Vietnam.

IPP-2 is well aligned with Finland's Country Strategy for Development Cooperation with Vietnam 2013-2016 which states "Ultimately, structural reforms are needed to stimulate transition to a new growth model. In the past, Vietnam experienced significant productivity gains in agriculture along with steadily increasing flows of foreign investment looking for cheap labour to produce simple manufactured exports. To sustain growth in the future, Vietnam will need to enhance productivity in all sectors. Developing a better-educated workforce and strengthening its technology and innovation system will be critical for this."

There does not appear to be a direct attempt in the design of IPP-2 (or in the guidelines for support to sub-projects) to mainstream ICT as a cross-cutting objective in line with Finland's Development Policy Guidelines for ICT and the Information Society.

As we discuss further under [Cross-Cutting Objectives](#), we did not find any specific action item in IPP-2 work programme to support Finnish policy on its Human Rights-based Approach (HRBA) to development. This seems a weakness in the project which should be rectified: actions to support "gender and innovation", "sustainability and innovation" and "inclusive innovation" should bring real benefits to the programme and Vietnam (and not additional costs as is often mistakenly foreseen). Finnish Government guidance in this area states that "The objective is that Finland's development cooperation is human rights based and that its adaptations in programming and different interventions are made according to informed choices. The minimum level is that all Finnish development interventions are human rights sensitive³⁸. The aim is that all interventions will be human rights progressive or transformative."

We also discuss alignment with Finland's new development policy later in this [report](#) and the recent development with [Tekes and Team Finland](#).³⁹

³⁸ With guidance given that human rights sensitive means that "Human rights principles guide the programming, implementation, monitoring and evaluation of the intervention."

³⁹ Tekes operates BEAM which aims to assist Finnish enterprises to address global development challenges by converting such challenges into successful and sustainable business. The programme supports Finnish companies, NGOs, research organisations, universities and others in developing, piloting and demonstrating innovations that improve well-being in poorer countries, while giving rise to international business opportunities for Finnish companies. BEAM is a five-year programme (2015-2019) with a total budget of EUR 50 million, equally financed by Tekes and the Ministry for Foreign Affairs. The programme is not restricted to particular sectors and the target countries can be any of the developing countries listed as eligible for official development assistance by the OECD/DAC (Development Assistance Committee), except China. The Team Finland network promotes Finland and its interests abroad: the internationalisation of Finnish enterprises, investments in Finland, and the country brand. The Team Finland operating model brings together the key actors and services in these fields. The core of the network consists of the publicly funded organisations operating in these fields, such as the ministries, Finland's network of diplomatic missions, Finpro, Tekes, national culture and science institutes, Finnvera, Finnfund, and the regional internationalisation services, built upon the ELY Centres. The Team Finland members in Vietnam are: the Embassy of Finland in Hanoi, Finpro in Ho Chi Minh City and IPP-2.

Conclusions

The project is reasonably but not totally aligned with Finland's development policy, but it does not comply with the HRBA of the MFA to a satisfactory level. Consideration should be given as to the extent to which it is possible to integrate Finland's Development Policy Guidelines for ICT and the Information Society into IPP-2. IPP-2 is intended to further the gradual switch of Finland from aid to trade and is clearly intended to be in line with that policy.

5.1.3 Relevance to Beneficiaries

Findings

IPP-2 benefitted four beneficiary groups and we consider each here (the size of each group surveyed and the response rate are shown in the [Evaluation Methodology – Annex 3](#)).

Innovative Companies

A total of 14 out of 18 innovative companies (77%) defined the support they received from IPP-2 as valuable and 15.4% as essential. Respondents indicated that IPP-2 support has helped them in advancing their company's development and growth. Some 77% of survey respondents experienced increase in their profitability, and 84% saw increase in employment since they received IPP-2 support. The boot camp programme benefitted companies in learning modern techniques on startups management.

However, 9 companies (69% of survey respondents) felt that the IPP-2 programme could have been designed slightly differently to better suit their needs: they felt that it would have been better if the training coaches had knowledge about Vietnam start-ups and if there was continuity between course designer and training lectures.

An external survey conducted at the end of IAP indicated that soft support was highly appreciated. However, the survey conducted by the team shows that eleven companies (61% of beneficiaries) felt that the cash grant was the most important element of support, 31% felt the capacity building support was most important and 8% rated network access as the most important aspect.

Innovation Champions (ToT1)

The Training of Trainers (ToT1) participants were very supportive of the IPP-2 programme. Eleven of the twelve coaches plan to continue providing coaching services: although all indicated that at present none are able to charge a commercial rate for their service (and only two view themselves as consultants operating on a commercial basis).

Whilst the ToT1 trainers are a highly-motivated group that wishes to continue to play a pivotal role in the development of innovation in Vietnam, it was clear to us that they feel "forgotten". They were extensively trained and then used as paid coaches – and then, in their view, they were forgotten. Although IPP-2 has brought ToT1 participants to subprojects, and also made efforts to team them up with potential ToT2 participants for sharing experience and networking, ToT1 participants responding to the survey expressed disappointment that there was no attempt to bring them together and brainstorm their views and experiences to learn from these. They also feel that IPP-2 should have a clearer picture on how they would be utilised after their initial work was completed. We would share that view. According to MFA the IPP-2 designed ToT1 concept was proven so good that ABD has decided to replicate it across the Mekong Region, and the trained coaches are actively working for ecosystem with IPP2 and others. However, the team feels that IPP-2 should have a clearer picture of how the innovative champion programme was to be replicated to have genuinely national impact.

Universities, Training and Education Institutions (ToT2)

The ToT2 group is still at the application stage. However, the applicants did have clear views on the relevance of the ToT2 programme.

Over 21 of ToT2 applicants (55%) felt that the support as set out in the recent open call have been better tailored to their needs.

This seems to have been primarily because the applicants felt that the open call process created competition between Vietnam's universities (and thus a fragmented approach) when what was needed was to encourage cooperation and linkages.

The Core Curriculum was considered very useful, but some respondents to the focus group meetings indicated that it was too theoretical and lacked practical case studies, had insufficient case studies based on ASEAN experiences and too limited opportunity for practical experience. The duration of the programme was considered too long: concern was expressed that universities would find it difficult to release staff doing their current job to take time off for 2- 3 months at a stretch to attend this training.⁴⁰

Ecosystem Developers

Ecosystem developers demonstrated a high degree of satisfaction with 16 of them (79%) defining it as either essential or valuable. However, 57% of the 14 respondents indicated that the support could have been better tailored to their needs.

On the whole the online survey and focus group meetings demonstrate a high degree of satisfaction with IPP-2 support – but there is a strong feeling throughout that support could have been better tailored to meet their needs. This may indicate a need for greater consultation in the design of support programmes.

Conclusions

The project is relevant to the beneficiaries and indicates a high degree of utility, but the data suggests that design improvements might have increased utility further.

5.2 Effectiveness

Findings

The critical issue for the evaluation with respect to effectiveness was to determine which of a wide set of existing indicators should form the basis of the effectiveness evaluation: several monitoring indicator proposals exist in different approved documents. It was finally agreed with the MFA that the Results Framework appended to the Updated Strategy and updated with comments from Steering Committee No. 6 should form the basis of the assessment.

Tables 1 – 4 below table show the achievement against the project purpose indicators at the time of the mid-term evaluation.

The measurement of performance is made complex by:

- The anticipated results are outputs rather than outcomes.
- The table provides three results and six indicators: there is lack of clarity as to which indicator applies to which result.
- No definable baselines exist.⁴¹ The 2015 Baseline Report called for an annual IPP Shareholder Survey to help fill this gap. The baseline report concluded that “IPP

⁴⁰ Which may indicate lack of clarity in the guidelines for applicants rather than a design fault.

⁴¹ These are shown in the Results Framework (without linkage to a specific indicator) as: Low capacity to develop and support the development of innovative solutions to international markets; Innovation support activities are working largely in silos; Insufficient and scattered support services for

Stakeholder Survey 2015 to be launched early 2016 and sent to key stakeholders - universities and educational organisations, ecosystem supporters. Focus on mapping skills and capabilities to create solutions for export and availability of start-up support services in Vietnam, pinpointing the key gaps in the market that IPP should address and continue to work on". No such survey has been undertaken.

- The mid-term indicators are mostly not quantified and therefore, without the existence of either a baseline or a target, it is difficult to assess whether achievement has been satisfactory.

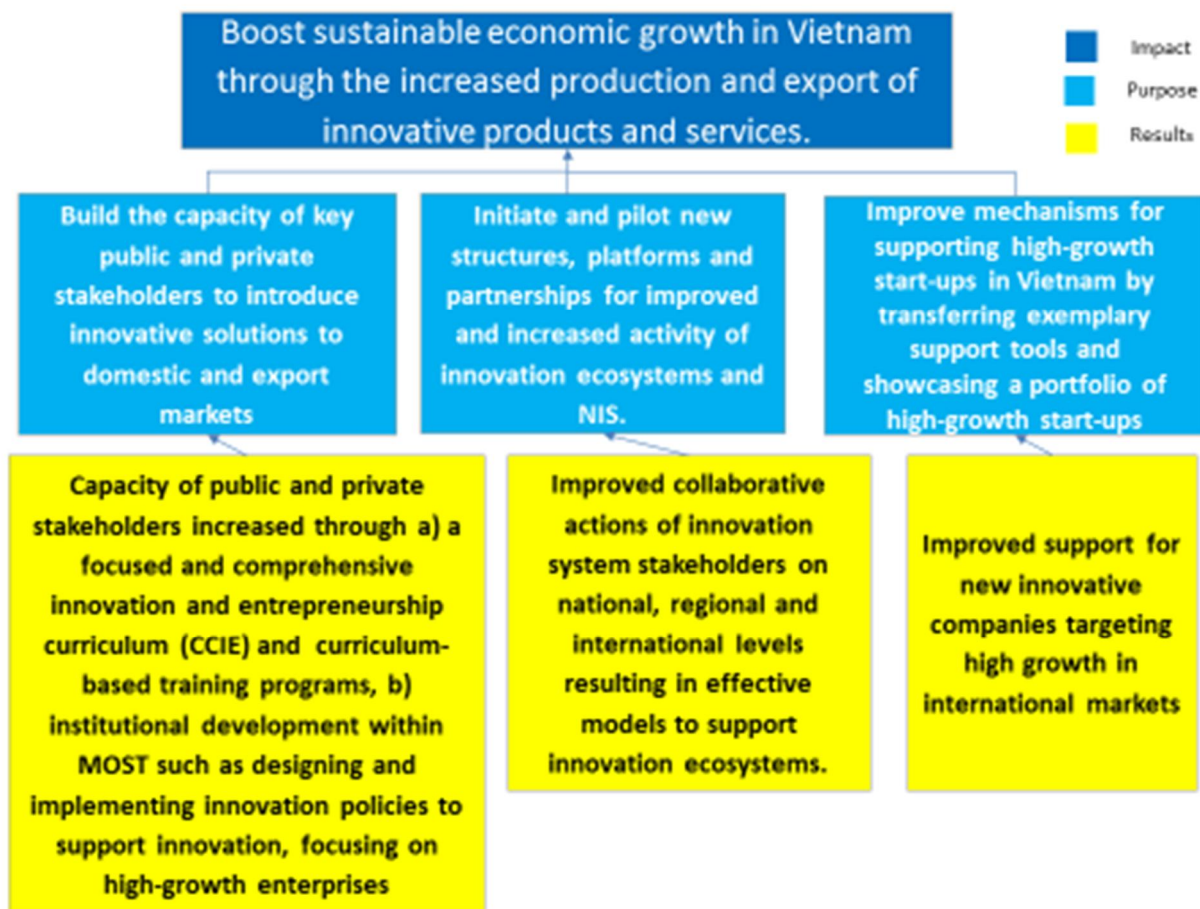
These issues all reflect weaknesses in both the design of the programmes underpinning the Theory of Change and its Results Chain definition, linked to an underdeveloped monitoring system.

The following figure shows the results chain defined in the new IPP-2 results framework. Its logic is clearly inconsistent: one level does not flow to another in a structured manner.

In accordance with our technical proposal, we attempted to support the PMU to construct a clear Theory of Change: a planning workshop was held but the PMU were unable to explain why certain actions were selected or what they were intended to lead to. Overall, our discussions then and during the remainder of the mission made it clear that there is no clear intervention logic for IPP-2 nor results chain that lead to the expected overall objective. As the PMU could not articulate the underlying rationale, we found it impossible to reconstruct the Theory of Change for a programme which apparently lacked a clear logical flow.

However, we have attempted (see [annex 8](#)) to describe a theory of change which we consider might form the basis of IPP-2. We would stress that this should not replace the strategy definition which we strongly believe needs to be undertaken and we only define this – following the urging of MFA – as an indicator.

Figure 6: Results Chain inherent in current IPP-2 Results Framework



However, it is clear that the PMU has undertaken considerable effort and had significant achievement of outputs.

The extent to which those outputs will lead to outcomes and then impact cannot be assessed – and as yet there is no “road map” linking the IPP-2 results at programme purpose level to the programme’s overall objective.

There is a need for a far clearer definition of the steps that need to be taken to test different systems for innovation development in Vietnam, demonstrate their effectiveness (or otherwise) through clear and reliable monitoring, and then encourage scale-up and/or replication of success to have national impact.

Focus on start-ups

According to the U.S. Small Business Administration, over 50% of small businesses in the USA fail in the first year and 95% fail within the first five years (Small Business Economic indicators, Office of Small Business Advocacy). Failure rates for start-ups are extremely high in all countries. It is not immediately clear why IPP-2 has chosen to focus on start-ups – where very high failure rates can be expected – as the basis for its demonstration model - rather than focusing on a model to help increase the productivity and international competitiveness of established Vietnamese enterprises where the failure rate is likely to be lower and prospects for Vietnamese-Finnish enterprise partnerships would be far higher.

We assume that the decision is firmly grounded in background research by the PMU, but have not been able to locate a detailed situation analysis or ecosystem mapping that might have led to IPP-2’s focus on start-ups.

We accept that at the early stages of IPP-2 the unstructured nature of what the PMU faced made such planning difficult, but now the knowledge exists to allow them to adopt a more structured approach. We have discussed this with the Chief Technical Adviser (CTA) and his team and have reached consensus on this point. The implications are that the Theory of Change and the Results Framework (with both improved indicators with both baselines and targets) need to be significantly improved.

IPP-2 has acted as a pilot and therefore transferring approaches, practices and processes which have been demonstrated (based on hard monitoring data) to be successful are probably more valuable to the Vietnamese innovation system than its directly measurable outputs and outcomes of the sub-projects it supports. However, this does not mean that the definition of indicators with baselines and targets is superfluous: on the contrary, the only way a pilot project can be demonstrated to be worthy of replication and/or scale up is having the hard evidence to demonstrate its success.

Project purpose level

Table 3: Monitoring indicators and current level of achievement at the project purpose level

ANTICIPATED RESULT	INDICATORS OF CHANGE	MID-TERM TARGET	ACTUAL MID-TERM ACHIEVEMENT
(i) Build the capacity of key public and private stakeholders to introduce innovative solutions to domestic and export markets	A. Increase in quality and quantity of start-up support services provided by IPP's beneficiaries and stakeholders	New start-up support services initiated by IPP's beneficiaries (ecosystem developers, ToT participants, supported universities; key collaboration partners) have increased in number	NATEC/MOST localized 'SLUSH Vietnam', called TECHFEST a major event established and run 2015 & 2016 to support the start-up scene; it's planned to be an annual event of MOST / the PM.
			All 12 ToT1 coaches have been participating, facilitating and supporting start-ups and ecosystem supporting activities since 2015; Their established company, KisStartup, is supporting start-ups with training and coaching. Many of the 2016 grant applicants are working with the IPP-2 trained innovation coaches.
(ii) Initiate and pilot new structures, platforms and partnerships for improved and increased activity of innovation ecosystems and NIS.			Start-up services established by 4 ecosystem projects selected for support in 2015: V2I - a hybrid incubator, accelerator and research lab for food value chain/ Red River Delta; Villgro Vietnam (VV) - sustainable social enterprise incubator; Fablab Fabrication Laboratory Vietnam; Danang University consortium - Danang university incubator and Danang city incubator established.
(iii) Improve mechanisms for supporting high-growth start-ups in	B. Number of active stakeholders and partners jointly working for improved geographical coverage and performance of	The pool of stakeholders carrying out joint activities with IPP has increased	IPP-2 with MBI and SECO initiated open monthly meeting of Innovation Partners has attracted since December 2015 over 30 different organisations to network, partner and pool resources for improved synergies of activities, outputs and future resourcing. Motivated NIS-Ecosystem supporters

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

ANTICIPATED RESULT	INDICATORS OF CHANGE	MID-TERM TARGET	ACTUAL MID-TERM ACHIEVEMENT
Vietnam by transferring exemplary support tools and showcasing a portfolio of high-growth start-ups	ecosystems		from a) Donors such as Embassies of Israel, Netherlands, US, UK, World Bank, Asian Development Bank b) Projects/Programs such as VIIP c) Investors such as FPT Ventures, Lotus Fund, 500 start-ups, Topica, IDG Venture, Unitus Impact d) Support organisations such as HCMC government.
	C Joint innovation support initiatives with foreign, especially Finnish and ASEAN, partners (e.g. MOST-Tekes collaboration, annual participation of companies and officials to international innovation events)	At least two joint innovation support initiatives generated	<p>Joint FIN-VN funding call to get in place innovative solutions to market with BEAM (Tekes & MFA) and NATEC in preparation based on the MOST-Tekes signed MoU. Ongoing process facilitated by IPP-2.</p> <p>Official GoV delegation to Slush in 2014 and 2015. Business delegation joined 2015. These with total of 43 participants, 27 business delegates including companies, ecosystem developers and reporters, 16 Vietnamese GOV officials</p> <p>The first ASEAN Region Inno & Entrepreneurship Networking meeting in Dec 2015 formed a coordination team of 6 countries' representatives (Vietnam, Thailand, Malaysia, Laos, Cambodia and Myanmar) with regular update and interaction; ASEAN Innovation and Entrepreneurship network, ASEAN Partners started their activities in Vietnam such as Malaysian based 1337 Ventures' Alpha Accelerator with Dreamplex in HCMC.</p>
	D. IPP tested support tools operational in relevant local host organisations by end of IPP in 2018	Detailed roadmap and process of IPP support tools takeover designed and initiated.	<p>Number of Innovation Partners such as FPT Corporation, HCM City, and Dreamplex to mention want already now to replicate/tailor further the IPP-2 developed funding and soft support tools and mechanisms. IPP-2 will provide them expertise to start 'transfer' in 2nd half 2016 and will organise coaching-training workshops 2017 to facilitate transfer for large groups of adapters.</p> <p>In July 2016, starting ToT2 for Edu/Uni sector will focus solely on transfer. IPP-2 supported new training will start in number of Universities in 2017 (now 30 interested and approximately 10 to be selected as Edu-Uni partners to IPP-2).</p> <p>All the IPP-2 developed training materials, support tools and mechanisms are open source available for all on</p>

ANTICIPATED RESULT	INDICATORS OF CHANGE	MID-TERM TARGET	ACTUAL MID-TERM ACHIEVEMENT
			www.ipp.vn . Some organisations have already started to use/adopt these materials such as universities, technology parks and consultants.
	E. Revenue, export and job increase in companies receiving IPP support	Anticipations for revenue and job increase clearly exceeds those of average Vietnamese SME's	No: of jobs supported in total (both existing and new employment): 595 (Number of full-time employment created: 424; Number of part-time employment created: 171) Total revenue generated: \$779,284 Total revenue outside Vietnam: \$299,358
	F. No. of innovative products and services developed for export in IPP funded new companies	Anticipations for export clearly exceeds those of average Vietnamese SME's	From IPP-2 supported start-ups 5 have already started to export innovative products mainly to US, Korea, Japan (Hamona innovative coconut drink, Beeketing 'amazon type' online marketing and sales platform, SEN online-education platform, Customized clothing products of Stitch Appeal and Green Leap's automated gardener-box for roof-top gardens).

Source: IPP-2 data supplied to MTE by PMU

Component level

At a component level the same issues broadly speaking face the indicators for each component:

- All results are at output and not outcome level.
- Almost all output level goals have been achieved: reflecting the high level of effort and achievement of the PMU.
- It is unclear exactly what the outputs for each component are expected to lead to and how this will lead to the overall goal of the project.

We show the achievements of each Component below, but – in our view – these serve only to demonstrate the initiative and performance of the PMU at an activity level – but not whether the project as a whole is likely to have eventual impact. Grants have been awarded, awareness raised, people trained, etc. – but we cannot be certain what impact of significance – if any – this will have.

We would highlight one issue with respect to capacity building: “One of the key objectives of the IPP-2 programme is to support the capacity building within Vietnamese innovation system and to disseminate and transfer related good practices. It was emphasised that capacity building in IPP-2 should be result-oriented and the requirements for high quality, efficiency and effectiveness concern equally these capacity building elements of the programme. The challenge is more in the measuring this. Alongside with concrete, quantitative indicators for IPP progress, there should be indicators monitoring the substance and quality of the capacity building.”⁴² This challenge has yet to be addressed.

