



Australian Government

Department of Foreign Affairs and Trade



# Australia-Vietnam

Human Resource Development Strategy  
2014-2020

# List of acronyms

AAF - Australia Awards Fellowships  
AAS - Australia Awards Scholarships  
ADB - Asian Development Bank  
ACIAR - Australian Centre for International Agricultural Research  
AIP - Aid Investment Plan  
APPR - Annual Program Performance Report  
AQF - Australian Qualifications Framework  
ASEAN - Association of South East Asian Nations  
Austrade - Australian Trade Commission  
AVID - Australian Volunteers for International Development  
DFAT - Department for Foreign Affairs and Trade  
CSO - Civil Society Organisation  
GDP - Gross Domestic Product  
GOA - Government of Australia  
GOV - Government of Vietnam  
GPDF - Government Partnerships for Development  
HRD - Human Resource Development  
ICT - Information and Communications Technology  
LES - Locally-engaged-staff  
M&E - Monitoring and Evaluation  
MIC - Middle-Income Country  
MOET - Ministry of Education and Training  
MOLISA - Ministry of Labour, Invalids and Social Affairs  
MOHA - Ministry of Home Affairs  
NGO - Non-government organisation  
ODA - Official Development Assistance  
PAF - Performance Assessment Framework  
PhD - Doctorate  
SEDP - Socio-Economic Development Plan  
TA - Technical Assistance  
TVET - Technical and Vocational Education and Training  
WB - World Bank  
WOG - Whole of Government

# Table of Contents

List of acronyms	2
Table of Contents	3
Executive Summary	4
Development Context	8
Guiding definition & principles	18
Theory of change	19
Approach	22
Management	29
Annexes	32

# Executive Summary

## Introduction

Vietnam needs a knowledgeable and skilled workforce to help it progress to an industrialised country by 2020. Sustained growth and improvements in the economy's efficiency and competitiveness cannot be achieved without a skilled workforce.

Australia's new Aid Policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability* states that *promoting economic growth and poverty reduction requires a foundation of strong human development*.

The *Australia-Vietnam Human Resource Development Strategy* outlines Australia's strategic direction for support for Vietnam's human resources for the period 2014-2020.

## Background

Vietnam's shift in 2010 to a lower Middle Income Country (MIC) reflects its rapid economic growth since 1986 when the doi moi ("renovation") reform process began and its accession to the World Trade Organisation (2006). Vietnam's transition to middle-income country status brings a distinct set of human resource development (HRD) challenges. The *Vietnam Socio-Economic Development Plan (SEDP) 2011-2015* identifies HRD as one of three key breakthrough areas to achieve Vietnam's development goals.

Despite Government of Vietnam (GOV) achievements in schooling and education and labour system reforms, Vietnam still faces challenges in improving workforce capacity. The tertiary sector is unable to meet market demand in terms of both quantity and quality - with a mismatch between training and industry skills needs, and gaps in the capabilities of lecturers, trainers and researchers. Ethnic minorities and people with disability are under-represented in tertiary education and the employment sectors. The proportion of women with postgraduate qualifications and in decision-making positions is low. Weak HRD planning and management capabilities, corruption and weak coordination also hinder progress.

Development partners, including Australia, are responding to help Vietnam meet its HRD needs, particularly for basic education and reforms across all education sub-sectors. HRD is one of three pillars of the current *Australia-Vietnam Joint Aid Program Strategy 2010-2015*, along with economic integration and environmental sustainability. Over the last 40 years, Australia's support for HRD in Vietnam has primarily centred on higher education scholarships, currently through the Australia Award Scholarships (AAS) for postgraduate study in Australia. This has resulted in over 3,500 alumni of Australian higher education in Vietnam, contributing to a strong regard for Australia's support, linkages between Australia and Vietnam, and recognition of Australia as a quality provider of tertiary education.

## Australia's commitment

Education and training is a priority for the aid program, with a strong emphasis on: skills and technical training in response to labour market demand; increased investment in educating women and girls; and a stronger concentration of the scholarships program in the Indo-Pacific region. In addition to its aid program support, it is in Australia's national interest to continue assisting Vietnam with its HRD needs to help it meet its economic development goals. It will deepen and benefit the reputation of Australian tertiary education in Australia, promote sustained linkages between Australian and Vietnamese individuals and

organisations (including in government, civil society organisations and the private sector), while continuing to support our economic diplomacy goals.