Table 4: Monitoring indicators and current level of achievement for Component 1

⁴² IPP-2 Baseline Report, July 2015

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

ANTICIPATED RESULT	INDICATORS OF CHANGE	TARGET FOR 2015 AND 2016	ACTUAL ACHIEVEMENT AT TIME OF MTE
<p>Capacity of public and private stakeholders increased through a) a focused and comprehensive innovation and entrepreneurship curriculum (CCIE) and curriculum-based training programs, b) institutional development within MOST such as designing and implementing innovation policies to support innovation, focusing on high-growth enterprises</p>	<p>A. CCIE-based training programs initiated, piloted and running</p> <p>B. Total number of graduates from:</p> <ul style="list-style-type: none"> - ToT 1+2 programs - Innovation Accelerator (Fast Track Training) - Other CCIE-based programs (short courses, etc.) - % of women participating in training programs 	<p>A1. CCIE-based training programs ToT1 & Fast Track piloted and running</p> <p>A2. ToT2 up and running for university and educational institution staff</p> <p>B1. 12 ToTs and 45 IAP team members participate in training with expected graduation in early 2016</p> <p>B2. In total 57 have graduated:</p> <ul style="list-style-type: none"> - 12 ToTs, - 45 Innovation Accelerator FTTP - of which at least 30% are women 	<p>A1. Open-source Core Curriculum on Innovation and Entrepreneurship CCIE initiated, tested and further refined in two programs</p> <ul style="list-style-type: none"> ➤ The 8-month Training of Trainers Program (ToT1) consisting of an intensive 2-month curriculum training course and 6 months of practical coaching of the IPP subproject teams in the IAP programme (June 2015-January 2016) ➤ The 6-month IAP Fast Track Training Program for IPP's sub-projects consisting of a week-long boot camp and monthly workshops under specific themes (August 2015 - January 2016) <p>A2. Call for Proposals for Educational organisations opened in April with ToT2 expected to be implemented in July 2016 - January 2017</p> <p>B1. In total 54 under training with graduation in January 2016:</p> <ul style="list-style-type: none"> - 12 ToTs, - 42 Innovation Accelerator FTTP - of which 29% are women <p>B2. In total 54 graduated in January 2016:</p> <ul style="list-style-type: none"> - <u>12 ToTs,</u> - <u>42 Innovation Accelerator FTTP</u> - of which 29% are women <p>- ToT2 expected to commence in summer 2016 with 20 participants, graduation in Jan 2017</p>
	<p>C. Innovation Accelerator up and running</p>	<p>C1. Innovation accelerator established</p> <p>C2. Batch of 22 teams supported IAP</p> <p>C3. Strategic partner/s engaged for Innovation Accelerator model transfer</p>	<p>C1 & C2. IPP Innovation Accelerator IAP model consisting of CCIE-based Fast Track Training, hands-on coaching, partner and network access designed and provided to 22 projects selected for grant support in 2015 (August 2015-January 2016).</p> <p>C3. Transfer of IAP type training through planned university collaboration and open-source means: providing curriculum and IAP details on line for adoption of interested parties.</p>

ANTICIPATED RESULT	INDICATORS OF CHANGE	TARGET FOR 2015 AND 2016	ACTUAL ACHIEVEMENT AT TIME OF MTE
	D. Innovation policies are designed, approved by Vietnamese competent authorities; and policy makers are trained by international exchange	<p>D1. Four supported policy documents: 1) Ecosystem and 2) Encouraging private sector VC, 3) Law on TT; 4) Law on IP</p> <p>D2. Response to new initiatives on MOST demand</p> <p>Status and need to be checked and agreed at SC meetings</p>	<p>D1. Support for institutional development started in the following 3 out of 4 prioritized policies of MOST: Ecosystem development for start-ups, amending/updating the Technology Transfer Law; policies for the establishment of Venture Capital funding for hi- and new technology businesses; and National Intellectual Property Action Plan (not initiated yet). International experts identified, mobilized and conducted their missions each in close collaboration with the relevant MOST policy drafting teams.</p> <p>D2. Support for 04 prioritized policies of MOST to be continued: 1) Amending and complementing some clauses of the Technology Transfer Law to be submitted in 2016; 2) Ecosystem development for start-ups; 3) Policies for the establishment of Venture Capital funding for hi- and new technology businesses benefiting the models of public-private partnerships; and 4) National Intellectual Property Action Plan. Ecosystem development for start-ups and Policies for the establishment of Venture Capital funding will be integrated in the Law on SMEs development, planned to be submitted to the National Assembly in 2016.</p>

Source: IPP-2 data supplied to MTE by PMU

Table 5: Monitoring indicators and current level of achievement for Component 2

ANTICIPATED RESULT	INDICATORS OF CHANGE	TARGET FOR 2015 & 2016	ACTUAL ACHIEVEMENT AT TIME OF MTE
Improved collaborative actions of innovation system stakeholders on national, regional and international levels resulting in effective models to support innovation ecosystems.	A. Number and total volume (EUR) of IPP generated innovation ecosystem development project portfolio classified by IPP and matching funding	<p>A1. At least 4 innovation ecosystem development projects funded and supported in the IPP Innovation Accelerator</p> <p>A2. Volume of project portfolio: Minimum 4 projects, volume exceeding € 200k with matching funding</p> <p>A3. At least half of those funded in 2015 receive second stage grant</p>	<p>A1. 4 ecosystem development projects in three geographical areas have been selected through open Phase 1 Call for Proposals and external evaluation in April and supported with a Phase 1 seed grant of maximum 50,000 EUR each and IAP soft support.</p> <p>A2. Total portfolio volume 1.041,674 EUR as per final reimbursement requests submitted by 2015 sub-projects in April 2016 (IPP investment (reimbursement): 162,965 EUR; Project's own investment: 878,709 EUR</p> <p>A3. Half of 2015 portfolio (2 cases) selected for scaling up grant following a call for proposals</p> <p>A4. 10 new ecosystem cases selected for 2016 Phase 1 grant through open call</p> <p>A5. Volume of project portfolio as A2 since no new projects have been contracted at time of</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

ANTICIPATED RESULT	INDICATORS OF CHANGE	TARGET FOR 2015 & 2016	ACTUAL ACHIEVEMENT AT TIME OF MTE
		<p>A4. At least another 8 innovation ecosystem development consortia funded and supported with coaching, mentoring and networks</p> <p>A5. Volume of active project portfolio: Minimum 10 projects. Total volume of portfolio exceeding € 800 k with matching funding</p>	MTE
	B. Total number of partnership agreements facilitated by IPP	<p>B1. Two partnerships signed</p> <p>B2. At least four partnership agreements facilitated by IPP</p>	<p>B1. One regional innovation partnership network, the ASEAN Innovation and Entrepreneurship network, initiated</p> <p>B2. MoU between Tekes and MOST facilitated with signature in March 2016;</p> <p>One local partnership network: in January 2016, IPP-2 initiated and organized the first Innovation Partners' meeting, which has been organized monthly basis rotating between Hanoi and HCMC to enhance support programs, projects, donors and other sponsors' collaborative actions and to make national and regional innovation systems work better for the success of Vietnam-based innovative start-ups and enterprises.</p>

Source: IPP-2 data supplied to MTE by PMU

Table 6: Monitoring indicators and current level of achievement for Component 3

ANTICIPATED RESULT	INDICATORS OF CHANGE	TARGET FOR 2015 & 2016	ACTUAL ACHIEVEMENT AT TIME OF MTE
Improved support for new innovative companies targeting high growth in international markets	<p>A. Total volume (EUR) of IPP generated new company development project portfolio classified by IPP and matching funding.</p> <p>a) Phased resourcing grant</p>	<p>A1. Growth funding and scaling up instruments (a, b) for innovative companies are piloted.</p> <p>A2. Total volume of IPP generated company project portfolio exceeds € 540k with matching funding.</p> <p>A3. 18 new innovative growth</p>	<p>A1. Two-phased growth funding instrument elaborated, fully documented and first phase piloted with 22 projects. Phase 1 Call for Proposals implemented in April 2015 with competitive external evaluations conducted in May and contracting taking place over the summer. Phase 2 Call for Proposals is fully elaborated and launched in February 2016.</p> <p>A2. Total portfolio volume EUR</p>

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

ANTICIPATED RESULT	INDICATORS OF CHANGE	TARGET FOR 2015 & 2016	ACTUAL ACHIEVEMENT AT TIME OF MTE
	<p>for new innovative companies.</p> <p>b) Other scaling up instruments developed in cooperation with MOST agencies such as NATIF and private funders</p>	<p>companies funded and supported in the IPP Innovation Accelerator.</p> <p>A4. Half of portfolio receive additional grants based on ability to attract external investment</p>	<p>2.357,087</p> <ul style="list-style-type: none"> • IPP investment EUR 504,254 • Project's own investment EUR 1,514,579 • External investment EUR 338,254 <p>A3. 18 new innovative companies selected and supported with seed funding of maximum EUR 30,000 each and the Innovation Accelerator Training Program run from August 2015- January 2016.</p> <p>A5.5 companies out of the 2015 portfolio selected for scaling up grant following a call for proposals and competitive evaluation in February-April 2016.</p>

Source: IPP-2 data supplied to MTE by PMU

The evaluation question under effectiveness also asks us to consider: "To what extent are the risks, including corruption, addressed in project implementation and monitoring?". We assume that the risks mentioned are those identified in the PFD.

Risk identified in the PFD	Response to evaluation question: "To what extent are the risks, including corruption, addressed in project implementation and monitoring?"
Deficiencies of coordination and interaction among the major stakeholders in the NIS.	IPP-2 has undertaken strong coordination and interaction measures as we discuss under " coordination ".
Financing of the programme activities using the GoV financial channels.	Financial management has been smooth and beneficiaries have expressed satisfaction with the payment process (see " efficiency ")
"Because the BOP approach is new to many stakeholders at different levels, there might be reluctance to receive innovative ideas from non-traditional sources such as poor farmers, women farmers and ethnic minorities".	The PMU has not taken any action to remove this risk as the bottom-of-the-pyramid approaches and inclusive innovation processes foreseen in the PFD were abandoned.
"Lack of transparency which is known to be a key driver of corruption could be considered as a risk. Taken into account the decentralised structure of the programme, special attention needs to be paid to ensuring quality monitoring and reporting, efficient flow of	IPP-2 does not have a functional monitoring system, but does appear to have an efficient financial management system. IPP-2 has initiated an approach that has minimised scope for corruption. We comment on this further under efficiency .

Risk identified in the PFD	Response to evaluation question: "To what extent are the risks, including corruption, addressed in project implementation and monitoring?"
information and compliance with the Financial Management Guidelines of the programme."	
<p>"In the current situation where Finland's development cooperation with Vietnam is coming to an end and other forms of cooperation are expected to emerge, high expectations are placed by all stakeholders on IPP 2 for creating a fertile ground for these new business and community partnerships between the two countries. IPP 2 is seen as a "bridging tool" between traditional development cooperation and future forms of cooperation. <i>The special status of IPP 2 also includes risks. Unless a longer-term vision and planning is included in everything the programme does, the sustainability of the results will be very limited. Exit thinking has to be integrated in all activities and plans, the whole programme of IPP2 needs be seen as a phasing out project from the traditional development cooperation.</i>"</p>	<p>As we comment throughout the report there is no clear strategy at present nor is there an exit/phase out plan. This risk has therefore not been addressed and we fully concur with the impact that the PFD describes as likely to occur from not addressing this risk.</p>

Conclusions

The key conclusions are:

- IPP-2 demonstrates a high level of achievement of results: indicating significant effort by PMU leading to real achievement. However - the results are outputs rather than outcomes.
- No definable baselines exist and project purpose mid-term indicators are mostly not quantified and therefore, without the existence of either a baseline or a target, it is difficult to assess whether achievement has been satisfactory or whether higher level goals are likely to be achieved.
- There is a need for a far clearer definition of the steps that need to be taken to test different systems for innovation development in Vietnam, demonstrate their effectiveness (or otherwise) through clear and reliable monitoring, and then encourage scale-up and/or replication of success to have national impact
- Not having a proper strategy is the major risk to the success of the project.

5.3 Impact

Findings

Impact is not normally assessed in a mid-term evaluation as it is premature to expect changes initiated at lower levels will have resulted in measurable impact by the mid-point of a project.

The PFD 2013 states that "the overall objective is to contribute to Vietnam's overall aim to become by 2020 an industrialized, middle-income country with a knowledge economy and an inclusive national innovation system that actively support socio-economic development." It gives

the indicators of the overall objective as: (i) Vietnam position in the Global Competitive Index; and (ii) R&D investments (Public and private), WB Knowledge Economy Index. The Baseline Report concluded that “The current monitoring indicators for IPP-2 Overall Objective are somewhat problematic, as they relate to the performance of the whole Vietnamese economy, are measured relative to the performance of other countries, and the specific contribution of IPP to these indicators is very difficult to distinguish.”

The monitoring indicators were amended following SC 6 and those for the overall objective (and thus impact) are:

Table 7: Monitoring indicators and baseline for Overall Objective

ANTICIPATED RESULT	INDICATORS OF CHANGE	BASELINE	ASSESSMENT	TARGET
Boost sustainable economic growth in Vietnam through the increased production and export of innovative products and services.	A. Increase in Vietnam’s ranking on Global Competitive Index (GCI) a) Sub-index C: Innovation and sophistication factors, which includes the following pillars (i) Business Sophistication; (ii) Innovation b) As well as on GCI pillar (i) Market size (in addition to rank, volume also reported)	Status: Rank 98/144 Ref: GCI 2014-2015, sub-index C (executive survey from early 2014) Status: Rank 34/144 Ref: GCI 2014-2015, Market size (figures from fiscal year 2013)	To be assessed 3-5 years after programme completion.	By 2023: positioning among ASEAN countries has increased
	Increase in Vietnam’s ranking on the Global Innovation Index (GII)	Status: Rank 71/143 Ref: GII 2014	To be assessed 3-5 years after programme completion	By 2023: positioning among ASEAN countries has increased
	Number of new companies registered, including SMEs, increased in Vietnam Percentage of SMEs that export increased in Vietnam	Baseline figures 2013 → MPI/GSO and AED data	To be assessed 3-5 years after programme completion	2023: target to be set

Source: IPP-2 Programme Management Unit

The monitoring indicators were also amended following the 6th Steering Committee meeting and those for those for the project purpose (which should have a direct causal link to achieving impact) are:

Table 8: Monitoring indicators and baseline for Project Purpose

ANTICIPATED RESULT	INDICATORS OF CHANGE
<p>(i) Build the capacity of key public and private stakeholders to introduce innovative solutions to domestic and export markets</p> <p>(ii) Initiate and pilot new structures, platforms and partnerships for improved and increased activity of innovation ecosystems and NIS.</p> <p>(iii) Improve mechanisms for supporting high-growth start-ups in Vietnam by transferring exemplary support tools and showcasing a portfolio of high-growth start-ups</p>	<p>A. Increase in quality and quantity of start up support services provided by IPP's beneficiaries and stakeholders</p> <p>B. Number of active stakeholders and partners jointly working for improved geographical coverage and performance of ecosystems</p> <p>C. Joint innovation support initiatives with foreign, especially Finnish and ASEAN, partners (e.g. MOST-Tekes collaboration, annual participation of companies and officials to international innovation events)</p> <p>D. IPP tested support tools operational in relevant local host organisations by end of IPP in 2018</p> <p>E. Revenue, export and job increase in companies receiving IPP support</p> <p>F. No. of innovative products and services developed for export in IPP funded new companies</p>

Source: IPP-2 Programme Management Unit

The Ministry of Foreign Affairs guide to Results-based Management stresses that “results based management therefore involves shifting management approach away from focusing on inputs, activities and processes to focusing more on the desired results”.⁴³

It can be seen that the new results framework – even at the project purpose level – remains very activity based with targets set as outputs of activities rather than outcomes.

As we stressed in the Inception Report, the underpinning theory of change is not entirely clear or convincing. The MFA definition is that “a theory of change refers to reasons why the project’s planned outputs are likely to lead to the intended outcomes and how those outcomes are assessed to be linked with longer-term impacts. Important elements of building a theory of change are therefore to carefully identify and analyse the contextual assumptions, and related risk issues, (see risk management, following chapter) which the results framework, and its causal linkages from inputs to impacts should be based on.”⁴⁴

The MFA correctly states that “the key tool in RBM is the so-called results chain approach, which can be used for designing projects and broader programs. OECD/DAC defines a results chain as “*The causal sequence for a development intervention that stipulates the necessary sequence to*

⁴³ Results-based Management in Finland’s Development Cooperation – Concepts and Guiding Principles, Ministry of Foreign Affairs

⁴⁴ Ibid.

*achieve desired objectives beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback*⁴⁵.⁴⁶

Conclusions

Clearly, the mid-term of a project is too soon to assess the achievement of impact, but we can comment on issues relating to the definition of the impact goals and their indicators:

- The current overall objective is extremely broad, but probably reflects the wishes of MOST to link the goal clearly to those of the GOV, which is understandable.
- However, an impact indicator could be used to make the objective more realistic in its linkage to what a programme of the size and nature of IPP-2 could realistically contribute to such a huge goal, but this has not happened (as the Baseline Report highlights).
- The existing indicators will therefore not indicate whether the project has had impact or not as their achievement is well beyond the capacity of the IPP-2 to contribute to other than extremely marginally: for example, an increase in Vietnam's GCI could be caused by a wide range of global, regional and national factors that have nothing to do with whether IPP-2 has been successful or not.
- There is a need to increase the credibility of future claims of impact by having a more realistic indicator to which IPP-2 can claim both attribution and contribution to results.
- The existing indicators do not address Finland's HRBA objectives. The Finnish guidelines for results-based management state "Finland considers the HRBA and the RBM complementary and compatible. Applying HRBA requires that human rights principles and commitments are used in planning processes when defining the output, outcome and impact indicators included in results frameworks."⁴⁷ This has not been done in the existing IPP-2 results framework.
- The underpinning theory of change does not demonstrate the clear causal linkage expected in a results-based management approach. We believe that using a results chain approach recommended in the Ministry of Foreign Affairs' guide to RBM would help to clarify the project theory of change and thus help make IPP-2 strategy for the remainder of its existence clearer and more demonstrable and significantly improve the results management and monitoring of the programme.

- We would normally wish to give some guidance as to the level of progress towards achieving the overall objectives, but the absence of any indicators other than those demonstrated by outputs simply does not allow us to state whether progress is adequate or inadequate. However, the fact that we cannot assess the likelihood of success to any extent should be a real cause of concern for the Steering Committee and indicate that tight monitoring and control must be exercised during the final stage of the project.

5.4 Sustainability

Findings

IPP-2 Programme

According to the PFD "the aim of the IPP Phase 2 is to build new Vietnamese-Finnish partnerships and facilitate the transition from traditional development cooperation to other forms of bilateral cooperation including STI and business partnerships. Other funding

⁴⁵ Glossary of Key terms in Evaluation and Results Based Management". OECD/DAC, 2010.

⁴⁶ Results-based Management in Finland's Development Cooperation – Concepts and Guiding Principles, Ministry of Foreign Affairs

⁴⁷ Results-based Management in Finland's Development Cooperation – Concepts and Guiding Principles, Ministry of Foreign Affairs

instruments such as the Finnpartnership's business partnership support facility, Finnfund's investment financing, Institutional Cooperation Instrument (ICI) and the innovation funding of the Finnish Funding Agency for Technology and Innovation (Tekes) are needed to complement funding for Finnish stakeholders."

The critical aspects of sustainability are therefore to:

- Determine which aspects of its operations (programmes, activities, processes, systems, etc.) are required after the finalisation of IPP-2 and determine how these essential aspects are to be transferred in a planned and structured manner to the Government of Vietnam and other local stakeholders. This requires a clear Exit Strategy: such a strategy does not currently exist for IPP-2. We address this aspect in far more detail [in section 5.8.3 of this report](#).
- Determine how the switch from development cooperation to other forms of cooperation can be best managed to ensure sustainable ongoing links. We discuss this in more detail [in section 5.8.2 of this report](#).

Conclusions

The high degree of relevance and importance that the Government gives to innovation (as reflected, for example, in Prime Minister Decision No 844/QĐ-TTg approving the scheme on "supporting the national innovative startup ecosystem through 2025") suggests a good prospect of continued sustainability. Another promising sign is the recently signed Memorandum of Understanding between Tekes and MOST – and the recent NATIF-TEKES joint call (<http://ipp.vn/en/what-we-do/tekes-natif-joint-call/>).

It is clear that significant elements of the remaining resources of IPP-2 should be used on the necessary capacity building and related tasks necessary to ensure sustainability (in both dimensions described above).

Findings

IPP-2 Programme Beneficiaries

With respect to the beneficiaries of IPP-2 and their sustainability:

- Ecosystem developers: 71% felt that their ecosystem could continue to grow to be self-funding without external support from IPP or another similar programme, but 65% said that this would take 3 to 5 years and 14% felt that it would take more than 5 years. This indicates survival will require further external funding.
- Innovative companies: 53% felt that they would have been able to develop their companies without IPP support and 77% said they could have found the funding they received from another source (which indicates limited additionality). 85% of the companies stated that they could continue to grow without further external support.
- Innovation champions: 11 of the 12 champions indicated that they wanted to continue to act as coaches, but as we have described already are uncertain what their future role might be.
- ToT2 trainers: 96% of applicants for ToT2 stated that they would plan to develop their institution to have a greater role in the national innovation system regardless of whether they received IPP-2 support or not. This suggests limited additionality, but strong sustainability.

Conclusions

The data suggests a high degree of sustainability of supported projects, but a relatively low level of additionality.

5.5 Efficiency

Findings

Efficiency assessment requires determination of how economically resources/inputs (funds, expertise, time, etc.) were converted into results. This would normally involve comparing programme implementation with standards or known best practice, but the unique nature of the programme makes identifying comparators unrealistic.⁴⁸ It was therefore agreed with the MFA that value for money considerations could not be taken into account.

We consider the other aspects of the evaluation question:

Quality of technical assistance, including performance of TA and staff against TORs?

No comprehensive terms of reference exist for the long-term technical assistance team despite the requirement in the MTE team's terms of reference that performance of the IPP TA be assessed against these. Individual job descriptions exist for each core member of the PMU, but these do not contain performance indicators.

The contract between the Ministry of Foreign Affairs and NIRAS Finland Oy for the implementation of IPP-2 contains a number of annexes, including (i) the Project Document; (ii) the Instructions to Tenderers; and (iii) the Technical Tender (proposal) made by NIRAS.

The contract simply specifies that "the Consultant undertakes to carry out the Services, described in detail in Project Document (Annex 4) and consisting of the following main components: Component 1: Institutional development and capacity building; Component 2: Partnerships for innovation; Component 3: Innovation projects." It does not contain terms of reference as to the expected tasks and obligations of the consultant beyond that.

The Project Framework Document specifies that "in terms of results-based management the emphasis on the PFD is on the objectives and their indicators with less emphasis on developing detailed activity plans. Main types of activities that would be needed to accomplish the results and purpose are outlined in the sections below. The actual activities will be designed by the implementation team and decided by the Steering Committee. It is the duty of the implementation team [to] also ensure that all the activities support achieving the results, and will be measured by the indicators written/specified in the PFD."

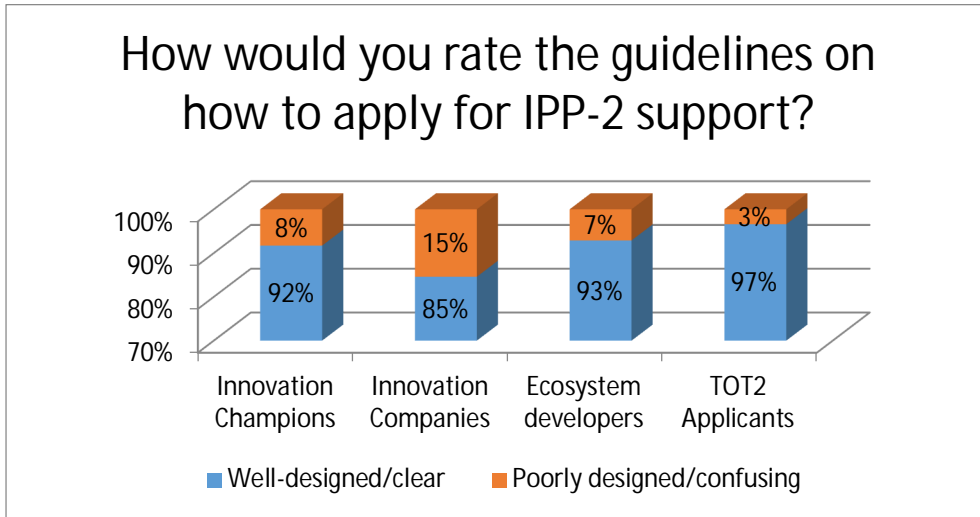
This is absolutely correct, but as the Finnish guidelines on RBM clearly state "A results framework is also an important tool for monitoring and independent evaluation. The results in a results framework should be formulated in such a manner that it will be possible to monitor and verify whether the results have been achieved or not. This will require the setting of targets and agreeing on indicators, baselines and sources of verification for all results levels."

Such clear indicators with established baselines and quantified and time-framed targets have not been set and therefore there is no viable way of assessing the performance of the long-term technical assistance support.

However, we have assessed the degree of satisfaction of IPP-2 beneficiaries with the process of applying for a receiving grant support and the results are shown below.

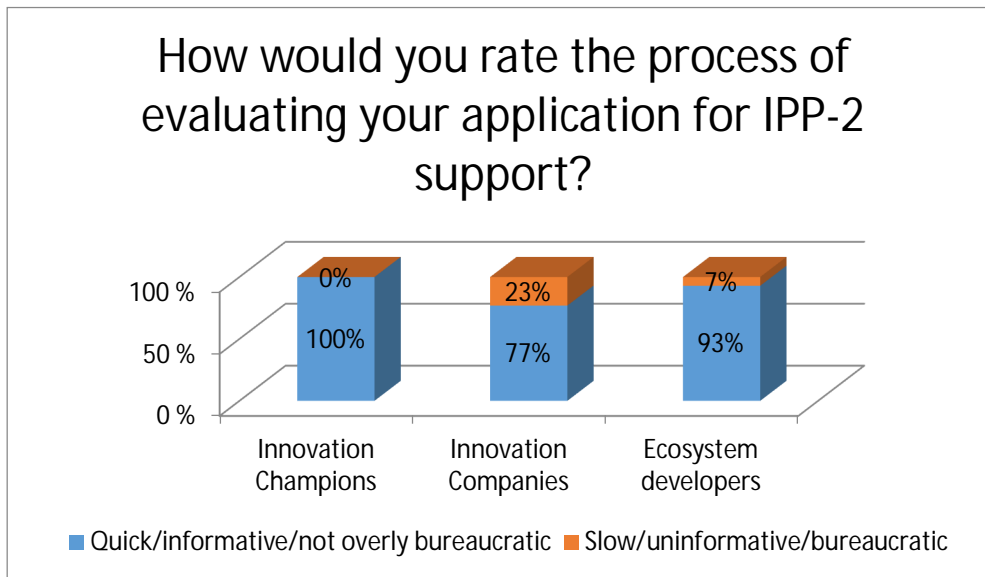
⁴⁸ Comparative costs are available for the management of a range of grant-based development schemes and Challenge Funds, but these may not be fair comparators with what IPP-2 is undertaking.

Figure 7: Applicants rating of guidelines for calls for proposals



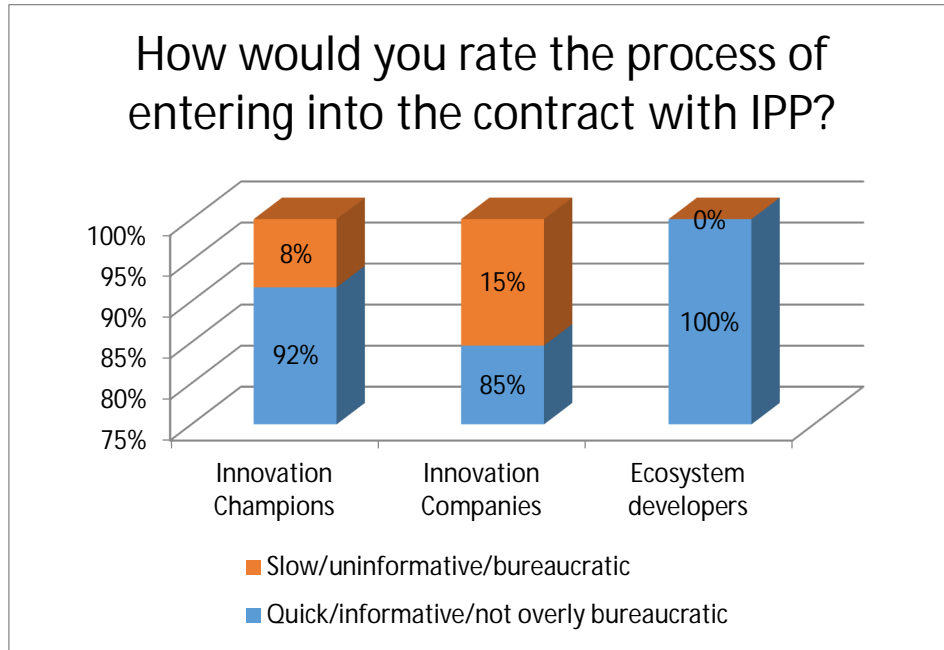
Source: IPP-2 MTE survey, 2016

Figure 8: Applicants rating of the process of evaluating applications



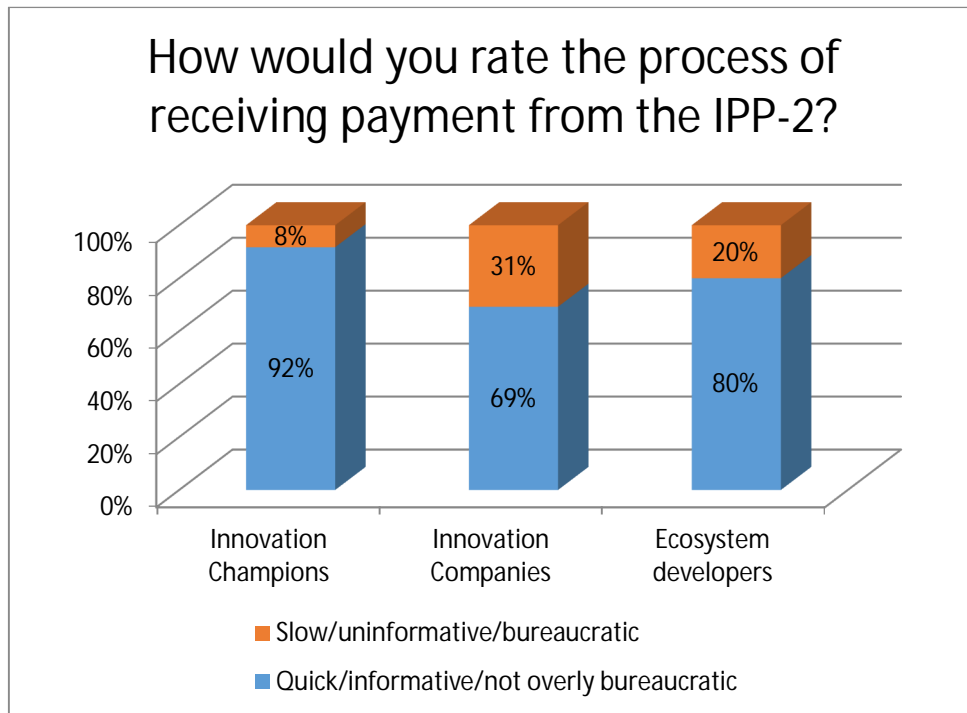
Source: IPP-2 MTE survey, 2016

Figure 9: Applicants rating of contracting process



Source: IPP-2 MTE survey, 2016

Figure 10: Applicants rating of the payment process



Source: IPP-2 MTE survey, 2016

These results demonstrate a highly efficient process of grant scheme management.

We would also like to stress that the PMU, led by the Project Director, has helped establish a strong commitment to transparency and anti-corruption which cannot be praised too highly.

We were also impressed by the high degree of commitment, enthusiasm and initiative demonstrated by the Vietnamese members of the PMU.

The MOST-appointed PMU members, including the PD, are appointed through a decision of their Minister⁴⁹ based on the regulations within Decree No 38/2013/ND-OP on the management and use of official development assistance and are responsible to the Minister for the efficient implementation of IPP-2.

Quality and quantity of short-term TA against the scope of the project?

We were unable to find adequate data and views pertaining to all the various short-Term TA provided by IPP-2 and so are limited in our ability to assess the efficacy of this support. We should, however, highlight that all 12 innovation champions rated the ToT1 training that they received as "very good" and that 15 of supported innovative companies (85%) advised that they considered IPP support either essential or valuable.

The Innovation and Entrepreneurship Core Curriculum developed by IPP-2 was rated by 34 of ToT2 applicants (90%) as "well designed".

These are very significant achievements.

With respect to the very important policy advice requested by MOST and provided by short-term technical assistance, three experts (it should be noted that these were 3 out of 27 delivered man-months services) were recruited to provide support to innovation policy development: (i) Expert in Start-Up Policies; (ii) Expert in Venture Capital Policies; and (iii) Expert in Technology Transfer Policies.

We comment on each of these short-term inputs separately⁵⁰:

Start Up Policies

- The terms of reference for the assignment are clear and specific, but do not indicate either a budget or time input.
- Clear deliverables are specified.
- The consultant's report is clear and sensible and appears to address the deliverables.
- Prime Ministerial Decision No.: 844/QĐ-TTg approving the scheme on "supporting the national innovative start up ecosystem through 2025" appears to be a direct result.
- It can be concluded that the short-term technical assistance was appropriate, timely and well delivered.

Venture Capital

- The terms of reference for the assignment are weak and do not highlight the need to review significant research already undertaken in the field in Vietnam or highlight the importance of close consultation with the MPI and the Ministry of Finance. They do not indicate either a budget or time input.
- Clear deliverables are specified.
- The consultant's report is weak and does not appear to address the terms of reference or provide key deliverables (for example, the draft decree on venture capital funds, the analytical review of current venture capital policies in Vietnam).
- The report demonstrates a weak understanding of the Vietnamese policy and legislative environment⁵¹ or actions that have been taken to date in this field⁵².

⁴⁹ Minister's Decision Number 289/GA-B KHAN dated 12 February 2015

⁵⁰ Comments and conclusions presented in this section of the report are based on the team's discussions in Vietnam and extensive review of relevant documents

- Discussions with the PMU Director affirmed that the Vietnamese side were not satisfied with the quality of the input.
- It can be concluded that the short-term technical assistance was poorly delivered and of low quality.

Technology transfer

- The terms of reference for the assignment are clear and specific, but do not indicate either a budget or time input.
- Clear deliverables are specified.
- The consultant's report is of extremely low quality and demonstrates very weak understanding of the Vietnamese policy and legal environment⁵³. It does not appear to address adequately any of the deliverables; the final mission report comprises just over one page.
- It can be concluded that the short-term technical assistance was poorly delivered and of low quality.

Quality of the day-to-day management including coordination and communication?

We can only address this question by reference to our own limited interaction experience with the PMU.

We found the PMU Director to be committed, enthusiastic and immediately responsive to all our requests.

We had limited interaction with the Chief Technical Adviser who was present in Hanoi for only a very limited period of time during our mission due to pressing personal issues, but he responded rapidly and efficiently to our requests for information.

Internal management and control systems seem well designed and appear to be operative (with the exception of a project monitoring system on which we comment below).

The PMU operates a highly informative, interactive and well-designed website (<http://ipp.vn/en/>) which encourages effective coordination and communication with stakeholders.

The PMU has introduced a systematic approach to assessment of applications of support, which is extremely credible and effective. In our view there remain scope for improvement as we discuss under recommendations.

Quality of monitoring and reporting, including the adequacy and use of indicators?

"An important part of the success of Finnish innovation support system, which is serving here as a benchmark to be learnt from, is based on comprehensive and active monitoring culture, hence the monitoring itself is part of the practices to be transferred".⁵⁴

⁵¹ For example, it makes no mention that most venture capital funds in Vietnam are foreign funded. They are set up in offshore jurisdictions and make their investments in Vietnam through an offshore vehicle that they own. Common jurisdictions are the Cayman Islands and the British Virgin Islands. Certain funds are listed in the UK or Ireland. It also does not mention existing important legislation such as the June 2015 Decree No. 60/2015/ND-CP which raised the 49% cap on foreign ownership limits (FOLs) in Vietnam's public companies to an unlimited level. This is a significant factor in establishing a functioning venture capital market.

⁵² For example, see the extensive World Bank report (<http://documents.worldbank.org/curated/en/639591468131388763/Establishing-a-venture-capital-firm-in-Vietnam-a-preliminary-study>)

⁵³ The report states that "A Vietnamese law seems to focus very much on definition of concepts and on description of the sector in question. This is important, but what an external observer would like to see and read more is how and by whom all those good aspirations and initiatives are going to be implemented". This entirely misunderstands the Vietnamese legislative system in which a hierarchical system of regulation gradually gives more definition to a law – through Prime Ministerial Decrees, Ministerial Decisions, Ministerial Circulars, etc. The important detail (and often the addition of unnecessary bureaucracy) occurs at these lower but critically important levels. For example, the Prime Minister established a Special Task Force for the implementation of the Enterprise Law: one of its key tasks was to monitor and ensure the removal of subsidiary regulation which was illegal under the Enterprise Law.

⁵⁴ IPP-2 Baseline Report, July 2015

The PMU operates an online management information system based on Google Drive and this appears effective for the purpose it was designed, but it does not operate as a project monitoring system. Project data is contained in a wide range of different folders and is difficult to access in a simple manner.

Neither the Integrated Management Guidelines nor the Guidelines for Sub-Project Management contain a section on sub-project monitoring⁵⁵.

The IPP-2 PMU does not have a specialised Monitoring Officer: project monitoring is undertaken by the Programme Coordinator (with respect to ToT projects) and the Business Development Expert (with respect to innovative company and ecosystem development projects). These staff members developed a project reporting system on their own initiative based on case notes (regular reports giving a description on project progress and issues), quarterly progress reports (prepared to a standard format by the project beneficiaries) and project interim reports (prepared by the case officer). A functional MIS is in place and working, established by the TA team using senior ex Accenture monitoring expert. The MTE team would like to praise the staffs' strong attempts to develop a functional system despite their limited experience in this field and the absence of monitoring expert support. It is unclear why external technical assistance was not utilised to establish a functional monitoring system.

There is also a need to establish for each indicator both a baseline and a target. According to the PFD during the inception phase "baseline surveys in each Component (outsourced to local consultants) shall be carried out for monitoring system: during the implementation of IPP the monitoring data is constantly compared to baseline data in order to assess the advancement of the Programme." However, such surveys were not undertaken. A baseline report was prepared in July 2015 which redefines the results framework, but broadly speaking does not define baselines. It has, however, moved towards firming up on the indicators and their targets (but still not as part of structured results chains).

IPP-2 has not defined core indicators which it expects sub-projects to contribute to. Progress in all projects (and their individual contributions to IPP-2) cannot therefore currently be measured. The weakness in the existing theory of change (with an unclear results chain) makes defining clear indicators for IPP-2 difficult and may be the reason why core indicators have never been defined.

Governance by the Steering Committee has been as effective as the absence of monitoring data would allow. Our review of the Steering Committee minutes indicates a lively and effective discourse of a productive nature. It is clear, however, that the absence of monitoring data meant that the Steering Committee could not ask the probing questions of the PMU that it perhaps should have done and probably explains why a somewhat inadequately Updated Strategy was approved by the SC.

Conclusions

They key conclusions are:

- Most beneficiaries assess efficiency aspects of support scheme management very highly
- The quality of training and of the Core Curriculum are rated highly by beneficiaries
- Policy advice: some is of good quality, but more is of very poor quality
- The PMU has good internal management and control systems – with the stark exception of an effective monitoring system – which is a major weakness for a project that is meant to test pilot systems and replicate those which are successful.

⁵⁵ They do address the monitoring of finances, but not project performance.

- Governance has been effective, but has suffered from the absence of monitoring data.

5.6 Coordination and Complementarity

Findings

IPP-2 was originally planned to work in smooth cooperation with the two parallel World Bank innovation programmes (Fostering Innovation through Research, Science and Technology Project [FIRST] 2014-18 and Vietnam Inclusive Innovation Project [VIIP] 2013-18). However, both of these programmes have experienced significant delay and scope for cooperation has proved limited.

In January 2016, IPP-2 initiated and organized the first Innovation Partners meeting, which has since been organized on a monthly basis rotating between Hanoi and HCMC to enhance support programmes, projects, donors and other sponsors' collaborative actions and to make national and regional innovation systems work better for the success of Vietnam-based innovative start-ups and enterprises.

Conclusions

The PMU has initiated important coordination tools in the sphere of innovation in Vietnam.

5.7 Cross-cutting objectives

Findings

Reduction of inequality

We were advised by the MFA (Skype conversation 27 April 2016 and email on 4th May 2016) on that inclusive innovation was not the focus of the project and that therefore we should not undertake assessment in this area. This position was reflected in our Inception Report.

Gender equality

The PFD states with respect to gender:

“Promotion of gender aspects and equal opportunities by creating a culture that considers science for women, women in science and women in innovation systems. The critical issue in all IPP interventions is to ensure that women not only participate equally in the national level dialogue, district level multiple-helix activities or training and capacity building activities, but that they see a clear benefit and means to improve their role or capacities in STI. Several efforts will be taken for gender mainstreaming: 1) Gender awareness requires strengthening in the government departments, especially in those that are late-comers to development concerns, and with which IPP-2 will work. Training sessions will inform on the commitments made by Vietnam to the UN and in other international development fora and participant will develop a detailed action plan; 2) to introduce quotas for women, aligned with the Government gender targets and indicators and finalised during the inception. Progress should be monitored with gender-disaggregated data provided on all project activities; 3) In line with the National Strategy on Gender Equality for 2011-2020, to promote women as innovators and entrepreneurs, business leaders and, in IPP-2, as full-fledged partners in innovation processes and programs; 4) Women should be assisted in various sub-sectors, but taking note that women are not just involved with “soft” sectors but already integrated – although often in subservient roles – into “hard” sectors of manufacturing and repair as well as various technology-linked sectors; 5) to address work-life balances of women. This should be probed during the inception; 6) in each region and in each sector women’s role should be assessed through rapid assessment and action plan developed for their integration into programme activities and innovation processes.”

The NIRAS's technical proposal (which forms a key element of the contract) also saw gender as an important dimension. The company proposes a number of gender equity measures, including organising "a forum for Women in Innovation (WIN) to facilitate information exchange and business opportunities, and encourage participation in global forums, such as the Women in Tech, organised by the Federation of Finnish Technology Industries".

However, the Inception Report of IPP-2 is silent on gender as is the 2015 Updated Strategy. The guidelines for applicants for support from the programme provide no guidance as to what is expected from applicants with respect to gender equality. The selection committee is also given no guidance as to the weight or importance in gender equality in their assessment.

Sub-projects are not asked to define gender key performance indicators nor are these collated at a higher level to assess overall IPP-2 performance.

Ten of the twelve innovation champions of IPP1 are men.

The technical assistance team advise that the priority in their work was to select the most innovative proposals regardless of gender dimensions. Gender therefore was not treated as a significant factor in project selection and sub-projects do not need to contribute to higher level gender objectives⁵⁶.

This reflects an approach to gender and innovation not entirely consistent with either Finland's HRBA or current best practice thinking:

"The view that gender equality is important, but also a constraint or a cost has hampered its integration into some policy development, particularly in the field of economics. This limiting view of equality policies (as a societal choice that may act as a brake on economic development) also narrows the scope of potentially beneficial advances towards gender equality. It focuses on the short term and relies on the status quo as the model with which to compare progress. However, it is also possible to view equality as having a productive or economic role with much wider implications for European economies. In other words, seeing gender diversity and equality as a means of creativity and innovation rather than one of several objectives".⁵⁷

"Enterprises with a balanced workforce (50-60% of same gender) are almost twice as likely to innovate compared to those with the most segregated workforce (90-100% of same gender). Thus, a balanced gender distribution has a strong effect on the likelihood to innovate and innovative performance of enterprises."⁵⁸

IPP-2 does not have a gender mainstreaming action policy or plan and no one has been appointed at a senior level to champion the approach.

Climate Sustainability and the Environment

The PFD is equally strong on climate calling, inter alia, for the IPP-2:

"To assess during inception phase, the Environmental Management Framework of the World Bank and its possible application to the IPP-2. This framework has been established to screen all innovation technology proposals for their potentially positive and adverse environmental and social impacts in order to develop relevant measures to mitigate adverse impacts, and to ensure compliance with applicable national laws and regulations, emission and discharge standards."

⁵⁶ There is an indicator as to percentage of women attending training courses, but there is no selection bias to support achievement of this indicator. The results to which the indicator contributes does not mention gender.

⁵⁷ As quoted in "Innovation and Gender", published by Innovation Norway, the Swedish Agency for Economic and Regional Growth and VINNOVA

⁵⁸ Ostergaard, Timmermans & Kristinsson (2009) Beyond Technological Diversification: The Impact of Employee Diversity on Innovation, Aalborg: Danish Research Institute for Industrial Dynamics, Department of Business Studies, Aalborg University, DRUID Working Paper No. 09-03.

The NIRAS technical proposal is similarly strong stating that “we will align all interventions with the GOV climate change (CC) and green growth strategies and action plans.”

The Inception Report and Updated Strategy are silent on climate issues.

The guidelines for applicants for IPP-2 support simply advise that a selection criterion will be “The project strengthens climate sustainability”. No guidance is given either to applicant or evaluator as to what this means in practice. Sub-projects are not asked to define climate sustainability performance indicators.

The IPP-2 results framework contains no climate sustainability indicators.

Innovation has a critical role in sustainable development as has been highlighted by a number of authors.⁵⁹ “Sustainability is a mother lode of organizational and technological innovations that yield both bottom-line and top-line returns. Becoming environment-friendly lowers costs because companies end up reducing the inputs they use. In addition, the process generates additional revenues from better products or enables companies to create new businesses. In fact, because [growing the top and bottom lines] are the goals of corporate innovation, we find that smart companies now treat sustainability as innovation’s new frontier.”⁶⁰

The close linkage between sustainability and innovation has not been addressed by IPP-2 as either part of the MFA’s HRBA or as a broader element of innovation.

IPP-2 does not have a climate sustainability action policy or plan and no one has been appointed at a senior level to champion the approach.

Conclusions

There have been very limited attempts to adopt gender and climate sustainability into the IPP-2.