## Our objectives

Australia's HRD assistance will be targeted to areas of Australia's interest and expertise in line with our Vietnam Economic Diplomacy Strategy and Aid Investment Plan. It will also complement the HRD activities of other Australian government agencies (such as the Department of Education and Austrade) and development partners in Vietnam. The Strategy will have a strong emphasis on increased provision of HRD support for women and disadvantaged groups in Vietnam.

Australia's end of aid outcome for its HRD Strategy in Vietnam is: *Vietnam accesses and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and inclusive development, and enduring links with Australia.*

To realise the end of aid outcome, the Strategy has the following **intermediate outcomes**:

1. *Increased number of high quality tertiary graduates and skilled professionals and technicians in selected priority areas*
2. *Stronger workplace enabling environments for skills utilisation in selected priority areas*
3. *Australia and Vietnam have stronger, sustainable links in selected sectors*

## Our approach

Australia's approach and the delivery of support will be based on principles of using Australia's strengths and interests; being realistic and selective; demonstrating value-for-money; and promoting sustainability and ongoing engagement. Scholarships alone could not meet all of the strategy's intended outcomes. Investment in a range of complementary activities or programs is needed. This will require some scaling down of the number of scholarships awarded, with re-direction of funding to activities based on the specific HRD needs of the target groups, to ensure aid effectiveness, value for money and achievement of a more holistic set of outcomes. Investment in policy dialogue and partnerships will complement these activities. In implementing a more strategic, theme-based and cross-cutting approach, this strategy emphasises the greater importance of active consultations, engagement and policy dialogue with GOV economic, education and trade counterparts, WOG and other development partners in Vietnam. This investment will allow Australia to promote Australian values and interests, seek to understand the values and interests of Vietnamese and other stakeholders, keep Australia abreast of other activities in the sector for potential collaboration, to avoid duplication of efforts and allow DFAT to anticipate and mitigate risk.

## Australia's activities

**Outcome 1** contributes to Vietnam nationals' **access** to **quality** professional and technical knowledge and skills. It aims to expand the pool of Vietnamese with higher professional and technical capabilities, and ensure better access to learning opportunities for disadvantaged Vietnamese. The core plank of Australia's HRD support will continue to be the highly valued AAS for Vietnamese to undertake tertiary study at Australian universities and to build networks with Australia. This HRD support will be extended to include formal short course training to meet the specific training needs of partner organisations in priority sectors. Flexible delivery in Australia and Vietnam will be considered to respond to the needs and ensure value for money.

Scholarship support will be prioritised for lecturers and officers in positions of leadership/influence to maximise impact, the disadvantaged such as ethnic minorities, rural poor and people with disability, and those working in locally-based government, private sector and civil society organisations in selected priority areas of the aid program in Vietnam. Equal numbers of awards will be provided to male and female beneficiaries. Over time we will increase our engagement on TVET - this may for example, extend to

establishing initiatives to improve the sector's responsiveness to industry needs through enhancing TVET-private sector engagement.

Skills utilisation is an important element of workforce development and is increasingly recognised as just as valuable to productivity as skills acquisition<sup>1</sup>. **Outcome 2** contributes to the utilisation of high level knowledge and skills by improving the enabling environment in organisations. More effective skills utilisation is expected to improve organisational performance (for example in the quality and productivity of policy making, production, innovation and service delivery). It is also expected to increase employee job satisfaction, motivation and commitment through greater access to learning, leadership and career pathways. This is a relatively new focus for Australia and will require research and consultations to determine the shape of the inputs that will support achievement of the outcome.

At the **individual** level, new initiatives will be explored to support AAS alumni reintegrate into the workplace, and to effectively utilise and transfer their skills to improve workplace productivity. Support will be provided for women's leadership to help narrow the gaps in promotion opportunities that Vietnamese women are facing as compared to their male counterparts. At the **organisational** level, up to 10 targeted organisations in 2-3 priority sectors will be supported to strengthen their enabling environment for skill utilisation. This will be achieved through delivery of a flexible range of innovative modalities, specific to the needs of the individual target organisations. This may for example include technical assistance, customised short-course training, and workplace attachments including through Australia Awards Fellowships (AAF). This support is expected to improve the *levers* for skill utilisation (e.g. leadership and management training) and skills utilisation *delivery practice* (e.g. HRD practices, competency frameworks and knowledge transfer)<sup>2</sup>. At the **sectoral level**, subject to further analytical work, Australian investment may also support the broader reform work of other development partners to develop and implement competency frameworks (and related training) for agreed occupations within 2-3 priority industry sectors.