5.8 The Updated Strategy

5.8.1 *Opinion on the Updated Strategy*

Findings

In the earlier sections of this report we have presented our findings that we do not consider that the Updated Strategy provides a clear Theory of Change with results chains linking inputs to outputs to outcomes and on to impact.

Our terms of reference ask us to assess “to what extent the updated strategy reflects recent development within and lessons learnt from the conducted activities of the IPP-2, and the changes in the programme’s operating environment. As the fund channelling and implementation practices were altered at the beginning of phase 2 due to phase 1 unresolved issues, and the return to normal human resource and administration practices has started, to assess the functioning of the current systems and provide recommendations for the remaining implementation period.”

The rationale underpinning the Updated Strategy and how it is expected to bring about change is unstated. As IPP-2 has no real monitoring system (nor baselined and targets prior to the Updated Strategy), there exists limited capacity to assess what has worked and what has not worked. System functioning has been discussed under efficiency.

We are unable to comment meaningfully on the budget contained within the Updated Strategy as it is not broken down into adequate detail. This should be done as part of the new combined strategy and detailed action plan/work programme.

⁵⁹ See, for example, <https://www.oecd.org/innovation/inno/2105727.pdf>

⁶⁰ 1 Nidumolu, R., Prahalad, C.K., & Rangaswami, M.R. 2009. Why sustainability is now a key driver of innovation. Harvard Business Review, 87(9): 57-64.

Our terms of reference state “as the updated strategy is focusing more on capacity building than the original plan, the MTE is also expected to assess the adequateness or appropriateness of technical assistance provided and planned needs for short-term consultants.” As the updated strategy is inadequate both in its description of planned approaches and the breakdown of the budget. It should be clear that we are unable to provide this assessment – nor do we understand how the budget of the Updated Strategy itself can have been prepared as no detailed planning underpins it.

Conclusions

The Updated Strategy does not describe a credible approach to the achievement of the project goals, the switch from development to other forms of cooperation or a structured exit of the technical assistance team.

It may prove most practical to prepare a combined strategy and detailed action plan/work programme from the current mid-term of the programme until programme completion rather than seeking to update the older document. The critical point is that the new document should have a clear theory of change with indicators (benchmarked and targeted) along comprehensive results chain that shows how the IPP-2’s activities will lead to real impact.

The theory of change should embrace both the transition to trade-based and other forms of cooperation and the exit strategy.

In our view, the technical assistance team should have clear terms of reference for their actions and deliverables in implementing the combined strategy and detailed action plan/work programme.

5.8.2 Transition from development cooperation to trade-based and other forms of cooperation

Findings

The PFD for IPP-2 is clear with respect to expectation in this field:

“The aim of the IPP Phase 2 is to build new Vietnamese-Finnish partnerships and facilitate the transition from traditional development cooperation to other forms of bilateral cooperation including STI and business partnerships. Other funding instruments such as the Finnpartnership’s business partnership support facility, Finnfund’s investment financing, Institutional Cooperation Instrument (ICI) and the innovation funding of the Finnish Funding Agency for Technology and Innovation (Tekes) are needed to complement funding for Finnish stakeholders.”

According to the PFD: “There is a low awareness of opportunities in Vietnam among Finnish enterprises and research bodies. This aspect needs some promotional work in Finland [by IPP-2] in coordination with other Finnish bodies, such as Finpro, Finnpartnership, TEKES and other partners”. The PFD also highlighted the “lack of serious interest in the Vietnam market from the Finnish companies”. However, the team noted that IPP-2 has created the foundation for Biz partnerships in Vietnam and potential partners in Finland such as TEKES, Aalto University and private companies have been contacted. Undoubtedly, trade partnerships are a priority for the remaining period of IPP-2.

In its technical tender (which forms part of the contract) NIRAS stated “IPP-2 operationalizes a shift to new cooperation modalities between Vietnam and Finland. It offers opportunities for Finnish innovators to establish mutually beneficial partnerships with Vietnamese counterparts in the new global economic landscape. NIRAS has the experience in brokering partnerships to ensure long-term commitment and sustainability. We have proven methodologies to operationalize the Team Finland strategy and facilitate commercially viable partnerships

domestically, regionally and internationally. These constitute critical components to link Vietnam to global knowledge and production networks".⁶¹

The IPP-2 Inception Report is silent on the development of such partnerships and how to create them; the Updated Strategy refers only to partnerships with Finland in the context of an indicator of change.⁶²

MOST and Tekes have entered on 8 March 2016 into a memorandum of understanding to promote cooperation in supporting and funding collaborative research, development and innovation projects between Finnish and Vietnamese enterprises and research organizations in a wide range of fields⁶³. Specifically, the objective is to promote technology transfer, and commercialization of technology between Finnish and Vietnamese enterprises and research organizations on the basis of win-win cooperation. The operational basis for the cooperation is joint funding calls with each party assessing, selecting and funding their national projects. The National Agency for Technology Entrepreneurship and Commercialization Development (NATEC) is the designated agency on behalf of the Ministry of Science and Technology to be the contact point in Viet Nam for coordination and implementation of this MoU. We understand that IPP-2 played a critical role in encouraging the establishment of this memorandum of understanding. A joint call for project proposals has now been launched (<http://ipp.vn/en/what-we-do/tekes-natif-joint-call/>).

Tekes also operates the BEAM – Business with Impact (a joint Tekes and the Ministry for Foreign Affairs programme) to generate new, sustainable business in developing countries. BEAM assists Finnish enterprises and other actors in using innovations to address global development challenges, by converting such innovations into successful and sustainable business in both Finland and developing countries.⁶⁴

A further element of Team Finland in Vietnam⁶⁵ is Finpro. Finpro's role is to support Finnish SMEs to internationalise and to encourage foreign direct investment in Finland. Finpro is a public organization consisting, inter alia, of Export Finland and Invest in Finland. Finpro has an office in HCMC.

Additionally, the EU Vietnam Business Network (a project co-funded by the European Union) helps European enterprises (especially SMEs) access the Vietnamese market. It provides a wide range of subsidised services to EU companies.

⁶¹ The proposal also states more specifically "For Finnish added value, we have initiated strategic partnerships with leading Finnish innovation organisations. We will apply a network-centred approach, and benefit from the Tampere region as the major hub of innovative industries in Finland. The Hermia Group, specialised in product development and innovation services, acts as a focal point to the regional players: Tampere Technical University (industry-university collaboration), Regional Council (programme-based ecosystems), University of Applied Sciences (entrepreneurship training), Tamlink Oy (technology transfer) and New Factory (piloting Demola and other innovation platforms). To provide short-term advisory we have initial cooperation with highly reputable expert organisations: 1) IP Finland Oy specialises in commercialization of research-based intellectual property; 2) Hubconcepts Inc. in planning, development and management of regional innovation ecosystems; and 3) Tampere Technical University Edutech in industry-based entrepreneurship training. We will also utilise the expertise of Aalto University to provide learning experiences for students, and the Aalto Global Impact for inclusive business development. Tekes, Finnish Funding Agency for Technology and Innovation, will be the entry point into Finnish innovation developers and technology companies. The Federation of Finnish Technology Industries, Food Safety Management Finland, CleanTech Finland and Finnish Water Forum are also current NIRAS cooperation partners with whom Vietnamese markets can be explored to enable mutually beneficial business partnerships."

⁶² "Joint innovation support initiatives with foreign partners (e.g. NATIF-Tekes collaboration, annual participation of companies and officials to international innovation events"

⁶³ Including: Start-up Ecosystem and Venture Capital development; Information and Communication Technologies (ICT); Health care; Energy; Nanotechnology; Clean-tech (e.g. water & waste management); Construction technologies; Marine technologies; Cyber security technologies; Aquaculture technologies; Other areas from time to time suggested and agreed by both Parties.

⁶⁴ <https://www.tekes.fi/en/programmes-and-services/tekes-programmes/beam--business-with-impact/>

⁶⁵ <http://www.finland.org.vn/public/default.aspx?contentid=266381&nodeid=46670&contentlan=2&culture=en-US>

Conclusions

Although partnerships between Finland and Vietnam are not apparently treated as a priority in the Updated Strategy, the IPP-2 played a pivotal role in the new MOST-Tekes memorandum of Understanding and that is a significant achievement. There is an urgent need to build on that and consider other forms of partnership.

During our mission, we have had the opportunity to discuss the goals of the MFA with all these key players including the development of a range of cooperative partnerships (enterprise-enterprise, university-university, research institute-research institute, enterprise-research institute, etc.). We found all interested and wishing to be involved, but with no clear picture of how the objective can be turned into a reality – but each felt IPP-2 should play a pivotal catalytic role.

IPP-2 needs to develop a clear plan as to how this important aspect might be progressed the report.

5.8.3 Exit strategy

Findings

The appraisal of the PFD⁶⁶ stated that “planning for an exit/phasing out strategy is a process that should start early on in the inception phase of the programme. Due to the specific changing context of IPP-2 it will nevertheless require more time than just six months. The appraisal recommends that the programme implementation team would prepare an exit strategy by the end of year 1 (month 12 in programme implementation) and submit it to the Steering Committee for approval”. The final PFD foresaw and “Exit and Follow-Up Period” of 9 months, but provides no details on this.

It should be noted that operating IPP-2 through a parallel structure (a PMU) rather than integrating it within the operational framework of the Ministry makes the exit process more complex⁶⁷.

The NIRAS Technical Tender (part of the contract) states “IPP-2 is anchored on the GOV’s processes and policies in line with the Hanoi Core Statement. The exit strategy is built into all interventions from day one. This entails 1) securing stakeholders’ commitment and participation in designing the road map; 2) systematically collecting and taking action from lessons learned; 3) replicating processes that work and communicating successful innovations; and 4) gradually reducing the involvement of external facilitators in all interventions.” The Inception Report for IPP-2 states that “the programme functions as an exit strategy aiming at sustained partnerships and locally running IPP initiated innovation support instruments even after the transition.”

The Updated Strategy does not mention the exit process.

Conclusions

No exit strategy currently exists for IPP-2, but one needs to be developed very urgently to address the complexities of transferring responsibilities from the PMU to local stakeholders in a sustainable manner.

⁶⁶ Appraisal of the IPP-2 PFD, Impact Consulting Oy Ltd, 1 July 2013

⁶⁷ It is also inconsistent with the Hanoi Core Statement on Aid Effectiveness which states that “Donors avoid creating parallel structures (PMUs) for day-to-day management and implementation of aid-financed projects and programmes

5.8.4 Other aspects

We were asked to provide an assessment on the Programme's alignment and contribution to the new Finland's Development Policy Programme (February 2016). The key objectives of Finland's new development policy are that:

- The rights and status of women and girls have strengthened;
- Developing countries' own economies have generated jobs, livelihood opportunities and well-being;
- Societies have become more democratic and better-functioning;
- Food security and access to water and energy have improved, and natural resources are used sustainably.

Clearly, searching for alignment prior to February 2016 would be impossible, but it is clear (as we have stressed in our consideration of Cross-Cutting objectives that "gender and innovation" and "gender and sustainability" have not been seen as an area of focus for IPP-2 to date and are not adequately addressed.

In our recommendations, we have proposed a combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion. We believe that this should give greater consideration as to how to improve alignment and how these and other factors might be integrated in IPP-2 to meet Finland's goals that:

- Everyone, including women, young people and the poorest, have better access to decent work, livelihoods and income;
- The private sector and economic activity in developing countries are more dynamic and more diversified;
- Better use is made of new know-how, value chains, technologies and innovations that respect sustainable development.
- Developing countries' investments to sustainable energy solutions have increased, and the share of renewable energies has increased and that of fossil energies decreased.

6 Recommendations

We would normally give both short, medium and longer-term recommendations in a report of this nature. However, given the limited remaining period available for implementation and the very urgent and significant tasks that need to be implemented all the recommendations below should be considered as Immediate.

We do have longer term-recommendations, but these are described in the longer-term lessons for the [Ministry of Foreign Affairs of Finland \(Section 7\)](#).

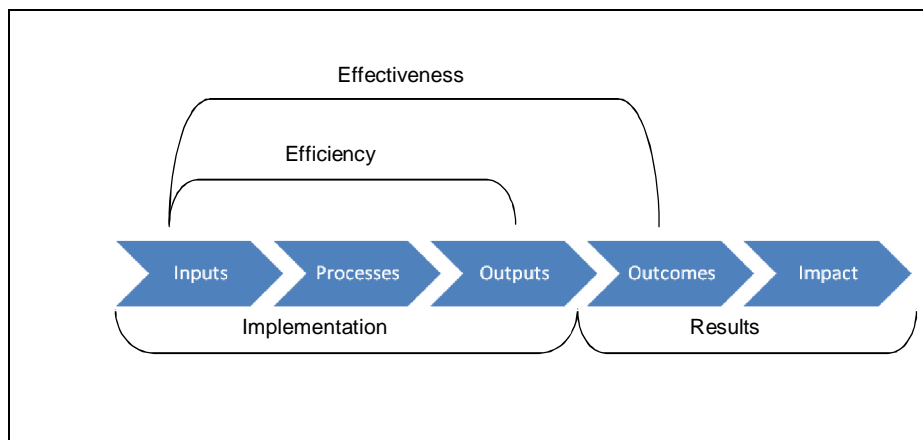
6.1 Recommendations for immediate action by the PMU

Recommendation 1: Preparation of a combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion

As we have stressed above there is a clear need for an IPP-2 Theory of Change and results chains which demonstrates how the programme's three components are expected to bring about IPP-2's high level goals by depicting the pathway from activities through outputs and outcomes to impact. This should be clearly reflected in the preparation of a combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion.

Clearly, each supported sub-project should contribute to IPP-2's overall goals and therefore each should have a results chain which demonstrates how it is expected to contribute to the achievement of IPP-2's higher level objectives.

Figure 11: Depiction of the constituent parts of a Results Chains



The IPP-2 results chain should clearly demonstrate a summary of the change process (and this should be reflected in the sub-project results chains through the definition of core indicators). These results chains are a vital monitoring tool, but are also important as they create a commonly understood vision of the long-term goals of the IPP-2, how they will be reached, how each sub-project is expected to contribute to those goals, and what will be used to measure progress along the way.

The articulation of the results chain at both project and sub-project level is part of the credible measurement of performance of the IPP-2. It needs to be accompanied by a well-defined baseline situation, substantiated targets which have been validated and robust indicators. The results chain then need to be integrated with a clear results measurement plan.

The outputs to be achieved to prepare the combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion are therefore that:

- 1 An appropriate, sufficiently detailed and logical results chain is articulated explicitly for the IPP-2 and each of its interventions.
- 2 Each results chain shows all key changes arranged in logical order, demonstrating as far as possible how the selected intervention leads to achievement of development goals.
- 3 Each results chain is sufficiently detailed so that changes at all levels can be assessed quantitatively and/or qualitatively
- 4 The PMU has documented critical external assumptions that affect the logic of the results chain.
- 5 The PMU has documented reasons that support the logical links of the results chain.
- 6 The documentation explains how the changes outlined in each results chain are likely to lead to lasting impact.
- 7 The activity elements of the results chains are adequately documented to form the basis for action and have detailed budgets.
- 8 An exit strategy (see below) is integrated into the Theory of Change and Results Chains.
- 9 The transition from development cooperation to other forms of cooperation is integrated into the Theory of Change and results chain
- 10 Significantly more emphasis is placed on gender and innovation and gender and climate sustainability – which reflects that these are opportunities and not costs to the programme.

11 The development of the monitoring system is undertaken as a parallel integrated process. If the PMU does not have adequate internal skills and experience to do this then they should recruit appropriately qualified short-term expertise.

Recommendation 2: Introducing upgrades to the sub-project selection process

The existing project selection system is highly credible, but – if any additional calls for proposals are planned under IPP-2 - it could perhaps additionally benefit from:

- Formal scoring by selection committee members using a grid with maximum score and weighting for each selection criterion. Future effectiveness and impact of projects should be assessed by considering their contribution to the core indicator goals of IPP-2 (see next section).
- Inclusion of the critical selection criteria of replicability/scale up and demonstration impact: these are essential in a project which is primarily expected to demonstrate the validity of different piloted concepts.
- The use of technical assessors to support (but not supplant the selection committee: technical assessors should have no voting rights). This should ensure that selection committee members are given sound technical advice before making their decision rather than suggesting that extremely busy senior staff of other organisations have the time to assess in detail a range of applications.⁶⁸

Recommendation 3: Ensure gender and climate mainstreamed

We recommend that the PMU:

- Develop a clear gender mainstreaming policy and action plan
- Ensure that gender issues are integrated – properly – into all aspects of project operation
- Set gender mainstreaming targets and monitor their achievement
- Appoint a senior member of the PMU staff to act as gender “champion”.
- Develop a clear climate sustainability policy and action plan
- Ensure that climate sustainability issues are integrated – properly – into all aspects of project operation
- Set climate sustainability targets and monitor their achievement
- Appoint a senior member of the PMU staff to act as climate sustainability “champion”.

Recommendation 4: Development of an exit strategy

A programme Exit Strategy is a plan describing how the programme intends to deal with the withdrawal of MFA resources while ensuring that achievement of the programme goals is not jeopardized and that progress towards these goals will continue. An exit strategy needs to be defined as an integral, coordinated element of the new combined strategy and detailed action plan/work programme referred to above. The critical steps are shown in the Planning Matrix for the Exit Strategy (see below).

The critical question to be defined before commencing the exit strategy planning is “which elements of IPP-2 (activities, systems, processes, outcomes, etc.) should be sustained within the Government of Vietnam and other key stakeholders after the closure of IPP-2?”

This question forms the absolute basis of the definition of an effective strategy and should be answered through an inclusive discussion with key stakeholders – especially those to whom responsibilities are expected to be transferred.

⁶⁸ We note, for example, that the existing selection grid puts, for example, the responsibility for assessing the relevance of applicant projects is given to the Head of Development Cooperation at the Finnish Embassy.

We would suggest that a staff member of the technical assistance team should be appointed as Exit Strategy manager. Once the exit plan has been agreed and approved (within the very near future to allow 12 months for implementation), the Exit Strategy manager should be responsible for drawing up a detailed monitoring and reporting plan on the Exit Strategy which should be integrated into the overall programme monitoring system. It could be based on a simple grid (see below). S/he should be responsible for ensuring the plan is implemented and reported upon to the Steering Committee.

Table 9: Exit strategy management plan

EXIT ACTIVITY	Who will do this?	When will this be done?	How will it be monitored? What benchmarks will be used to monitor the activity?	Who will do the monitoring and when?	Budget: what is the cost of this activity?
1.					
2.					

Table 10: Planning Matrix for the Exit Strategy

COMPONENT	KEY QUESTIONS	GUIDING PRINCIPLES	CHALLENGES
Development of an Exit Plan ⁶⁹	<p>How will we “phase-down” IPP-2? Which activities will be “phased out” activities and which transferred to a local actor?</p> <p>What is the appropriate time line?</p> <p>How will we know we are on track for phase out/transfer?</p> <p>What indicators or benchmarks will we use? How will we monitor them?</p> <p>What are the specific action steps to reach the benchmarks?</p>	<p>Ongoing programme review to ensure process stays on track</p> <p>Transparency: especially regarding programme/budgetary limitations</p> <p>Participation: including key stakeholders in the design of the exit plan so that they fully understand it and its implications</p>	<p>Allowing adequate time to develop capacity, while working within the programme’s remaining timeframe. In the case of IPP-2 it is recommended that the exit strategy be implemented over a 12-month period</p>
Develop clear patterns of exit partnerships and linkages	<p>Which elements of IPP-2 are to be transferred to which partner organizations?</p> <p>Who has to approve that transfer within the Vietnamese system?</p> <p>What resources will they need to take on the new responsibility?</p> <p>Are they willing to take on the new role?</p>	<p>Clear and common goals: IPP-2 PMU and the organisations to which they are transferring responsibility must share common goals and have a common vision.</p>	<p>Aligning the needs and objectives of diverse stakeholders to implement aspects of a programme that has been implemented by a single entity.</p>

⁶⁹ Ideally, this should have happened during the inception phase.

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

COMPONENT	KEY QUESTIONS	GUIDING PRINCIPLES	CHALLENGES
Strengthen local organizational and human capacity	<p>What capacity development is needed? A training needs analysis of the different organisations involved may be necessary</p> <p>How can the training best be delivered (twinning, formal/informal training, etc.)?</p> <p>What indicators will we use to monitor progress in building these capacities?</p> <p>Where the new host needs additional staff can they be recruited rapidly?</p>	<p>Build on <u>existing</u> capacity whenever possible</p> <p>Design training to meet identified need – through TNA</p> <p>Monitor progress</p>	<p>Designing a monitoring system to track capacity building</p> <p>Motivating the staff within the new host organisation</p>
Developing necessary systems and procedures	<p>What systems development is necessary?</p> <p>How can systems development best be undertaken?</p> <p>What indicators will we use to monitor system development?</p>	<p>Systems have to be efficient and effective, but also fully compliant with national legislation</p>	
Stagger phase out of various activities	<p>How can we phase the exit process so that it happens gradually over an extended period?</p> <p>What are the implications for the TA team?</p> <p>What is the graduation and exit plan and timeline for the programme components? How will it be implemented? How will it be monitored?</p>	<p>Flexibility; the logical sequence for staggering phase out of various activities may change once activities have been implemented</p>	

We would suggest that the implications of an effective exit strategy include prioritising:

- Tailored capacity building for the staff of the Vietnamese organisations expected to take on responsibilities for actions currently managed by IPP-2
- Phased withdrawal of technical assistance during the exit phase reflecting the growing capacity of Vietnamese stakeholders.
- Significant focus on plan for IPP-2 support to the transition from development cooperation to trade-based and other forms of cooperation

We are unable to define these in terms of possible need for reorientation and prioritizing of activities (within the existing budget for the programme) as the Updated Strategy (and its budget) are insufficiently detailed to allow us to comment meaningfully.

Recommendation 5: Preparation of a plan for IPP-2 support to the transition from development cooperation to trade-based and other forms of cooperation

IPP-2 should prepare – in close conjunction with Tekes, Finpro, NATEC and EVBN – an action plan for ensuring that the goals inherent in the MoU between Tekes and MOST become a reality.

This action plan should consider actions both in Finland and in Vietnam. It should consider, *inter alia*:

- Supporting – both in Vietnam and Finland – promotional actions to encourage partnering and match-making of companies and research institutes between entities in both countries.
- Supporting Tekes and NATEC to prioritise the sectors defined in the MoU and to use a range of targeted sectoral approaches to encourage partnerships
- Support to NATEC in developing effective their element of the planned joint funding schemes and in monitoring their performance

The action plan needs to be defined as an integral, coordinated element of the new combined strategy and detailed action plan/work programme referred to above. It should have a clear allocation of tasks and responsibilities of the main players and allocation of their budget accordingly. Given that IPP-2 has greater staff resources to address this issue it should take the lead initially, but with a clear exit strategy built in.

It should also have a clear monitoring plan to assess its performance.

6.2 Recommendations for immediate action by the Steering Committee

Recommendation 6: Ensure that the PMU submit – as a matter of urgency – proposals as to how they intend to implement Recommendations 1 to 5 above.

IPP-2 has a relatively short remaining life and time is rapidly running out. The Steering Committee should request the PMU to give a clear timetable for the implementation of the recommendations contained in this report if these are accepted by the Steering Committee.

6.3 Recommendations for immediate action by the Ministry of Science and Technology of Vietnam

Recommendation 7: Ensure the selection of the MOST Departments and/or Agencies and other key stakeholders to which elements of IPP-2 (activities, systems, processes, outcomes, etc.) should be transferred during the exit phase

The PMU should define in the exit strategy (see recommendation 5) the elements of IPP-2 (activities, systems, processes, outcomes, etc.) which should be transferred to MOST

departments/agencies and/or other key stakeholders to ensure sustainability of important actions after project closure.

The Vice-Minister of MOST should define which MOST departments/agencies should take on the activities, systems, processes, outcomes, etc. of IPP-2 during the exit phase and ensure the willingness of each to take on the new role (as the IPP-2 PMU and the organisations to which they are transferring responsibility must share common goals and have a common vision).

IPP-2 should support capacity and systems development of such structures during the exit process, but MOST should ensure that they are adequately resourced to take on the anticipated role (after capacity and systems development).

6.4 Recommendations for immediate action by the Ministry of Foreign Affairs of Finland

Recommendation 8: Contract a separate independent monitoring and evaluation team in parallel with the implementation technical assistance team

The Finnish development cooperation system is based upon results-based management and this is an excellent approach. However, it does require that a clear theory of change, results chains, indicators (baselined and targeted) and an effective monitoring system are in place. The experience of IPP-2 has shown that should an effective system not be developed then monitoring cannot be meaningfully undertaken by either the project Steering Committee, the Finnish Embassy or the MFA.

We recommend that the MFA should contract a separate independent monitoring and evaluation team in parallel with the implementation technical assistance is likely to be highly beneficial. Such a team would work with the implementation team to:

- Ex ante assess the planned Theory of Change of the new strategy/action plan to ensure results chains are defined and that realistic and measurable indicators (with baselines and clear targets) are selected.
- Support the establishment of the project (and sub-project where applicable) monitoring framework, processes and systems, including training implementation team staff in their use.
- Monitor on an ongoing basis the performance of the project and prepare reports for the Steering Committee
- Train beneficiary staff and support the transfer of monitoring skills and systems to them
- Undertake an annually review of the Implementation Contractor's performance.

This should not have significant cost implications as the tasks proposed to be allocated to the independent monitor and evaluator are those that should mainly be undertaken by the implementing contractor. Removing these tasks should reduce their costs and thus offset this separate contract. It should also ensure genuine independence of the monitoring process – without pressure from the implementation side to show results which may not have been achieved.

The independent monitoring and evaluation contractor should also have highly specialised knowledge and experience in monitoring and evaluation: an area that may be overlooked or downplayed by a contractor whose prime interest is implementation. Having a contractor with monitoring as their performance indicator ensures a continued and continuous focus on monitoring.

The critical tasks for this new contractor (to be included in their terms of reference) would include:

Defining effective indicators

The results chain provides a framework for conceptualizing expected changes that will result from each of the six project's activities. These expected changes must then be translated into relevant (quantitative and/or qualitative) indicators of change; it is tracking these indicators over time that reveals if, and to what extent, expected changes are occurring.

Each step in the results chain therefore requires at least one indicator to provide the basis for tracing changes in the various levels of the model through to the overall goals of increasing employment and income in the participating CPIs and through this increasing the overall income of involved communities.

The outputs to be achieved to provide an effective basis for the monitoring system are therefore that:

- 1 There is at least one relevant indicator associated with each change described in the results chain(s): these may be quantitative and/or qualitative indicators, but they need to be relevant to the associated changes in the results chain(s).
- 2 A small number of indicators at the impact level can be aggregated across the programme (core indicators). Each sub-project results chain should include the common impact indicators.
- 3 There must be specific, relevant and appropriate indicators (qualitative and/or quantitative) that enable assessment of sustainability of results in the results chains. This should include indicators to measure achievement of gender and sustainability goals.
- 4 There must be specific, relevant and appropriate indicators (qualitative and/or quantitative) that enable assessment of IPP-2's and sub-projects' contributions to Finland's HRBA objectives.
- 5 Anticipated impacts are realistically projected for key quantitative indicators (including the common indicators) to appropriate dates. Projections are expressed as a change in indicator value due to the programme by a specific date. The projections are supported by documented research, analysis and clear calculations, with sources of information and assumptions explicitly outlined.

Clearly this is a far larger and more significant task than the July 2015 Baseline Report, but it is essential. The establishment of baselines will prove particularly complex as will trying to establish common indicators for already approved projects, but this needs to be done. However, much indicator definition at sub-project level will be project specific and will thus vary from sub-project to sub-project and results chain to results chain. However, if their contribution to the achievement of IPP-2's outcome and impact goals is to be assessed then common indicators must be established – and then baselined, targeted and monitored.

Development of effective monitoring at sub-project level

The process of measuring results should be integrated into all aspects of IPP-2 programme management, from design through implementation to M&E. Indeed, the achievement of results should drive everything that IPP-2 staff do, orienting their efforts and guiding their decisions.

This requires clear responsibilities, adequate planning, appropriate skills and sufficient human and financial resources.

There is an urgent need to establish a centralised online system for collecting and managing monitoring data obtained at sub-project and component level and drawing impact level data from this for the overall IPP-2 programme.

The establishment of clear sub-project results chains with indicators will provide the basis for monitoring, but there is a need to develop a system for monitoring that is based upon:

- 1 A Results Monitoring Framework (RMF) for each sub-project. Given the limited number of sub-projects basing the project monitoring system on MS Excel would appear to be the most cost effective and pragmatic solution. Each project would have a RMF which would comprise (on different Excel spreadsheets): Basic project information, Result chain (with supporting notes). Results Measurement Plan (see below), Project Monitoring Report Data, contact details, key project document. It would thus act as a repository in one location for all project data.⁷⁰
- 2 Impact data (derived from the common indicators) being cumulated automatically on an IPP-2 level monitoring Excel spreadsheet with input linked to each sub-project's recording system spreadsheet.
- 3 A Results Measurement Plan (RMP) for each sub-project. The RMP should guide the process of collecting information at all levels from the result chain (from activities, to the outputs, outcome and impact). The RMP should be completed once the contract between the IPP-2 and the sub-project beneficiary has been signed and the results chain has been developed.
- 4 The RMP should include, as a minimum, the following information:
 - Change level (Impact, outcome, output, activity).
 - A reference to the boxes in the project result chain. This is simply the text used in the relevant box in the result chain.
 - Indicators corresponding to each box in the result chain with the reference period for the measure specified.
 - Baseline data for the indicators.
 - Target by end of the project for the indicators.
 - A description of how the data on indicators will be collected (data collection tools).
 - Identification of the source of data.
 - A timeline for when it will be collected.
- 5 Input data being collected through site visits using a monitoring reporting system based on data collection for each indicator using a table (for which MS Excel is likely to be adequate given the limited number of projects).
- 6 Establishing a clear system of monitoring based on clear definition of responsibility for collecting, analysing and reporting on monitoring data at all levels (individual sub-project and total IPP-2 programme)⁷¹

⁷⁰ We would propose that this data be available online through a passworded system, which allows users to access either data on a single specific project or the whole portfolio depending upon their password level. The exact nature of this process will depend upon the allocation of monitoring responsibilities

⁷¹ The tasks for allocation include: (i) The preparation of results chains, the definition of indicators, the establishment of baselines and targets and all other preliminary monitoring actions for all IPP-2-assisted sub-projects and all future projects; (ii) The undertaking of

- 7 The design of a highly practical and user-friendly Monitoring Manual for use by IPP-2 staff, sub-project beneficiaries and others to whom tasks may be sub-contracted. The manual should be defined in a structured manner all aspects described above and include sections on updating the manual itself. The manual must contain as annexes all standard letters, report templates, etc. necessary to operate the monitoring system.

We recommend the adoption of this approach given the failure of the existing technical assistance contractor to establish an adequate monitoring system so far despite clear commitments to do so and the extreme urgency to have a functioning monitoring system.

7 Lessons learned

This lesson learned is directed at the Ministry of Foreign Affairs of Finland

Lesson 1: A project framework document does not necessarily act as a reliable basis for contracting and monitoring an implementation contractor

We were advised by the MFA that as the Finnish development cooperation system is based upon results-based management that there is no need for specific terms of reference for major technical assistance contracts as the achievement of the defined results within the PFD demonstrates achievement of the contract. We note that the MFA Guidelines for Programme Design, Monitoring and Evaluation (undated) contain at Annex II a “General format for terms of reference” and that the “Handbook on Government Procurement 2010” appears in Section 7.6.2 to require a detailed definition of required services.

We see three significant problems with not preparing terms of reference for such major technical assistance contracts:

- The assumption is that each PFD has a clear results-based management framework with SMART indicators against which technical assistance performance can be judged at the time of contracting the technical assistance: that is, even before the inception phase. In the case of IPP-2 this is not the case.
- The assumption is that the technical assistance team is responsible for delivery of all results within the PFD – but this is clearly not the case. Most programmes are implemented in partnership with the beneficiary in accordance with aid effectiveness principles (and, in the case of Vietnam, the localization of these in the Hanoi Core Statement on Aid Effectiveness). The technical assistance team’s required deliverables and the expected project outputs are therefore not always identical.
- If the PFD is outdated (as happened with IPP-2 as early as the inception report) then it is of no value in enforcing a results-based management approach to judge the performance of the technical assistance contractor⁷². It is unclear under these circumstances what the Steering Committee or MFA are expected to use as a reference point in judging the performance of a technical assistance contractor.

regular monitoring in accordance with each projects results measurement plan and reporting accordingly; (iii) The analysis of monitoring data at both a sub-project level and overall programme; (iv) The verification/quality assurance of regular monitoring reports prepared by a sub-project beneficiary in accordance with each project’s RMP; (v) The validation and triangulation of the key beneficiary impact data provided to IPP-2 by sub-project beneficiaries.

⁷² The contract with NIRAS simply states with respect to “the scope and extent of services” that the “Consultant undertakes to carry out the Services, described in detail in Project Document (Annex 4) and consisting of the following main components: Component 1: Institutional development and capacity building; Component 2: Partnerships for innovation; Component 3: Innovation projects.

Annex 1: Project fact sheet

Project Title:	Innovation Partnership Programme, Phase 2
Project Number:	
Sector:	Science and Technology
Sub-sector:	Innovation Promotion
Geographical Coverage:	Vietnam
Duration:	February 2014 – January 2018
Starting Date:	3 February 2014 (mobilisation)
Overall Objective:	To contribute to GoV's overall aim to become by 2020 an industrialized, middle-income country (MIC) with a knowledge economy and a national innovation system (NIS) that actively support socio-economic development.
Project Purpose:	(i) Demonstrate an approach to innovation that multiplies the number of innovative products and services that bring added value to Vietnamese society and employment through strengthened capacity and interaction of multi-helix actors, ii) Promote technology transfer and knowledge exchange between Finland and Vietnam; and iii) disseminate the value of innovation to communities of business, R&D institutes/University and policy makers.
Project Financing:	Total: 11 MEUR, Finland 9.9 MEUR, Vietnam 1.1 EUR
Competent Authorities:	Ministry of Science and Technology, Vietnam Ministry for Foreign Affairs, Finland
Implementing Agency:	Department of International Co-operation (DIC), Ministry of Science and Technology, Vietnam

Annex 2: Terms of reference for the assignment

Mid-Term Evaluation (MTE) of Innovation Partnership Programme Phase II

Background to the Mid-Term Evaluation

Vietnam reached the status of a lower middle-income country in 2010 and is aiming to be an industrialized, middle income knowledge economy by 2020. A key enabler of this aim, the National Innovation System of Vietnam is made up of a forward looking public sector, capable science and technology (S&T), research and development (R&D) and higher education institutions, and innovative business enterprises that together create the future Vietnamese socioeconomic development.

As a result of its lower middle-income country status, Vietnam's ODA profile is changing. In the Finnish Development Policy, Vietnam is identified as a long-term partner country, with which Finland is gradually shifting to new cooperation modalities by 2018. This means that bilateral grant-based development cooperation is continuing at present, but it is in a state of transition towards a more comprehensive partnership for mutual benefit. Finland concentrates its efforts on a sector which is strategically important for Vietnam in the future, and where Finland can support the development through its experience and knowledge in start-up ecosystem development and innovation systems.

Finland emphasizes the openness of information as a key element of the knowledge society and aims at supporting implementation of the national science and technology strategy where focus is on broad-based, inclusive and sustainable processes to resolve obstacles to economic development and creation of new economic activities. Finland supports the formulation of innovation-related policies and their implementation through the Innovation Partnership Programme and promotes cooperation between the public sector, higher education, private sector, and civil society (multi-helix model) through different partnerships modalities. Provincial plans, platforms, budgets and processes are crucial because innovation activities tend to concentrate on the two biggest growth centres Hanoi and Ho Chi Minh City and so increase inequality within the country.

The Innovation Partnership Programme has been implemented since August 2009 when the agreement between the Ministry for Foreign Affairs of Finland (MFA) and the Ministry of Science and Technology of Vietnam (MOST) was signed. The phase I was extended until February 2014 and the total funding was 6.35 million euros. The objective of the IPP 1 was to support Vietnam's National Innovation System (NIS) in four key result areas: (i) building up and strengthening the institutional environment, (ii) strengthening capacity and capability in the S & T and R & D management, (iii) enabling Public and Private Partnerships through an Open Innovation Forum, and (iv) increasing the number and quality of Vietnamese-Finnish public and private partnerships.

The first phase of the IPP raised the interest and enthusiasm among various stakeholders of the NIS, and the programme has contributed to the Vietnam's new Science and Technology Strategy processes. There are considerable achievements at the project owner and enterprise levels. Building Vietnamese-Finnish partnerships has not been as successful as hoped due to limited serious interest in the Vietnamese market by Finnish companies and institutions, which might be due to lack of information and incentives. A cluster approach has been tested, but has not yet brought considerable results. Much more efforts are needed for facilitating, monitoring and follow-up of partnership initiatives at both ends. The IPP1 Mid-Term Review (MTR), conducted in

September 2011, indicated the need for development of innovation ecosystems, emphasizing the multi-helix approach, with substantial private sector involvement.

IPP Phase 2 is implemented during the period of 2014–2018. Financing from Finland is 9.9 million euros and from Vietnam 1.1 million euros. Designed in line with Finland's development policy, thematic guidelines for ICT and Information Society, Aid for Trade action plan and specific Vietnam country strategy, the IPP-2 promotes strengthening openness and access to information, and knowledge to all. The multi-helix approach including entrepreneurs, higher education and research institutions, public sector and community based organizations, is a specific focus of the programme. IPP-2 aims to increase innovation capabilities of growth minded entrepreneurs and the capacity of the public sector and knowledge institutions to accelerate their success. Capacity building and skills development activities include all stakeholders of the NIS, and the linkages between different sectors and line ministries are enhanced. Capacity building is targeted to the most promising new innovative companies, key innovation policy makers and supporting organizations at the regional and national level. Equal opportunities for both women and men are built at all levels of the programming from policy to practice.

The overall objective of the IPP-2 is to contribute to Vietnam's goal to become by 2020 an industrialized, middle-income country with a knowledge economy and an inclusive national innovation system that actively support socio-economic development, specifically aiming to boost sustainable economic growth in Vietnam through the increased production and export of innovative products and services. To this end, IPP will help to bridge the gap from development cooperation to business based cooperation. The programme functions as a transition instrument, aiming at building networks and sustained partnerships, as well as locally ran IPP initiated innovation support instruments.

For reaching its overall objective, the programme purpose is to (i) initiate a shift in business culture from small to high growth mind-set; (ii) build the capacity of public and private stakeholders to introduce innovative solutions to domestic and international markets; and (iii) increase sustainability through alignment within and between Key National, Regional, and Global innovation stakeholders and partners.

IPP Phase 2 operates through an integrated three component or result area approach. All components involve multi-helix stakeholders with the primary beneficiary being the Vietnamese private sector. The components comprise different types of activities leading to the programme results:

- i) Result 1 (Component 1 - Institutional Development and Capacity Building): *Capacity of public and private stakeholders increased through focused and comprehensive innovation and entrepreneurship curriculum and training of trainers, institutional capacity within MOST is improved to support innovation, focusing on innovative high growth enterprises by enhancing innovation policy designing and implementation.*

The result will be in part achieved by supporting the development and piloting of a World Class Curriculum on Innovation – Innovation and Entrepreneurship Curriculum in Vietnam.

The desired result will also be obtained through the Innovation Training of Trainers Programme set up and piloted by IPP and Innovation and Entrepreneurship Fast Track (Accelerator) Training programme targeted to new companies, knowledge producers as well as local and government officials.

And lastly obtaining the desired result also involves the development of institutional innovation policy by providing international innovation expertise to MOST.

ii) Result 2 (Component 2 - Partnerships for Innovation):

Improved collaborative actions of innovation system stakeholders on national, regional and international levels resulting effective models to support innovative ecosystems.

The result will be partly achieved through supporting the development of innovation hub (ecosystems) model piloted in four regions. Innovation hubs (system development) will be linked when feasible to regional economic developments, including regional products, taking into account regional advantages.

To obtain a further contribution towards the result, the programme will also provide the supports to the volume of IPP generated innovation hub development project portfolio; volume of innovation hub resourcing projects; and number of new companies linked to innovation hub development; and

iii) Result 3 (Component 3 - Innovation Projects):

Improved support for new innovative companies targeting high growth in international markets

The third result will be obtained in part through the design and implementation of aligned and needs-based funding instruments for new innovative companies in a way that helps attract additional funding from other sources.

In great part, the programme will achieve the third result by supporting new innovative and export-oriented companies through phased seed funding. Later these companies are expected to obtain top national or international innovation and business development support and funding.

IPP - being a partnership programme and aiming at strengthening the linkages and operational environment of multi-helix partners of the NIS - operates in a wide network of organizations. These range from ministries and public sector agencies to universities, research institutions, various types of development programs, associations, intermediary organizations such as science parks and private enterprises and ultimately user groups of innovations.

The core value IPP-2 brings to the Vietnam's innovation ecosystem is the value of open and transparent collaborations. As a short-term international collaborative programme with limited resources, IPP-2's primary function is a pilot to design innovative operations that will help "kickstart" mechanisms in the innovation ecosystem in Vietnam.

Rationale, Purpose and Objective of the Evaluation

Carrying out of a Mid-Term Evaluation (MTE) of IPP-2 was discussed during the planning process of annual work plan for 2016. In the Steering Committee meeting in October 2015 it was decided that an external MTE will be carried out at the beginning of 2016, to assess the relevance, efficiency, effectiveness, impact and sustainability of the programme, as well as to validate the updated strategy of the IPP-2. As the updated strategy is focusing more on capacity building than the original plan, the MTE is also expected to assess the adequateness or appropriateness of technical assistance provided and planned needs for short-term consultants.

The MTE is an independent and external exercise. It is a participatory, open and transparent learning process for all stakeholders. The approach of MTE will ensure that all the relevant stakeholders are consulted during the mission. Moreover, the MTE will take into account national and local evaluation plans, activities and policies, and use the existing monitoring and evaluation systems and capacities of the partners. The positive effects of the MTE process will be maximized to enhance the project implementation, achievement of the expected results and development impact.

The MTE is expected to enable the competent authorities, the Ministry for Foreign Affairs of Finland (MFA) and the Ministry of Science and Technology of Vietnam (MOST), to make informed decisions during the remainder of the second phase.

The purpose of the MTE is to:

- Assess the project against the evaluation criteria: relevance, efficiency, effectiveness, impact, sustainability, coordination, complementarity, coherence and Finnish value added of the objective, purpose and outcomes of the Programme in relation to the overall development of the science, technology and innovation sector in Vietnam as developed in the Science and Technology Development Strategy and the prioritized programmes of the MOST.
- Provide evidence of the performance of the programme to date and likely performance in the future, including the role of IPP-2 in the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam. Assess the how well the project has achieved its objectives and purposes, including the cross-cutting objectives of Finland's development policy, and whether it has any other results, and give recommendations based on this assessment. Assess the successes and constraints experienced during the implementation.
- Provide opinions and comments on the updated strategy of the IPP-2 (approved by the Steering Committee on 28 October 2015) which was made to sharpen the programme strategy in order to reach the objectives and results defined in the approved Inception Report of the IPP-2 with optimal use of the programme resources. Provide a view to what extent the updated strategy reflects recent development within and lessons learnt from the conducted activities of the IPP-2, and changes in the programme's operating environment. As the fund channelling and implementation practices were altered at the beginning of phase 2 due to phase 1 unresolved issues, and the return to normal human resource and administration practices has started, to assess the functioning of the current systems and provide recommendations for the remaining implementation period.
- Suggest recommendations for phase-out and possible need for reorientation and prioritizing of activities (within the existing budget for the programme) and practical solutions in order to achieve the objectives, improve the effectiveness and efficiency, ensure sustainability and remove the possible problems or constraints during the remaining programme period. Special attention should be paid to the integration and application of the results-based management approach.
- Provide an assessment on the Programme's alignment and contribution to the new Finland's Development Policy Programme (February 2016) and its objectives under the four priority areas (girls and women's rights; private sector development and job creation; rule of law and democracy; and food security, water and energy). Recommendations can be made to enhance alignment in the remaining programme period, especially if they are easy to implement and cause minimal disturbance to the Programme's operations.

Issues to be addressed and evaluation questions

The main issues should be studied against the evaluation criteria below. The evaluation team may also take up other issues and should not limit the evaluation only to these priority issues.

Relevance

- To what extent the project is consistent with the needs and priorities of the final beneficiaries and Vietnam's priorities? Are the groups of beneficiaries satisfied (including private sector representatives and people at the grass-root level) with the support modalities, objectives and results of the programme? Has the relevance changed since the beginning of the project?
- How well the project can support the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam, and can measures be taken to enhance this relevance?