**Outcome 3** contributes to *enduring links with Australia* to help sustain the bilateral relationship through implementation of the other two outcomes. It will also harness the organisational and individual linkages developed through other Australian aid and whole of government initiatives (including through the Australian Volunteers for International Development (AVID), the Government Partnerships for Development (GPFD) and the New Colombo Plan alumni). By actively fostering strengthened Vietnam and Australian business and government partnerships, Australia will reach more beneficiaries and will help facilitate sustainable and professional/business relationships, beyond development assistance. Activities under this outcome will support alumni to maintain and expand linkages between Australia and Vietnam, create networks between the different streams of alumni, and provide opportunity for alumni to further contribute to Australia's engagement in Vietnam. Moreover, our investments in facilitating these linkages will assist AAS alumni to keep abreast with new knowledge development in their work areas and enhance their capabilities to make contributions to Vietnam's development.

## Implementing our support

Transition to a more complex portfolio of closely inter-related investments in this strategy will need additional preparatory analysis, careful management and planning. An Investment Concept Note and Investment Design will be developed to articulate implementation of the strategy.

Subject to further design considerations, strategy delivery will be undertaken through establishment of a HRD Program that will implement multiple activities under the strategy. A Program will have the flexibility to manage a relatively *fixed* operating fund for expenditure on the core Australia Awards, alongside a *flexible* fund to support other component activities identified through the design process or emerging needs of the Australian aid program or partner organisations. This is likely to include: management of the AAS in Vietnam; sourcing of technical assistance; supporting alumni and other networking activities between Australia and Vietnam and ensuring a cohesive package of HRD support for selected partner organisations. It could also support promotion and demand for other Australian government HRD investments, such as the AAF, GPFD, and AVID.



## Conclusion

The HRD Strategy for Vietnam aligns well with Australia's new aid policy and Vietnam's HRD priorities. It will extend Australia's interests through, for example, the positive recognition of the quality of the Vietnamese graduates from Australian higher education, the ongoing linkages between alumni and Australia and the support of other government, CSO and private sector engagement. It will promote growth by increasing the knowledgeable and skilled workforce in Vietnam and through supporting enabling environments for skill utilisation leading to increased organisational productivity. This will include support for private sector HRD which has been shown to lead to economic growth, and reducing poverty<sup>3</sup>. Scholarships and training support will also be targeted to women, people with disability, and the disadvantaged in rural and remote areas in Vietnam. The strategy includes empowering women through equal access to the Australia Awards and improving the work status of women through supporting workplace change in human resource practices and through targeted leadership and management training.

The new investments will explore innovative ways to ensure sustainable solutions to Vietnam's vocational needs. This will include initiatives to improve the Vietnamese TVET sector's responsiveness to industry needs through enhancing TVET-private sector engagement. It will also work with targeted organisations to implement human resource practices to support effective skills utilisation. The strategy promotes cooperation with the most effective partners, including other Australian Government agencies, a small number of Vietnamese organisations that are prepared to be accountable for change in the workplace, and other development partners with common objectives.

# Development Context

## Overarching context

Vietnam's shift in 2010 to a lower Middle-Income Country (MIC) reflects its rapid economic growth since 1986 when the *doi moi* ("renovation") reform process began and its accession to the World Trade Organisation (2006). Vietnam aims to become an industrialised MIC by 2020<sup>4</sup>. The GOV has ambitious plans to attract foreign investment, create new industries, and put in the necessary infrastructure to continue economic development. Economic liberalisation and international integration are high on GOVs agenda, with a strong commitment to achieving regional economic integration under the Association of South East Asian Nations (ASEAN) Economic Community by 2015.

Despite maintaining an average annual real Gross Domestic Product (GDP) growth of 5 per cent since 2008 and significant achievements in reducing poverty, the country still faces economic and social challenges<sup>5</sup>. Over the past three decades, Vietnam's rapid economic growth has been driven by exploitation of natural resources and a low cost labour force<sup>6</sup>. It will be challenging for Vietnam to sustain rapid growth that is accompanied by quality, efficiency and competitiveness and matched by a skilled workforce. Of Vietnam's population of 90 million people, 70 per cent remains rural. More than 50 per cent are under the age of 30, promising a young workforce and a large domestic market.<sup>7</sup> Currently, 83 per cent of the workforce has not received any type of technical vocational education and training (and qualifications), such as short courses to secondary school, college, university and above<sup>8</sup>.

Social challenges of uneven economic growth and social inequalities remain. In 2008, 16.9 per cent of Vietnam's population still lived below the poverty line of USD1.25 per day. People living with disability, ethnic minorities, those living in rural areas and in the Northwest region are particularly disadvantaged<sup>9</sup>. Growth has been led by the urban industrial and construction sectors.