Efficiency

- How well have the activities transformed the available resources into intended results in terms of quantity, quality and time? Can the costs of the programme be justified by the results?
 - Quality of technical assistance, including performance of TA and staff against TORs? Quality and quantity of short-term TA against the scope of the project?
 - Quality of the day-to-day management including coordination and communication? How well are possible problems in implementation addressed? Functioning of the institutional arrangements, including cooperation and communication between stakeholders?
 - Quality of monitoring and reporting, including the adequacy and use of indicators?

Effectiveness

To what extent has the project achieved its purpose and results or will do so in the future?

- To what extent are the risks, including corruption, addressed in project implementation and monitoring?

Impact

- How well has the project succeeded to make progress towards achieving the overall objective(s) including promotion of human rights-based approach and cross-cutting objectives of Finland's development policy?

Sustainability

- What are the possible strengths, weaknesses, opportunities or threats that enhance or inhibit the implementation and achievement of the programme objectives?
- To what extent is it likely that the programme achievements will continue after withdrawal of external support? The analysis shall be broken down by economic, financial, institutional, technical, socio-cultural and environmental sustainability.

Coordination, complementarity, coherence/ aid effectiveness

- How have other programmes and cooperation been taken into account in implementation, including experiences of joint work with other actors?
- How well has the programme promoted ownership, alignment, management for development results, and mutual accountability? To what extent are the implementing partners committed to achieving the results and maintain them after the termination of external support?
- To what degree contradictions or mutual reinforcement with other policies affect implementation and achievement of the programme's development objectives?

Cross-Cutting Objectives

The evaluation team should examine the success of the project in relation to all cross-cutting objectives of Finland's development policy (gender, reduction of inequality and climate sustainability) as well as the human rights-based approach (HRBA). The team should also examine the due attention of the programme personnel has paid to the cross-cutting objectives during the implementation of the project's activities.

The MTE team is expected to define if a particular emphasis should be put on some of the crosscutting objectives in the future, and why or why not. This part shall be based on the new Development Policy Programme of the Government of Finland (February 2016).

Methodology

The MTE is seen as a participatory, open and transparent learning process for all stakeholders including the final beneficiaries. It will follow an approach to ensure that all the relevant stakeholders are consulted during the mission. Defining of methods to be used to gather information and to perform the evaluation is left to the tenderer to propose. The use multiple methods, both quantitative and qualitative, is however necessary, and validation of results needs to be done through multiple sources. During the inception phase the evaluators are expected to continue to develop the methodology by producing an evaluation matrix including a detailed description of the methodology that they are going to employ.

The review should be done in accordance with OECD/DAC's Evaluation Quality Standards (OECD/DAC Evaluation Network, 2007).

Evaluation Process and Time Schedule

The MTE is expected to take place in March – June 2016. The assignment is tentatively expected to start in March 2016, and the team to carry out the field phase preferably during March-April 2016. The MTE will be completed within twelve weeks of the signing of the consultancy contract. The field work will be taken in Vietnam, mainly in Hanoi and Ho Chi Minh City but also Danang and Can Tho if regarded necessary.

The MTE will be divided into three main phases:

- Inception phase: Before the field mission the MTE team will submit an Inception Report that will consist of the initial findings and conclusions of the desk study, an evaluation matrix and a more detailed description of approach and methodology; a detailed fieldwork, report and an analysis plan with defined division of labour. The MTE team will start with studying all key reference documents of the programme provided by the programme team. It will prepare all necessary forms and evaluation tools in this phase. The MTE team will be expected to liaise closely with the programme team (preferably by emails) during the inception phase for the preparation of the work plan and scheduling of the meetings. The Inception Report will be reviewed and approved by the MFA. The inception phase will

include one or two meetings with the MFA and the Embassy of Finland in Hanoi (via video link).

- Field work: The MTE team has to hold a kick-off meeting with participation of MOST and the Embassy of Finland in the first days of the field work. The team will present their proposal on methodology and field work programme at the meeting. A wrap-up meeting is expected at the end of field work. The team will present key findings and recommendations to the relevant stakeholders including MOST and the Embassy of Finland. A PowerPoint presentation and a concise report (maximum 5 pages) are expected to be submitted to the Embassy of Finland before the wrap-up meeting.
- Final analysis and reporting phase: The MTE team will prepare a draft report, which should incorporate comments received during the wrap-up meeting. Comments may be either accepted or rejected as the evaluation is independent but a clear explanation by the team needs to be given in case of rejection. The draft report will be submitted after ten working days upon completion of the field work. On the basis of comments made on the draft, the team will finalize the MTE report. The final report will be submitted after five (5) working days after receiving the comments on the draft report.

The MTE team will familiarize themselves with all the relevant materials on the area and on the programme before starting the field work. The team will present its function and members in advance to all people they plan to meet, and also to describe the purpose of meeting every time they meet Vietnamese officers. The team will be responsible for organizing the meetings with relevant agencies in collaboration and with support by the programme team.

There should be debriefings in the MFA in Helsinki both prior and after the field mission. Kick-off and wrap-up meetings are expected to take place in Vietnam at the beginning and at the end of the field mission.

The tenderer is also expected to propose and implement a quality assurance system for the evaluation. The proposal needs to specify the quality assurance process, methodology and tools.

Reporting

The team is expected to provide an inception report, presentations of field findings, draft of the final report, the final report and presentations of evaluation findings. Each report is subjected to the approval by the MFA. The final report should not exceed 35 pages (plus annexes) with clear findings and conclusions, as well as recommendations and any lessons learned following logically the findings and conclusions. The draft report will be submitted to MFA. The draft report will then be delivered to the IPP-2 programme team, MOST and the relevant authorities for the correction of factual data presented as well as possible comments.

The MTE team is expected to deliver the outputs of the assignment as follows:

- An Inception Report will be produced within two weeks after the signing of the contract, before the field-mission.
- The first draft of the Final Report will be produced and submitted after ten working days upon completion of the field work. The MFA, and the key stakeholders identified by the MFA, will tentatively have two weeks to comment this first draft.
- The Final Report will be submitted to the MFA within one week (five working days) after receiving comments on the first draft by the MFA and other

stakeholders. The Final Report will be commented and the final clearance will be provided by the MFA.

The Final MTE report will be delivered in the English and summary in Vietnamese language (including findings, conclusions and recommendations table) in electronic format to the Ministry for Foreign Affairs of Finland. The report will then be delivered to the Ministry of Science and Technology of Vietnam and the programme team. The final report will be published at the website of the Ministry for Foreign Affairs of Finland.

After finalization of the report, conclusions and recommendations will be discussed and actions agreed in the Steering Committee meeting.

Expertise required

The size of the team is at least three experts, expected to contain both international (2) and national experts (1–2). One person shall be nominated as a Team Leader. The evaluation team shall have expertise, knowledge and solid practical experience in issues related to innovation policy and practice. The team preferably also has background knowledge of innovation ecosystem development as well as roles, values and interaction of the stakeholders in the Vietnamese NIS and economy.

The team is required to have appropriate experience in developing country context. The evaluation team needs also to have solid experience in development cooperation project evaluations, in integrating cross-cutting objectives, and in quality assurance of evaluation.

The team must have excellent command of English and at least one member should have excellent command of Vietnamese language.

The MTE team shall have solid experience and knowledge in the following fields:

- Evaluations of development cooperation programmes or projects
- Project implementation and monitoring, Results Based Management (RBM) and Results Frameworks, including usage of baseline and disaggregated data (gender, income group, etc.)
- Innovation and start-up ecosystems in developing countries, preferably also in related strategies and policies in Vietnam, including public and private sectors
- Private-sector development in the context developing countries, including public funding and support
- Science, technology and innovation capacity building, institutional and policy analysis, risk management and mitigation
- Evaluating and mainstreaming of the cross-cutting objectives and HRBA within the framework of Finland's development policy

Budget

The company shall be responsible for the hiring of the personnel and financial management. Moreover, the company shall take the responsibility of providing adequate backup services to the evaluation team.

The budget will include the fees of the experts and the reimbursable costs. The maximum value of the contract for this evaluation is 85,000 euros (excluding VAT) which cannot be exceeded.

Mandate

The evaluation team is expected and entitled to discuss with relevant parties, government authorities, local authorities, civil society organizations (CSOs) and

individuals relevant to the assignment. The consultant is not, however, authorized to make any commitments on behalf of the Governments of Finland or Vietnam or represent him or herself as representatives of the Governments of Finland or Vietnam. The team shall share this Terms of Reference and/ or the letter of introduction of the assignment with the stakeholders they work with.

- MFA evaluation manual, link:

<http://formin.finland.fi/public/default.aspx?contentid=288455&contentlan=2&culture=en-US>

Evaluation report quality checklist (OECD/DAC and EU standards), link:

<http://www.uneval.org/document/detail/607>

Result Based Management in Finland's development cooperation

<http://formin.finland.fi/public/download.aspx?ID=146690&GUID={5B479C3A-0703-45A4BCDC-C90BC91FE5A4}>

Annex 3: Evaluation methodology

The evaluation utilised the evaluation matrix presented in and approved through the Inception Report (see table below).

Table 11: Evaluation Matrix

Criteria	Evaluation questions related to each criterion in the ToR	Detailing the ToR question if necessary	Indicators for the questions for each criterion	Source of data and/or methods for collecting the data
Relevance	To what extent the project is consistent with the needs and priorities of the final beneficiaries and Vietnam's priorities? Are the groups of beneficiaries satisfied (including private sector representatives and people at the grass-root level) with the support modalities, objectives and results of the programme? Has the relevance changed since the beginning of the project?	This will include an assessment of the complementarity with GoV and GoF policies and determination of the views of universities, enterprises and civil society	Degree of consistency and complementarity with GoV and GoF policies Satisfaction levels of beneficiaries and their assessment of utility	GOV policies and plans GOF policies and plans Semi-structured interviews and/or structured questionnaire survey of beneficiaries (online survey as most beneficiaries can be expected to be computer literate) Semi-structured interview or focus group meetings with enterprises, academia and civil society representatives in three regions
	How well the project can support the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam, and can measures be taken to enhance this relevance?		Monitoring indicators for partnerships between Finnish/Vietnamese institutions/enterprises Existence of a viable exit/transition action plan Consideration of the likely impact of the TEKES MoU with MOST	Review of IPP-2 monitoring system to assess achievement of indicators Review of exit/transition action plan Semi-structured interview with TEKES (remote by Skype)

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

Criteria	Evaluation questions related to each criterion in the ToR	Detailing the ToR question if necessary	Indicators for the questions for each criterion	Source of data and/or methods for collecting the data
Impact	How well has the project succeeded to make progress towards achieving the overall objective(s) including promotion of human rights-based approach and cross-cutting objectives of Finland's development policy?	Changes in the specified impact objectives cannot be attributed to a contribution from the IPP-2 as discussed in the previous section The IPP-2 has no indicators relating to the achievement of Finland's CCOs	The current indicators are global performance indicators (for example, the GCI). Whilst these will be published for the current period the extent to which any measurable change is attributable to a contribution from IPP-2 is insignificant	Not planned: premature for a mid-term review. Comments on proposed indicators will be provided. Proposals for COO impact indicators will be provided.
Effectiveness	To what extent has the project achieved its purpose and results or will do so in the future?	Assume that the monitoring indicator targets are those defined in the Updated Strategy	A range of indicators are defined at project purpose (mid-term) and results (end 2016) and these could be utilised. Some may be extremely difficult to assess (for example, "Anticipations for revenue and job increase clearly exceeds those of average Vietnamese start-ups"), but they provide the best basis for an assessment of effectiveness.	IPP-2 internal project and sub-project monitoring system Online survey of beneficiaries to confirm the accuracy of the IPP-2 monitoring system and to fill in any identified gaps
	To what extent are the risks, including corruption, addressed in project implementation and monitoring?			Review of internal financial management procedures to assess the scope for corruption/abuse Discussions with Programme Auditor

Criteria	Evaluation questions related to each criterion in the ToR	Detailing the ToR question if necessary	Indicators for the questions for each criterion	Source of data and/or methods for collecting the data
Efficiency	How well have the activities transformed the available resources into intended results in terms of quantity, quality and time?	Can the costs of the programme be justified by the results?		

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

Criteria	Evaluation questions related to each criterion in the ToR	Detailing the ToR question if necessary	Indicators for the questions for each criterion	Source of data and/or methods for collecting the data
		Quality of technical assistance, including performance of TA and staff against TORs? Quality and quantity of short-term TA against the scope of the project? Quality of the day-to-day management including coordination and communication? How well are possible problems in implementation addressed? Functioning of the institutional arrangements, including cooperation and communication between stakeholders?	Extent of achievement of the tasks defined in the terms of reference for the technical assistance team Assessment of the effectiveness of institutional arrangements will be assessed through semi-structured interviews with key players	Comparison of tasks defined in ToR against actual achievement using IPP-2 internal monitoring systems Qualitative assessment based upon semi-structured interview data
	Quality of monitoring and reporting, including the adequacy and use of indicators?		Review of the IPP-2 monitoring system and comparison with other known monitoring systems	Review followed by comparative assessment based on evaluation team's experience of fully operational and effective monitoring systems
Sustainability	What are the possible strengths, weaknesses, opportunities or threats that enhance or inhibit the implementation and achievement of the programme objectives?		Covered under the assessment of effectiveness	
	To what extent is it likely that the programme achievements will continue			Semi-structured interviews with GOV officials and key stakeholders in the National Innovation System

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

Criteria	Evaluation questions related to each criterion in the ToR	Detailing the ToR question if necessary	Indicators for the questions for each criterion	Source of data and/or methods for collecting the data
	after withdrawal of external support? The analysis shall be broken down by economic, financial, institutional, technical, socio-cultural and environmental sustainability.			Semi-structured interview with TEKES to assess likelihood of adequate ongoing Vietnamese-Finish cooperation.
Aid effectiveness	How have other programmes and cooperation been taken into account in implementation, including experiences of joint work with other actors? How well has the programme promoted ownership, alignment, management for development results, and mutual accountability? To what extent are the implementing partners committed to achieving the results and maintain them after the termination of external support? To what degree contradictions or mutual reinforcement with other policies affect implementation and achievement of the programme's development objectives?		Extent of cooperation with established projects/programmes Continuation aspects will be addressed under sustainability	Semi-structured interviews with key players (World Bank, MPI ODA Department, etc.)

The Mid-Term Evaluation utilised a range of evaluation tools:

- Online survey of beneficiaries: an online survey was undertaken utilising four structured questionnaires:
 - ToT1 beneficiaries (12 respondents out of 12 – 100% response rate)
 - applicants for ToT2 (29 respondents out of 38 – 76% response rate)
 - ecosystem developers (14 respondents out of 20 – 70% response rate)
 - Innovative companies (13 respondents out of 18 – 72% response rate).
- The survey contacted all beneficiaries of the IPP-2 using data provided by the IPP-2 team.
- The survey was undertaken utilising Survey Monkey and the resultant data was analysed using Survey Monkey's own analysis tools and MS Excel.
- Focus Group Meetings: structured meetings with separate session for each of the four beneficiary groups in Hanoi and HCMC. The FGMs were utilised to add depth and further information to the online survey and to collect additional opinions and judgments of beneficiaries and to understand, analyse and identify the reasons beneath the opinions expressed by the participants.
- Semi-structured interviews with key stakeholders in Hanoi, HCMC and Da Nang. Interviews were utilised to obtain: Facts and information for the verification of facts; Opinions and perspectives; Analyses and suggestions; Reactions to the evaluator's hypotheses and conclusions.
- Problem and objective analysis
- Brainstorming sessions with the PMU
- Documentary analysis: we gathered and analysed all available documents (secondary data) that were directly related to the evaluation questions:
 - Management documents, reviews, audits
 - Studies, research works or evaluations applying to similar projects/programmes in similar contexts
 - Statistics
 - Any relevant and reliable document available through the Internet.

Table 12 shows the tools used to address each evaluation question and the sources of information are shown in Annex 6.

Data analysis

Quantitative data

The survey was undertaken utilising Survey Monkey, which provides a wide range of built in analytical options. These were used to obtain analytical perspectives and the data was then exported to MS Excel for further analysis. The limited scale of the surveys made other more sophisticated statistical tools unnecessary.

A statistical approach was used throughout.

Qualitative data

Data from focus groups and key informant interviews was collated by the team and then cross-referenced to ensure validity. Interviews were always attended by two members of the MTE team to ensure absence of bias.

Data was analysed using a thematic approach: key data were coded into basic themes, organising themes and global themes. We commenced analysis by reviewing our interview data to identify any prevalent basic themes. Once a collection of basic themes has been derived, we then classified the group according to the underlying narrative and

then considered these as organising themes. We then considered the different related organising themes to assess what global themes they indicated.

This allowed the mass of data arising from the interviews to be broken down into meaningful groups.

Critical assessment of validity and reliability of the data

The survey constituted a small group, but a high percentage response was received from those contacted and the data was cross-validated through discussions with the same parties subsequently in a series of focus group meetings. It is considered valid.

Limitations of the Evaluation

There were limitations in process, methodology or data other than with respect to efficiency. Efficiency considerations were limited by the non-availability of a relevant comparator, the absence of value-for-money indicators and the absence of terms of reference for the technical assistance team. This was discussed in advance with the MFA who agreed that efficiency should not be a major factor in the evaluation., and discusses validity and reliability

There was no obstruction to a free and open evaluation process and no attempt to influence its findings.

There are no significant discrepancies between the planned and actual implementation and products of the evaluation.

Differences of opinion

This report is the product of the entire team and has been assessed by Centennial Groups senior management and external quality assessor. The team adopted throughout a process of continual internal consultation and discussion with regular circulation of report drafts for critical review and comment.

There were no internal differences of opinion as to the approach adopted, its implementation or the conclusions and recommendations drawn.

Table 12: Evaluation matrix: Matching data collection to key evaluation questions

Key evaluation questions (KEQs)	Programme participant survey	Key informant interviews	Documentary Review	Project records	Observation of programme implementation	Focus Group Meetings
To what extent the project is consistent with the needs and priorities of the final beneficiaries and Vietnam's priorities? Are the groups of beneficiaries satisfied (including private sector representatives and people at the grass-root level) with the support modalities, objectives and results of the programme? Has the relevance changed since the beginning of the project?	✓	✓	✓	✓		✓
How well the project can support the transition period from grant-based development cooperation to other types of cooperation between Finland and Vietnam, and can measures be taken to enhance this relevance?		✓	✓	✓	✓	
How well have the activities transformed the available resources into intended results in terms of quantity, quality and time? Can the	✓	✓	✓	✓	✓	✓

Key evaluation questions (KEQs)	Programme participant survey	Key informant interviews	Documentary Review	Project records	Observation of programme implementation	Focus Group Meetings
<p>costs of the programme be justified by the results?</p> <p>Quality of technical assistance, including performance of TA and staff against TORs? Quality and quantity of short-term TA against the scope of the project?</p> <p>Quality of the day-to-day management including coordination and communication? How well are possible problems in implementation addressed? Functioning of the institutional arrangements, including cooperation and communication between stakeholders?</p> <p>Quality of monitoring and reporting, including the adequacy and use of indicators?</p>						
<p>To what extent has the project achieved its purpose and results or will do so in</p>	✓	✓	✓	✓	✓	✓

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

Key evaluation questions (KEQs)	Programme participant survey	Key informant interviews	Documentary Review	Project records	Observation of programme implementation	Focus Group Meetings
the future?						
To what extent are the risks, including corruption, addressed in project implementation and monitoring?		✓	✓	✓	✓	
How well has the project succeeded to make progress towards achieving the overall objective(s) including promotion of human rights-based approach and cross-cutting objectives of Finland's development policy?		✓	✓	✓		
What are the possible strengths, weaknesses, opportunities or threats that enhance or inhibit the implementation and achievement of the programme objectives?		✓	✓	✓		✓
To what extent is it likely that the programme achievements will continue		✓	✓	✓		

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

Key evaluation questions (KEQs)	Programme participant survey	Key informant interviews	Documentary Review	Project records	Observation of programme implementation	Focus Group Meetings
after withdrawal of external support?						
How have other programmes and cooperation been taken into account in implementation, including experiences of joint work with other actors?		✓	✓	✓		
How well has the programme promoted ownership, alignment, management for development results, and mutual accountability? To what extent are the implementing partners committed to achieving the results and maintain them after the termination of external support?		✓	✓	✓		✓
To what degree contradictions or mutual reinforcement with other policies affect implementation and achievement of the programme's development		✓	✓	✓		

Key evaluation questions (KEQs)	Programme participant survey	Key informant interviews	Documentary Review	Project records	Observation of programme implementation	Focus Group Meetings
objectives?						
The evaluation team should examine the success of the project in relation to all cross-cutting objectives of Finland's development policy (gender, reduction of inequality and climate sustainability) as well as the human rights-based approach (HRBA).		✓	✓	✓		
The team should also examine the due attention of the programme personnel has paid to the cross-cutting objectives during the implementation of the project's activities.		✓	✓	✓	✓	

Survey Questionnaires

INNOVATION CHAMPIONS

The Centennial Group has been contracted by the Ministry of Foreign Affairs of Finland to undertake an independent mid-term evaluation of IPP2.

In order to support the team you are requested to complete this online questionnaire.

Please note that your response will be entirely confidential and will not be seen by anyone other than the evaluation team.

Tập đoàn Centennial đã được Bộ Ngoại giao Phần Lan giao nhiệm vụ đánh giá giữa kỳ IPP2.

Để giúp cho việc đánh giá chúng tôi đề nghị bạn hoàn thành bảng câu hỏi qua mạng này.

Xin lưu ý là các hồi đáp của bạn sẽ được bảo mật hoàn toàn và không ai sẽ đọc được các hồi đáp này ngoài nhóm đánh giá chương trình.

Top of Form

*1. What is your legal status? Hình thức pháp nhân ?

Employee (specify legal status of organisation employing you)

Company owner/partner (specify legal status of organisation you own: for example, joint stock company, university, etc)

Sole trader/consultant

*2. Please give your gender

Female

Male

*3. Based on your experience and knowledge of the Vietnamese ecosystem, how would you assess the overall availability of high quality training and coaching services in Vietnam for growth potential startups and their supporters?

Widely available

- Limited
- Not available

Further comments (in English or Vietnamese)

***4. Has there been improvement in overall availability of services during the past year?**

- Yes
- No

If yes then please specify how

***5. Based on your experience as an Innovation Champion, is the Core Curriculum relevant to the need of Vietnamese enterprises?**

- Yes
- No

Further comments:

***6. How would you rate the importance to enterprises of the coaching you provided to enterprises? (following your own IPP1 training)**

- Very important
- Average
- Not important

Further comments:

*7. Do you consider that being an innovation coach/champion is a viable career option?

- Yes
- No

Further comments:

*8. Do you intend to continue working as an innovation coach/champion?

- Yes
- No

If no then please give main reasons why not.

*9. Do you still providing coaching or innovation consulting services now that you are no longer funded by IPP2 to do so?