Vietnam is a one-party state, with power vested in the Vietnam Communist Party. In the education and training sector, state actors are the primary institutions for policy setting, curriculum development and implementation. A high level of centralisation prevents the overall system from adapting flexibly to meet the needs of businesses in fast changing technology and operating environments. Despite ongoing effort to reform the public sector and accelerate delegation and decentralisation, adequate efficiency and effectiveness of government machinery has not been achieved. Government accountability and integrity of civil service is very weak.<sup>10 11</sup>



## HRD context

### Skill needs

Vietnam's transition to middle-income status brings a distinct set of human resource development challenges. An effective knowledgeable and skilled workforce is essential for Vietnam to become an industrialised middle-income country by 2020<sup>12</sup>. The current challenges are the low quality of education, particularly at the tertiary level, low research capacity, and a mismatch between training and labour needs.

Vietnam needs more highly skilled people in science and technology, policy making and service delivery. Vietnamese employers are looking for a *package of high quality skills*, which includes:

*Cognitive skills* (logical, intuitive and creative thinking, problem solving, verbal and mental abilities)

*Behavioural skills* (social and soft skills, decision making, interpersonal skills); and

*Technical skills* (manual dexterity for using complex tools, occupation-specific knowledge).<sup>13</sup>

Employees also need *advanced soft skills* (such as analysis, management and leadership skills) to effectively apply their knowledge and skills for better workforce results.

Technical and Vocational Education and Training (TVET) and general education systems do not meet the skill needs of the workplaces of 66 per cent of international firms in Vietnam, including both job-specific technical skills and “soft” skills for application in industrial competitive environments<sup>14</sup>.

The basic and secondary education sectors have already benefitted from sizeable sector based support by the World Bank (WB) (in primary) and the Asian Development Bank (ADB) (in secondary education), including significant levels of expert technical assistance and capital and operating cost funding. After ten years investment, results have included increased access to learning and more students are succeeding in achieving higher levels of learning attainment, sufficient to allow for increasing transition enrolment from primary into lower secondary and from lower to upper secondary. In turn this has also enabled a growing increase in school leavers who qualify for and demand access to higher education, forcing the expansion of the system as well.

The decentralisation in Vietnam means there is a need for HRD support at the provincial level as well as the central level. There are differences in the skill sets needed for Vietnamese working outside of the major cities, to those working in central agencies. These workers generally use skills that support *policy implementation* and *community development*, as opposed to *policy development* skills. Lower human resource capacity, fewer training and professional development opportunities, and lower levels of autonomy all contribute a more challenging HRD environment for provincial areas.

Notwithstanding the achievement in improving schooling, the quality of education and training at all levels for achieving higher knowledge, skills and competencies in Vietnam continues to be a concern.

### Higher education

The higher education sector is unable to meet market demand in terms of both quantity and quality. Although the number of university students has doubled since 1990<sup>15</sup>, the number of teachers remains virtually unchanged. Vietnam currently has 228 colleges and 118 universities, with a projected increased need for 314 colleges and 259 universities by 2020<sup>16</sup>. With only a few exceptions, most of Vietnam's universities are very small by regional and world standards, most being less than 3000 students. Consequently the total increase in capacity of student places is not keeping up with demand or population increase. This constrains the participation rate, which remains much the same at the end of the first decade of the 21<sup>st</sup> Century (approximately 13-15 per cent) as it was in 1975 (approximately 15 per cent). This is well below estimates of 20 per cent in China, 91 per cent in Korea, 32 per cent in Malaysia and 43 per cent in Thailand<sup>17</sup>. Thus Vietnam remains well behind its industrialising neighbours in South East

Asia in establishing a transition of its higher education system from an elite to a mass system that better supports advancing economic and industrial growth.

The quality and relevance of teaching and research also needs to be improved, together with improvements in capacity of graduates to translate their knowledge and skill into more effective practice in the workplace, i.e. “employability”. The demand for quality higher education is demonstrated by over 106,000 (of more than 2 million Vietnamese tertiary students)<sup>18</sup> studying in 49 foreign countries in 2012 (over 24,000 of whom had enrolled in Australia)<sup>19</sup>. The majority of self-funded students who study overseas, including in Australia, choose to enrol in business, commerce and finance courses as it is perceived there are more jobs in these areas in Vietnam.