- Yes
- No

10. If yes, do you provide your services on a commercial (paid) basis or do you provide them free of charge?

- Commercial
- Free of charge

11. If commercial, then how what percentage of your available work time as a coach do you sell on a commercial basis?

- Up to 5%
- Up to 10%

- Up to 20%
- Up to 50%
- More than 50%

Further comments

*12. Are you receiving ongoing support from other IPP2 elements (ecosystem developers, innovation champions, universities, etc)?

- Yes
- No

If yes then please describe briefly

*13. How would you rate the guidelines on how to apply for IPP2 ToT 1 support?

- Well-designed/clear
- Poorly designed/confusing

Further comments:

*14. How would you rate the training that you received from IPP2 to become an innovation champion through ToT1?

- Very good
- Average
- Not very good

Further comments

* 15. How would you rate the process of evaluating your application for IPP2 ToT1 support?

- Quick/informative/not overly bureaucratic
- Slow/uninformative/bureaucratic

Further comments

* 16. How would you rate the process of entering into the tripartite contract with IPP and your employer covering your ToT1 support?

- Quick/informative/not overly bureaucratic
- Slow/uninformative/bureaucratic

Further comments

* 17. How would you rate the process of receiving payment from the IPP2?

- Quick/informative/not overly bureaucratic
- Slow/uninformative/bureaucratic

Further comments

* 18. How often have you received a monitoring visit from IPP2 Programme Management Unit?

- Once

More than once (specify)

Never

Further comments

19. Other evaluation comments and feedback, please elaborate below

Done

ECOSYSTEM DEVELOPERS

The Centennial Group has been contracted by the Ministry of Foreign Affairs of Finland to undertake an independent mid-term evaluation of IPP2.

In order to support the team you are requested to complete this online questionnaire.

Please note that your response will be entirely anonymous and confidential and will not be seen by anyone other than the evaluation team.

Tập đoàn Centennial đã được Bộ Ngoại giao Phần Lan giao nhiệm vụ đánh giá giữa kỳ IPP2.

Để giúp cho việc đánh giá chúng tôi đề nghị bạn hoàn thành bảng câu hỏi qua mạng này.

Xin lưu ý là các hồi đáp của bạn là vô danh, sẽ được bảo mật hoàn toàn và không ai sẽ đọc được các hồi đáp này ngoài nhóm đánh giá chương trình.

Please answer all questions marked with *

***1. What is the legal status of your lead organisation? (please specify)**

***2. What is the legal status of the other members of your consortium? (please specify)**

***3. What was the main purpose of your project?**

- Development of a new incubator
- Creation of new services for existing incubators
- Planning of a new funding program in the province
- Adding startup services to existing technology park

- Initiating a regional cluster growth program
- Starting to plan and develop a regional innovation hub

Other purpose, specify

***4. How would you define the support that IPP2 will provide to develop the ecosystem?**

- Essential
- Valuable
- Useful
- Not important

Further comments (in English or Vietnamese)

***5. Would you have been able to develop your ecosystem without IPP2 support?**

- Yes
- No

Further comments

***6. Would you have access to other sources of funding for the work funded with IPP2 support?**

- Yes
- No

Further comments

*7. Could the support have been better tailored to your needs?

- Yes
- No

If yes, then briefly explain how

*8. Do you feel that your ecosystem can continue to grow to be self-funding without external support from IPP or another similar programme?

- Yes
- No

Further comments

*9. If yes, then how long do you think it will take for your ecosystem to become self-funding?

- Two years or less
- Three to five years
- More than five years.

Further comments

*10. How would you rate the guidelines on how to apply for IPP2 support?

- Well-designed/clear

- Poorly designed/confusing

If poorly designed, please specify

* 11. How would you rate the process of evaluating your application for IPP2 support?

- Quick/informative/not overly bureaucratic
- Slow/uninformative/bureaucratic

Further comments

Question 12 to 15 are for ecosystem developers that have previously received IPP support

12. How would you rate the support (technical and financial) received from the IPP2?

- Very helpful and supportive
- Average
- Not very helpful and supportive

Further comments

13. How would you rate the process of entering into a contract with the IPP covering your support?

- Quick/ informative/ not overly bureaucratic
- Slow / uninformative/bureaucratic

Further
comments

14. How would you rate the process of receiving payment from the IPP2?

- Quick/informative/not overly bureaucratic
- Slow/uninformative/bureaucratic

Further
comments

15. How often have you received a monitoring visit from IPP2 Programme Management Unit?

- Once
- More than once
- Never

If more than once, specify how many

16. Other evaluation comments and feedback, please elaborate below

Finish - You will not be able to change your answer after pressing this button.

INNOVATION COMPANIES

The Centennial Group has been contracted by the Ministry of Foreign Affairs of Finland to undertake an independent mid-term evaluation of IPP2.

In order to support the team you are requested to complete this online questionnaire.

Please note that your response will be entirely anonymous and confidential and will not be seen by anyone other than the evaluation team.

Tập đoàn Centennial đã được Bộ Ngoại giao Phần Lan giao nhiệm vụ đánh giá giữa kỳ IPP2.

Để giúp cho việc đánh giá chúng tôi đề nghị bạn hoàn thành bảng câu hỏi qua mạng này.

Xin lưu ý là các hồi đáp của bạn là vô danh, sẽ được bảo mật hoàn toàn và không ai sẽ đọc được các hồi đáp này ngoài nhóm đánh giá chương trình.

1. What is your legal status? *Hình thức pháp nhân ?

- Limited Liability Company – *Công ty Trách Nhiệm Hữu Hạn*
- Joint Stock Company – *Công ty Cổ Phần*
- Partnership Company – *Công ty Một hay nhiều Thành Viên*

Other (specify) – *Công ty loại khác, xin ghi rõ*

2. What is your ownership status? *Chủ sở hữu?

- State-owned – *Thuộc sở hữu nhà nước*
- Private sector-owned (domestic) – *Thuộc sở hữu tư nhân trong nước*
- Private sector-owned (foreign) – *Thuộc sở hữu nước ngoài*

***3. How many employees do you have in Vietnam (including yourself)?**

Công ty bạn có bao nhiêu nhân viên ở Việt Nam (kể cả bạn)?

- 1-10

- 11-50
- 51-250
- 250 and up – 250 và hơn

*4. What percentage of your workforce is female?

Tỉ lệ bao nhiêu % số nhân viên là nữ?

*5. How would you assess the availability of suitable support services in Vietnam for your company?

Bạn đánh giá thế nào về các dịch vụ hỗ trợ phù hợp hiện có dành cho công ty bạn ở Việt Nam?

- Widely available – *Hiện có rộng rãi*
- Limited - *Hạn chế*
- Not available – *Không có*

Further comments - *Nhận xét thêm*

*6. Has there been improvement in overall availability of services during the past year?

Trong năm vừa qua các dịch vụ hỗ trợ có tăng lên không?

- Yes - *Có*
- No – *Không*

If yes then please specify how

Nếu có, xin chỉ rõ vì sao

*7. What was your main reason for applying for IPP support (specify only one)?

Lý do chính bạn nộp đơn xin tài trợ của IPP (chỉ chọn một lý do) ?

- Grant support – *Hỗ trợ tài chính*
- Capacity building support (IAP training and coaching services) – *Hỗ trợ nâng cao năng lực (đào tạo IAP và các dịch vụ tập huấn)*
- Network access – *Tiếp cận mạng lưới quan hệ*

Other (please specify) - *Lý do khác, xin ghi rõ*

*8. How would you define the support you received from IPP2 in developing your company?

Bạn đánh giá sự hỗ trợ của IPP trong việc xây dựng công ty của bạn là?

- Essential - *Cốt lõi*
- Valuable - *Quý giá*
- Useful - *Hữu ích*
- Not important - *Không quan trọng*

Further comments - *Nhận xét thêm*

*9. Would you have been able to develop your company in the way that you have without IPP2 support?

Bạn có thể gây dựng công ty của bạn như thế này mà không có sự hỗ trợ của IPP không?

- Yes - *Có*
- No - *Không*

Further comments - *Nhận xét thêm*

*10. Would you have access to other sources of funding for the work funded with IPP2 support?

Liệu bạn có thể tiếp cận các nguồn vốn khác cho các hoạt động mà IPP đã tài trợ bạn không?

- Yes - *Có*
- No - *Không*

Further comments - *Nhận xét thêm*

*11. Could the support have been better tailored to your needs?

Có cách nào để sự hỗ trợ của IPP vừa rồi phù hợp hơn với nhu cầu của bạn không?

- Yes - *Có*
- No - *Không*

If yes, then briefly explain how. *Nếu trả lời có, xin giải thích ngắn gọn*

*12. Has your profitability increased since you received IPP2 support?

Lợi nhuận của bạn có tăng kể từ khi bạn nhận được sự hỗ trợ của IPP không?

- Yes – *Có*
- No - *Không*

Further comments - *Nhận xét thêm*

* 13. If yes, then by what percentage would you estimate?

Nếu lợi nhuận có tăng thì bạn ước tính là tăng bao nhiêu %?

- Up to 5% *tới 5%*
- Up to 10% *tới 10*
- Up to 20% *tới 20%*
- Up to 50% *tới 50%*
- Over 50% *trên 50%*

Further comments - *Nhận xét thêm*

* 14. Has your total number of full-time employees increased since you received IPP2 support?

Số nhân viên toàn thời gian của bạn có tăng kể từ khi bạn nhận được sự hỗ trợ của IPP?

- Yes – *Có*
- No – *Không*

If yes, then by how many additional staff?

Nếu có tăng thì tăng bao nhiêu người?

* 15. Do you feel that your company can continue to grow without external support from IPP or another similar programme?

Bạn có cảm thấy rằng công ty của bạn có thể tiếp tục tăng trưởng mà không có sự hỗ trợ từ bên ngoài như của IPP hoặc của một chương trình tương tự khác?

- Yes – *Có*
- No – *Không*

Further comments - *Nhận xét thêm*

*16. Are you receiving ongoing support from other IPP2 elements (ecosystem developers, innovation champions, universities, etc)?

Bạn có vẫn tiếp tục nhận được sự hỗ trợ từ các hợp phần khác của IPP2 (các tổ chức xây dựng hệ sinh thái, innovation champion, các trường đại học v.v)?

- Yes – *Có*
- No – *Không*

If yes, then briefly explain how/ *Nếu trả lời có, xin giải thích ngắn gọn*

*17. How would you rate the guidelines on how to apply for IPP2 support?

Bạn đánh giá hướng dẫn nộp đơn xin hỗ trợ của IPP2 như thế nào?

- Well-designed/clear - *Thiết kế tốt/Rõ ràng*
- Poorly designed/confusing – *Thiết kế tồi/khó hiểu*

If poorly designed, please specify - *Nếu chọn tồi xin giải thích thêm*

*18. How would you rate the support (technical and financial) received from the IPP2?

Bạn đánh giá như thế nào sự hỗ trợ bạn nhận được (hỗ trợ kỹ thuật và hỗ trợ tài chính) từ IPP2?

- Very helpful and supportive - *Rất hữu ích và hỗ trợ được nhiều*
- Average – *Trung bình*

- Not very helpful and supportive – *Không hữu ích và hỗ trợ được gì*

Further comments - *Nhận xét thêm*

- *19. How would you rate the process of evaluating your application for IPP2 support?**

Bạn đánh giá như thế nào quá trình xét duyệt đơn xin tài trợ IPP2 của bạn?

- Quick/informative/not overly bureaucratic - *Nhanh/ nhiều thông tin / thủ tục không quá rườm rà*

- Slow/uninformative/bureaucratic - *Chậm / thiếu thông tin / thủ tục rườm rà*

Further comments - *Nhận xét thêm*

- *20. How would you rate the process of entering into a contract with the IPP covering your support?**

Bạn đánh giá như thế nào quá trình ký hợp đồng với IPP để nhận hỗ trợ?

- Quick/ informative/ not overly bureaucratic - *Nhanh/ nhiều thông tin / thủ tục không quá rườm rà*

- Slow / uninformative/bureaucratic - *Chậm / thiếu thông tin / thủ tục rườm rà*

Further comments - *Nhận xét thêm*

*21. How would you rate the process of receiving payment from the IPP2?

Bạn đánh giá quá trình nhận tiền hỗ trợ của IPP như thế nào?

- Quick/informative/not overly bureaucratic - *Nhanh/ nhiều thông tin / thủ tục không quá rườm rà*
- Slow/uninformative/bureaucratic - *Chậm / thiếu thông tin / thủ tục rườm rà*

Further comments - *Nhận xét thêm*

*22. How often have you received a monitoring visit from IPP2 Programme Management Unit?

Tần xuất bạn có người của Ban Quản Lý IPP2 tới thăm đánh giá tình hình?

- Once – *Một lần*
- More than once - *Nhiều hơn một lần*
- Never – *Không tới lần nào*

If more than once, specify - *Xin ghi số lần nếu nhiều hơn một lần*

23. Other evaluation comments and feedback, please elaborate below

Các ý kiến đóng góp và phản hồi khác

Done - Kết thúc bảng câu hỏi - Sau khi nhấn nút này bạn sẽ không sửa phần trả lời của mình được nữa

Universities & Educational Institutions Collaboration Applicants

The Centennial Group has been contracted by the Ministry of Foreign Affairs of Finland to undertake an independent mid-term evaluation of IPP2.

In order to support the team you are requested to complete this online questionnaire.

Please note that your response will be entirely confidential and will not be seen by anyone other than the evaluation team.

Tập đoàn Centennial đã được Bộ Ngoại giao Phần Lan giao nhiệm vụ đánh giá giữa kỳ IPP2.

Để giúp cho việc đánh giá chúng tôi đề nghị bạn hoàn thành bảng câu hỏi qua mạng này.

Xin lưu ý là các hồi đáp của bạn sẽ được bảo mật hoàn toàn và không ai sẽ đọc được các hồi đáp này ngoài nhóm đánh giá chương trình.

1. What is your legal status? *Hình thức pháp nhân của tổ chức của bạn là gì?

- University - *Trường đại học*
- Training institution – *Tổ chức đào tạo*
- Educational institution – *Tổ chức giáo dục*

Other (specify) – *Hình thức pháp nhân khác (xin nêu rõ)*

2. What is your ownership status? *Chủ sở hữu?

- State-owned – *Thuộc sở hữu nhà nước*
- Private sector-owned (domestic) – *thuộc sở hữu tư nhân trong nước*
- Private sector-owned (foreign) – *thuộc sở hữu nước ngoài*

Other (specify) – *Hình thức sở hữu khác (xin nêu rõ)*

*3. How would you define the concept of supporting the increased role of higher education in the National Innovation System?

Bạn đánh giá độ quan trọng của việc hỗ trợ tăng cường vai trò của giáo dục đại học và sau đại học như thế nào trong Hệ thống Đổi mới Quốc gia

- Essential – *Cốt lõi*
- Valuable – *Quý giá*
- Useful – *Hữu ích*
- Not important – *Không quan trọng*

*4. Would you plan to develop your institution to have a greater role in the national innovation system regardless of whether you receive IPP2 support or not?

Bạn có kế hoạch phát triển tổ chức của mình để có vai trò lớn hơn trong hệ thống sáng tạo quốc gia không, không kể tới việc bạn nhận được hay không nhận được hỗ trợ của IPP2?

- Yes - *Có*
- No - *Không*
- Other (please specify)

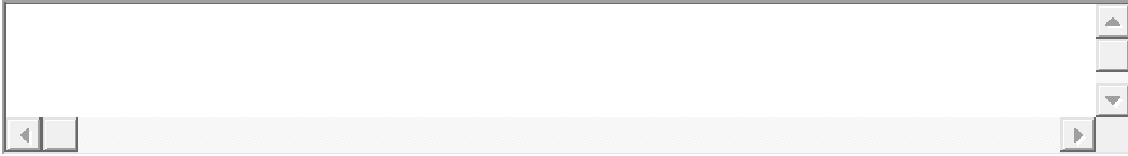
*5. Could the support as set out in the recent call have been better tailored to your needs?

Có cách nào để sự hỗ trợ miêu tả trong lần kêu gọi nộp đề xuất vừa rồi phù hợp hơn với nhu cầu của tổ chức của bạn không?

- Yes – *Có*
- No – *Không*

If yes, then briefly explain how

Nếu trả lời có, xin giải thích ngắn gọn



***6. What is your view of the open-sourced Innovation and Entrepreneurship Core Curriculum developed by IPP2?**

Quan điểm của bạn về chương trình giảng dạy mở về Đổi mới Sáng tạo và Khởi nghiệp do IPP xây dựng?

- Well designed – *Được thiết kế tốt*
- Average – *Trung bình*
- Poorly designed – *Tồi*

If answer Average hoặc Poorly designed please briefly explain

Nếu trả lời là Trung bình hoặc Tồi xin giải thích ngắn gọn



***7. The ToT2 programme provides primarily technical support with only limited financial support. In your view:**

Chương trình TOT2 hỗ trợ kỹ thuật là chủ yếu và chỉ hỗ trợ tài chính hạn chế. Theo quan điểm của bạn:

- Technical support for capacity building is more important than financial support
Hỗ trợ kỹ thuật để nâng cao năng lực quan trọng hơn là hỗ trợ tài chính
- Financial support is more important than technical support
Hỗ trợ tài chính quan trọng hơn hỗ trợ năng lực
- Both are equally important.
Cả hai đều quan trọng

*8. How would you rate the guidelines on how to apply for IPP2 support?

Bạn đánh giá thế nào về hướng dẫn nộp đề xuất hỗ trợ của IPP2

- Well-designed/clear - *Thiết kế tốt/Rõ ràng*
- Poorly designed/confusing – *Thiết kế tồi/Khó hiểu*

If poorly designed, then briefly explain how.

Nếu trả lời tồi, xin giải thích ngắn gọn

*9. How would you rate the application form you needed to complete for IPP2 support?

Bạn đánh giá đơn nộp đề xuất bạn cần điền để nhận hỗ trợ của IPP như thế nào?

- Well-designed/clear - *Thiết kế tốt/Rõ ràng*
- Poorly designed/confusing – *Thiết kế tồi/khó hiểu*

If poorly designed, then briefly explain how

Nếu trả lời tồi, xin giải thích ngắn gọn

10. Other evaluation comments and feedback, please elaborate below

Các ý kiến đánh giá đóng góp và phản hồi khác, xin ghi rõ dưới đây

Done - Kết thúc - Bạn sẽ không sửa phần trả lời được nữa sau khi nhấn nút này

Annex 4: Field mission schedule and list of people interviewed

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
Monday, 30th May					
10.00-11.30	Meeting with Finland Embassy	Initial briefing and discussion	24 th Fl, West Wing, Lotte Center Hanoi, 54 Lieu Giai, Hanoi	SA, VG, TL, PL	<ul style="list-style-type: none"> Marko Saarinen, Counsellor, Head of Development Cooperation Mac Thi Thu Hong, Programme Coordinator. Tel. (84-4) 3826 6788 ext. 213
14.00-17.00	Meeting with IPP-2 PMU team	Initial meeting, presentation of IPP-2 by the PMU and setting up office in the meeting room	IPP-2 PMU, Floor 15, No. 98A Nguy Nhu Kon Tum St., Hanoi, Vietnam	SA, VG, TL, PL	<ul style="list-style-type: none"> Tran Thi Thu Huong, Programme Coordinator Lauri Laakso – CTA (via skype) Riku Mäkelä, Senior Expert Chu Van Thang – Programme Coordinator Silja Leinonen – Innovation Expert Le Thi Lan Huong – Financial Manager Nguyen Thi Thu Trang – Business development expert Vu Thi Hao – Office/Network Manager
Tuesday, 31st May					
09.00-11.00	Meeting with the Vietnamese members of the IPP-2 Steering Committee and policy makers	<p>Views on progress to date</p> <p>Views on the updated strategy and its relevance to Government objectives</p> <p>Discussion on IPP-2 exit strategy</p>	IPP-2 PMU, Floor 15, No. 98A Nguy Nhu Kon Tum St., Hanoi, Vietnam	SA, VG, TL, PL	<p><u>IPP-2 Steering Committee:</u></p> <ul style="list-style-type: none"> Phung Bao Thach, MOST DIC Director, thachpb@most.gov.vn Tran Dac Hien, MOST Dept of Personnel Director, tdhien@most.gov.vn, Phan Hồng Sơn, NATIF Vice chair, phson@most.gov.vn Dr. Trần Quốc Thắng, MOST, tqthang@most.gov.vn Nguyễn Huy Hoàng, MPI, huyhoang@mpi.gov.vn <p>PMU members</p> <ul style="list-style-type: none"> Nguyen Hoang Hai, Deputy Director General, SATI, Đo Ngọc Hai, DIC; MOST; dnhai@most.gov.vn Nguyen Hong Van, Department of Finance,

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
					<p>MOST accountant in charge; nguyenvan1975@gmail.com</p> <ul style="list-style-type: none"> Dinh Quy Cuong, ICD <p>Organizations to get institutional support</p> <ul style="list-style-type: none"> Do thi Bich Ngoc, Deputy director general Department of Technology Appraisal and Assessment , dbngoc@most.gov.vn
13.30-15.00	Meeting with CIEM (Enterprise Reform and Development Dept)	Views on the IPP-2 programme and the innovation agenda	CIEM meeting room, building A, 68 Phan Đình Phùng, Hà Nội	SA, VG, TL, PL	<ul style="list-style-type: none"> Phạm Đức Trung, Deputy Head of Enterprise Reform and Development Dept., pdtrung@mpi.gov.vn ; +84 – 08043455; 0912206855;
15.30-16.30					
Wednesday, 1st June					
8.00-10.00	Focus group discussion with Innovative Growth Enterprises (6 No. based in Hanoi)	Views on design and suitability of IPP-2 for your organisation. Your experience with the grant submission, approval and monitoring process. Contribution of IPP-2 to your organisation. Suggestions to improve IPP-2. Plan to undertake activities without IPP-2 support.	Room - Business Center, Daewoo Hotel, 360 Kim mã, Ba Đình, Hà Nội.	SA, VG, TL, PL	<ul style="list-style-type: none"> Pham Nam Long, Abivin Vietnam JSC, long@abivin.com Dao Hong Ha, KPI BSC team, Proview JSC (N), info@proview.vn Chu Hong Ha, Zinmed Vietnam JSC., haict@zinmet.com
10.00-12.00	Focus group discussion with ToT1 Trainers (5 No. based in Hanoi)		Room - Business Center, Daewoo Hotel, 360 Kim mã, Ba Đình, Hà Nội.	SA, VG, TL, PL	<ul style="list-style-type: none"> Nguyễn Tiến Trung, prtrungnt@gmail.com; +84 904 596 959 Ngô Thọ Hùng, ngothohung@gmail.com; hung.nt@ipp.vn; +84 913 586 886 Nguyễn Đăng Tuấn Minh, nguyendangtuanminh@gmail.com; +84 936 361 133 Phan Hoàng Lan, lanphan35@gmail.com; +84 972 592 688 Nguyễn Hoàng Giang, nhgiang@most.gov.vn; giang.nh@ipp.vn; +84 904 760 737 Phạm Dũng Nam, pdnam@most.gov.vn; +84 984 848 448
13.30-15.30	Focus group discussion with applicants from ToT 2		Room - Business Center, Daewoo Hotel, 360 Kim mã, Ba Đình, Hà Nội.	SA, VG, TL, PL	<ul style="list-style-type: none"> Nguyen Thi Binh Minh, VNU of Economics and Business, minhntb@vnu.edu.vn Tran Thi Thanh Tu, VNU of Economics and Business , tutt@vnu.edu.vn

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
					<ul style="list-style-type: none"> • Le Thi Thai Ha, Science Discovery Academy, hale@sciencediscovery.edu.com • Tran Thi Thu Hong, Science Discovery Academy, hong@sciencediscovery.edu.vn • Fredric William Swierczek, AITCV's Director, fred@aitcv.ac.vn • Pham Thi Kim Ngoc, AITCV's Deputy Director, ngoc@aitcv.ac.vn • Nguyen Van Dinh, VNU International School, vandinh.nguyen@gmail.com • Mai Anh, VNU International School, anhmd@isvnu.vu • Nguyen Trung Hien, VNU International School, hiennt@isvnu.vu • Hoang Van Thu, MOST Management Training Institute, hvthu@most.gov.vn • La Thi Cam Tu, FPT University, tultc@fpt.edu.vn • Đào Ngọc Tiễn, FTU, dntien@ftu.edu.vn
15.30-17.30	Focus group discussion with ecosystem developers in Hanoi		Room - Business Center, Daewoo Hotel, 360 Kim mã, Ba Đình, Hà Nội.	SA, VG, TL, PL	<p>2015 Call</p> <ul style="list-style-type: none"> • Tran Bich Van, BK Holdings, vantb@bkholdings.com.vn <p>2016 CALL</p> <ul style="list-style-type: none"> • Linh Nguyen, Hoa Lac Hitech Center, mylinh.hhtp@gmail.com • Nguyen Thi mInh Hieu, hieuntm@hanu.edu.vn
Thursday, 2nd June					
10.00-11.30	Meeting with MOST Vice Minister	Continue with issues raised from SC meeting	Room 205, MOST building, 113 Tran Duy Hung St.	SA, VG, TL, PL	Vice Minister Trần Quốc Khánh, MOST, tqkhanh@most.gov.vn
11.30-12.00	Meeting with Programme Director		Room 404, MOST building, 113 Tra Duy Hung St.	SM	Trần Thị Thu Hương, IPP-2 Programme Director
13.30 – 14.30	Meeting with NATIF		Meeting room 217, 39 Tran Hung Dao Street, Hanoi	VG	Phan Hong Son, NATIF Vice Chair, phson@most.gov.vn

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
15.30 - 16.30	Meeting with Vietnam Women Union / Vietnam Women Academy	Gender equality in IPP-2	68 Nguyễn Chí Thanh (gate B)	SA, VG, TL, PL	Hà Thị Thanh Vân, Deputy Director of VWA Tel: 01696.843.528 - 0977.168.872 havan@vwa.edu.vn
19.00-20:30	Meeting with World Bank FIRST Project	Coordination with IPP-2	Namaste Restaurant	VG	Suhas Parandekar, FIRST Project Team Leader 46 Thợ Nhuộm, Trần Hưng Đạo, Hanoi
On May 18th	Meeting with World Bank VIIP Project	Coordination with IPP-2	World Bank, DC	VG	Smita Kuriakose, VIIP Project Team Leader World Bank, Washington, DC
Friday, 3 rd June					
8.30 – 12.00	Theory of Change and results chain participatory workshop involving IPP-2 PMU and MTE team".	Review result chain and discuss on area for improvement	Floor 15, No. 98A Nguy Nhu Kon Tum St., Hanoi, Vietnam		<ul style="list-style-type: none"> Silja Leinonen – Innovation Expert Le Thi Lan Huong – Financial Manager Nguyen Thi Thu Trang – Business development expert Vu Thi Hao – Office/Network Manager
13.30-15.00					
15.30-16.30	Meeting with Vietnam Chamber of Commerce and Industry (VCCI)	Views of IPP-2 in supporting innovation in Vietnam	Room: Phòng Khánh tiết 1 6 th Floor, No 9, Dao Duy Anh str. Dong Da District, Ha Noi, Viet Nam	SM. VG, TL, PL	<ul style="list-style-type: none"> Pham Thi Thu Hang (Ph.D), Secretary General, Mobile: 84-(0) 904204848, hangptt@vcci.com.vn; phamhang62@gmail.com Lê Văn Lợi – Director, VCCI- ITB Nguyễn Thị Thu Hằng - VCCI- ITB
Saturday, 4 th June					
Sunday, 5 th June	Flight to HCMC (Simon Armstrong and Linh)				
Monday, 6 th June					
08:00-10.00	Focus groups discussion with innovative growth enterprises	Views on design and suitability of IPP-2. Experience with the grant submission, approval and monitoring process.	DREAM PLEX CO-WORKING SPACE 21 Nguyen Trung Ngan	SA, PL	<ul style="list-style-type: none"> Hamona Vietnam Co., Ltd- Ms Phong International Smart Education Technologies Co. LTD-ban@smartedunow.com; duke@smartedunow.com
10.00-12.00	Focus group discussion with universities applying for ToT2 support	Contribution of IPP-2 to your organisation. Suggestions to improve IPP-2. Plan to undertake activities without IPP-2 support.		SA, , PL	<ul style="list-style-type: none"> College of Foreign Economic Relations (COFER), Assoc. Prof. Vo Phuoc Tan, PhD, vo_phuoc_tan@yahoo.com, 090 368 6647 Can Tho Business Association (CBA), Nguyễn Mỹ Thuận, mythuannguyen@cbamekong.org, 0903823169; Ly Thanh Truc UNIVERSITY OF LABOUR AND SOCIAL

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
					<p>AFFAIRS (II) – ULSA2: Le Thi Nhung, Nguyen Thi Thanh Ngan</p> <ul style="list-style-type: none"> • University of Finance-Marketing (UFM), Le Quoc Thanh lehaiduong68@gmail.com, 0932139386, and Nguyen Huu Ninh • Social Developing Training Center - Ton Duc Thang University, Nguyen Thi Hong Duyen, La Huynh Phuoc • SAIGON TECHNOLOGY UNIVERSITY (STU), VU TIEN LONG, long_tienvu@yahoo.com, 098.8.003.154 ; Luong Thi Hien, Mai Nhat Minh Anh • Ho Chi Minh City University of Transport (UT-HCMC), Dr. Nguyen Thuy Hong Van, hongvan@hcmutrans.edu.vn; ut-hcmc@hcmutrans.edu.vn, 0909022066\ • Hochiminh City Open University, Nguyen Thi Phuong Anh • Nong Lam University - Ho Chi Minh City, Nguyen Tri Quang Hung, quanghungmt@hcmuaf.edu.vn, 0919.177.478 • Ho Chi Minh City University of Technology (HUTECH) , Phạm Hải Định • Agroforestry University : Dang Duc Huy • Tri Tri Group: Nguyen Thi Bich Ha
14.00-16.00	Focus group discussion with ToT1 trainers			SA, PL	<ul style="list-style-type: none"> • Nguyen Giao Hoa, hoagiaonguyen@gmail.com; , +84 908 255 0272, Nguyen Ngoc Dung, dungnn2@gmail.com; , +84934166698 • Phan Dinh Tuan Anh, liagliad@gmail.com; , +84 903 161 669 • John Phong K. To, phong.to@printcloud.vn; , +84 126 4576 890 • Tran Vu Binh, tvubinh@live.com; , +84 909 094 822
Tuesday, 7 th June					
08:30-	Meeting Euro-Vietnam Business network	View of IPP-2 to date Expectations from Updated	15th Floor, 5B Ton Duc Thang,	SA, , PL	Delphine Rousselet, EVBN Project Director Adina Tauyatswala

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
09.30		Strategy Development of an innovation ecosystem in HCMC	District 1		adina.tauyatswala@evbn.org EVBN Finance and Operations Manager
10.30-11.30	Meeting with DOST HCMC	Views of IPP-2 in supporting innovation in Vietnam	DOST office 244 Điện Biên Phủ, Phường 7, Quận 3, Tp.Hồ Chí Minh	SA, , PL	Director of DOST – Nguyen Viet Dung 0913803904 Nvdung.skhcn@tphcm.gov.vn And Mr. Do Nam Trung 0918450814 Deputy Head of Science and Technology Management Department Huynh Kim Tuoc, Vice team leader of 5 yr action plan, tuochuynh@ecc-hcm.gov.vn Mr. Pham Thai Truong Energy Conservation Center Ho Chi Minh city
13.00-14.00	Meeting with FinPro (Ms. Eija Tynkkynen)	Discussion of TEKES agreement and other partnership arrangements		SA, , PL	Out of town during the week. Already Skyped on Friday 3 rd of June instead
	Flight to Da Nang			SA, , PL	VN 130 7.40pm - Reservation Code HDGNAK
Wednesday, 8 th June					
8.30- 09.30	Meeting with Incubator network Steering Committee Da Nang	Views of IPP-2 in supporting innovation in Vietnam	Tầng 3 Trung tâm Hành chính, 24 Trần Phú, Hải Châu, Đà Nẵng, Việt Nam	SA, , PL	Mr VO Duy Khuong – Chairman khoinghiep@danang.gov.vn 0903506266 Mr. Pham Thanh Tra Mr. Ly Dinh Quan – Da Nang Business Incubator
10.00-11.00	Meeting with Da Nang DOST	View of IPP-2 to date Expectations from Updated Strategy Development of an innovation ecosystem in Da Nang		SA, , PL	Da Nang DOST Mr. Xuyen – Head of Technology Management Division
11.30 – 12.30	Meeting with Da Nang Ecosystem development project	Views on design and suitability of IPP-2. Experience with the grant submission, approval and monitoring process. Contribution of IPP-2 to your organisation.		SA, , PL	Mr. Huynh Cong Phap- Director hcphap@gmail.com
				SA, , PL	

Mid-Term Evaluation of the Innovation Partnership Programme Phase II

When	What	Purpose	Where	Who (MTE team)	Interviewed participants
		Suggestions to improve IPP-2. Plan to undertake activities without IPP-2 support.			
	Flight to Hanoi (Simon) Flight to HCMC (Linh)				Simon VN 7168 7:25pm Reservation Code HDGNAK
Thursday, 9 th June					
9.00 – 11.00	Meeting with PMU	Views on IPP-2's performance and recommendations	IPP-2 PMU, Floor 15, No. 98A Nguy Nhu Kon Tum St., Hanoi, Vietnam	SA, DL	<ul style="list-style-type: none"> Lauri Laakso, CTA Riku Mäkelä, Senior Expert Silja Leinonen, Innovation Expert
Friday, 10 th June					
Saturday, 11 th June					
17.00-18.00	Meeting with NATEC			SA, DL	Phạm Hồng Quất, NATEC Director, phquat@most.gov.vn
Sunday, 12 th June					
Monday, 13 th June					
9.30 – 10.30	Meeting with Finland Embassy	Initial debriefing	24 th FI, West Wing, Lotte Center Hanoi, 54 Lieu Giai, Hanoi	SA, DL	<ul style="list-style-type: none"> Marko Saarinen, Counsellor, Head of Development Cooperation Mac Thi Thu Hong, Programme Coordinator. Tel. (84-4) 3826 6788 ext. 213
Tuesday, 14 th June					
14.00 – 15.00	Meeting with IPP-2 Programme Director	Initial debriefing	Room 404, MOST building, 113 Tran Duy Hung St.	SA	<ul style="list-style-type: none"> Tran Thi Thu Huong – Programme Director
Wednesday, 15 th June					
15.00 – 16.00	Meeting with MOST Vice Minister	Initial debriefing	Room 205, MOST building, 113 Tran Duy Hung St.	SA, DL	<ul style="list-style-type: none"> Trần Quốc Khánh, MOST Vice Minister
Thursday, 16 th June					
14.00-16.00	Closing meeting with Embassy and PMU	Debriefing and getting views	IPP-2 PMU, Floor 15, No. 98A Nguy Nhu Kon Tum St., Hanoi, Vietnam	SA, DL	
Friday, 17 th June					
PM	Flight (Simon)				

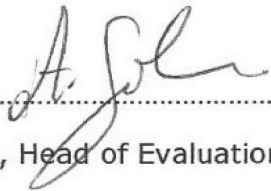
Annex 5 Quality assurance statement

In accordance with the requirements of the MFA's 2013 Evaluation Manual and international best practice, Centennial Group International undertook the quality assurance of the draft evaluation report in accordance with the quality assurance mechanism proposed in our technical proposal.

I, Amnon J. Golan, Centennial Group's Head of Evaluation Practice and Mr. Anil Sood, Centennial Group's Chief Operating Officer undertook the quality assurance utilising the United Nations Evaluation Group "Handbook for Conducting Evaluations of Normative Work in the UN System" (November 2013) and other best practice standards.

I can confirm that:

- The fieldwork applies robust methodologies: that is, uses methods that best answer the evaluation questions in order to ensure validity and reliability of findings and conclusions
- The evaluation report addresses all evaluation questions listed in the Terms of Reference
- The evaluation report is drawn up on the basis of evaluation findings based on solid evidence, high quality and consistent analysis and with a clear link between findings, conclusions and recommendations and in accordance with the OECD/DAC Quality Standards.

Amnon J. Golan.....

Amnon J. Golan, Head of Evaluation Practice, Centennial Group

Annex 6: Main Secondary Information Sources

1. World Bank's Vietnam overview:
<http://www.worldbank.org/en/country/vietnam/overview>
2. Fagerberg, J., Srholec, M., Verspagen, B. (2010). "Innovation and Economic Development," in, Handbook of the Economics of Innovation. North Holland: Elsevier, 2010, pp. 833-872.
3. Firm-level Competitiveness and Technology in Vietnam: Evidence from a Survey in 2010, Business Sector Programme Support (BSPS), Royal Embassy of Denmark in Vietnam
4. GE Global Innovation Barometer 2013: subsequent surveys do not include Vietnam.
5. Rothwell, R. and Zegfeld, W. (1985), Re-industrialisation and Technology, Essex: Longman
6. Newman, C., N. Gaia, F. Tarp and V.X. Nguyet Hong (2009), "The Role of Technology,
7. Investment and Ownership Structure in the Productivity Performance of the Manufacturing Sector in Viet Nam", Working Paper No. 0109, Department of Economics, Trinity College Dublin.
8. Tagscherer, U. (2010), "Analysis and Assessment of Industry-Science Linkages in Viet Nam", Study for the OECD Review on Innovation in South East Asia on behalf of the German Ministry of Education and Research, Fraunhofer ISI.
9. Science, Technology and Innovation in Viet Nam, OECD, 2014
10. Vietnam's Socio-Economic Development Strategy for the Period of 2011-2020.
11. Resolution No. 35/NQ-CP dated May 16, 2016 on supporting and developing enterprises by 2020.
12. Resolution No. 19/2016/NQ-CP dated April 28, 2016 on key tasks and measures to improve business environment, enhance national competitiveness in two years 2016-2017, with an orientation to 2020.
13. IPP-2 Baseline Report, July 2015
14. IPP-2 Inception Report
15. Results-based Management in Finland's Development Cooperation – Concepts and Guiding Principles, Ministry of Foreign Affairs
16. Glossary of Key terms in Evaluation and Results Based Management". OECD/DAC, 2010.
17. Minister's Decision Number 289/GA-B KHAN dated 12 February 2015
18. "Innovation and Gender", published by Innovation Norway, the Swedish Agency for Economic and Regional Growth and VINNOVA
19. Ostergaard, Timmermans & Kristinsson (2009) Beyond Technological Diversification: The Impact of Employee Diversity on Innovation, Aalborg: Danish Research Institute for Industrial Dynamics, Department of Business Studies, Aalborg University, DRUID Working Paper No. 09-03.
20. Nidumolu, R., Prahalad, C.K., & Rangaswami, M.R. 2009. Why sustainability is now a key driver of innovation. Harvard Business Review, 87(9): 57-64.
21. NIRAS Technical Tender
22. <https://www.tekes.fi/en/programmes-and-services/tekes-programmes/beam--business-with-impact/>
23. <http://www.finland.org.vn/public/default.aspx?contentid=266381&nodeid=46670&contentlan=2&culture=en-US>
24. Appraisal of the IPP-2 PFD, Impact Consulting Oy Ltd, 1 July 2013
25. Hanoi Core Statement on Aid Effectiveness
26. MFA Contract with NIRAS
27. MFA Evaluation Manual

28. Quality Standards for Development Evaluation, OECD
29. IPP-2 Updated Strategy
30. Aid for Trade: Finland's Action Plan 2012-15
31. Proposal for Finland's National Innovation Strategy
32. Development Policy Guidelines for ICT and the Information Society, MFA
33. Human Rights-based Approach in Finland's Development Cooperation, Guidance Note, MFA
34. Finland's Development Policy
35. Finland's Country Strategy for Development Cooperation with Vietnam 2013-16
36. IPP-2 Guidelines for Applicants for different Open Calls
37. Innovation and Inclusive Development, Discussion Report, 2013, OECD
38. Scaling Up Inclusive Innovations, 2015, OECD
39. Inclusive Innovation: Definition, Conceptualisation and Future Research Priorities, Centre for Development Informatics, 2013
40. IPP-1 Programme Documentation (PFD, Completion Report, etc.)
41. IPP-2 Annual Progress Reports
42. IPP-2 2015 and 2016 Work & Financial Plans
43. Bilateral Agreement between GoV and MFA with respect to IPP-2
44. Finland's Action Plan for South-East Asia
45. Prime Ministerial Decision 844 approving the scheme on "supporting the national innovative start-up ecosystem through 2025"
46. Resolution 19/NQ-CP/2015 and resolution No. 19-2016/NQ-CP on improving the Vietnamese business environment
47. Resolution No. 35 "supporting and developing enterprises by 2020"
48. IPP-2 Integrated Management Guidelines
49. Memorandum of Understanding between Tekes and MOST
50. Minutes of IPP-2 SC meetings Nos 1 to 8
51. IPP-2 papers and reports on policy work (start-up ecosystem, venture capital and technology transfer)
52. Decree 28 defining the functions, tasks, powers and organizational structure of the MOST
53. Decree 56 prescribing the policies and management support state assistance for development of small and medium enterprises.
54. Decree No. 95/2014/ND-CP on investment in and financial mechanisms applicable to scientific and technological activities
55. Decree 8/2014 Detailing and guiding the implementation of a number of articles of the Law on Science and Technology
56. The Law on Science and Technology (29/2013)
57. Decision No. 418/QD-TTg approving the Strategy for Science and Technology Development for the 2011-2020 period
58. Project Appraisal Document for the Vietnam Inclusive Innovation Project, World Bank
59. Project Appraisal Document for the FIRST project, World Bank
60. IPP-2 Project reporting examples (Case note, Quarterly report from projects, Interim Report, Sub-project administration Management System)
61. IPP-2 Guidelines for Sub-Project Management

Annex 7: Evaluation brief

The key message of the evaluation:

- IPP-2 is extremely relevant to the Government of Vietnam, and also has good alignment with most Finnish development policies – apart from HRBA
- All beneficiary groups rated IPP-2 support as highly relevant – but quite a high percentage said that it could have been better tailored to their needs; It also shows a low level of additionality
- The project demonstrates significant efforts by the PMU leading to real achievement; however, the results are outputs rather than outcomes or impacts
- It has good prospects of sustainability at the Government and enterprise level
- Quality of training and Core Curriculum is rated highly by the beneficiaries, but the quality of policy advice to the Government was mixed- some of good and some of very poor quality
- Finish policy HRBA objectives- gender and climate sustainability are barely addressed
- The PMU has good internal management and control systems but no real monitoring system
- Mid-term indicators are mostly not quantified and do not have a baseline or a target
- Updated Strategy does not provide a clear Theory of Change with results chains, budget not broken down to a meaningful level, and lacks a clear exit strategy

Who has benefitted and what are the most important positive results:

- IPP-2 beneficiaries include the GoV, companies/start-ups, universities and individual trainers
- The project's most important positive results include:
 - It is highly popular among beneficiaries and shows solid output results, but not outcomes
 - The project shows a high degree of utility to GoV in advancing its competitiveness agenda, especially innovation and startup ecosystem, and has a good prospect of sustainability
 - IPP-2 played a critical role in encouraging the execution of MoU between Tekes and MOST
 - Innovation Partners meeting is an important coordination tool established by the PMU
 - The PMU has a well-informed and transparent grant application management system

Any unexpected impacts:

None- In any case, the mid-term of a project is too soon to assess the achievement of impacts

Key recommendations and lessons learned:

10. Preparation of a combined strategy and detailed action plan/work programme for IPP-2 from the current mid-term of the programme until programme completion
11. Introducing upgrades to sub-project selection process
12. Ensuring that HRBA aspects- gender and climate consideration are mainstreamed
13. Development of a clear and explicit exit strategy (as part of 1)
14. Preparation of a plan for IPP-2 support to the transition from Finish development cooperation to trade-based and other forms of cooperation (as part of 1)
15. Steering Committee to ensure that the PMU submit – as a matter of urgency – proposals as to how they intend to implement Recommendations 1 to 5 above
16. MOST to ensure the selection of the MOST Departments and/or Agencies to which elements of IPP-2 (activities, systems, processes, outcomes, etc.) should be transferred during exit phase
17. MFA to contract a separate independent monitoring and evaluation team to:
 - Ex ante assess the planned Theory of Change in the new strategy/action plan to ensure results chains are defined and that realistic and measurable indicators (with baselines and clear targets) are selected
 - Support the establishment of the project (and sub-project where applicable) monitoring framework, processes and systems, including training of relevant staff in their use
 - Monitor on an ongoing basis the performance of the project and prepare reports for the Steering Committee
 - Undertake an annually review of the Implementation Contractor's performance
 - Train beneficiary staff and support the transfer of monitoring skills and systems to them
18. Lessons for MFA include: TA Contractor/team contracts should have ToRs with clear scope, accountability and monitorable deliverables/ indicators for implementing the project and achieving the desired results (with specific outputs, outcomes and impacts). These should be appropriately monitored and updated if there are significant changes in project goals and plans

Annex 8: Indicative theory of change and results chain