The Government has been implementing the *Higher Education Reform Agenda (2005-20)* to expand the system’s capacity and to improve **quality** and **equity** of access, and has received significant donor funding (including from the WB, ADB, United Nations (UN), Japan, Korea and Germany) in support of the plan. Progress to date has been patchy. Much remains to be achieved by the Government in implementing effective regulatory reforms that facilitate quality teaching and research, together with necessary changes to the resourcing of the system to support the expansion of capacity while ensuring it is accompanied by continuous quality improvement and social inclusion and equity. There is also a need to expand the range of occupations for men and women by dismantling gender stereotyped courses.

### Technical and vocational education and training

Despite GOV’s efforts, the technical and vocational education and training (TVET) system remains complex, with multiple stakeholders operating at different levels, which has led to many inefficiencies and duplication of efforts. To overcome the skill gaps in Vietnam’s workforce which currently hinder its private sector growth and global competitiveness<sup>20</sup> the country needs to focus on developing a quality, demand-led TVET system that is responsive to the needs of business and the private sector. GOV has recently accelerated its efforts in improving TVET quality by establishing a system of vocational colleges that aim to meet ASEAN and international standards, comprising 26 colleges by 2015 and 40 colleges by 2020 respectively<sup>21</sup>. However, the current funding, design and implementation of training programs is still government controlled and centrally regulated with only very limited participation of industry, which means it is not market driven. Other key challenges to the TVET sector include the variance in the quality of training and graduates; inadequate teaching quality due to low levels of teachers equipped with both theory and practical experience<sup>22</sup>, high unit cost due to inefficiencies in the unreformed regulation of the training and employment of trainers, a low value public perception on TVET, and a pressure to meet the ASEAN’s mutual recognition framework that would allow regional labour mobility by 2015.

### Inclusive education

In responding to the various development needs geographically, ranging from traditional to more sophisticated work areas, workers’ skills in both Vietnam’s rural and urban areas need to be upgraded. There is a particular need to support more inclusive access for tertiary education and professional development opportunities to support those with disability and those from disadvantaged rural areas. Enrolments by the majority Kinh are almost four times higher than enrolments by ethnic minority groups, reflecting the lower enrolment rates at primary and secondary levels<sup>23</sup>. Improving educational levels and technical expertise of ethnic groups in remote, disadvantaged areas will contribute to poverty reduction and reduce education inequality. People with disability are generally excluded from vocational education, employment and enterprise development sectors. Forty-six per cent of people with disability have never attended school, and as a result, have a much lower literacy rate. As a consequence, unemployment rates are higher (30 per cent) and 32 per cent of households with a family member who has disability live below the poverty line.

## Gender

Vietnam is one of the Asia-Pacific region's leading countries in terms of gender equality, particularly in closing the gap in education, health and employment. While the gender gap at primary, secondary and tertiary education levels has substantially reduced, the ratio of women holding a decision-making position is relatively low at all levels of government.<sup>24</sup> Gender disparities also exist at the postgraduate level, with women holding only 30 per cent of Master degrees and 17 per cent of doctorate (PhD) degrees, and fields of study are highly gender segregated.<sup>25</sup> The retirement age for women is 55 (compared to 60 for men). Alongside the unequal division of domestic work and women being commonly regarded as the primary (unpaid) care giver to all family members, this differentiation in retirement ages brings an overall impact on the level of professional development opportunities invested in women, promotion opportunities, lost income due to shorter working time, and lower retirement pensions. While there is a high overall employment rate for women, they are segregated in informal and more vulnerable types of employment with no social protections or benefits and lower wages<sup>26,27</sup> Care giving and domestic responsibilities limit women's participation in paid employment.

## Public sector capacity

**At the central government level** 10 per cent of the workforce (five million), 46 per cent of whom are women, is classified as state employees. Of these, the sectors with the most state employees are education (32 per cent), health and social services (8 per cent), and public administration (3 per cent)<sup>28</sup>. There are 22 central Ministries and ministerial-level agencies and eight independent agencies attached to the Government or the Prime Minister. The *Public Administration Reform Master Plan 2001-2010*, which focused on decentralisation, defining of functions, modernising public financial management, e-government and civil service reform, achieved a number of successes, particularly in the simplification of administrative procedures. However, there has also been slow translation of policy into actions<sup>29</sup>. In 2007, the government launched *Project 30*, a plan to cut its administrative procedures (red tape) by 30 per cent. As a result, there has been a steady improvement in many aspects of public administration, with a reduction in unnecessary bureaucratic procedures and improvement in the quality of staff performance<sup>30</sup>. However, challenges remain with the recruitment and retention of qualified and motivated human resources in the sector to deliver quality public administrative services, while competing for talent with a rapidly growing private sector.

While salary is the key variable by which the state and the private sector compete for talent, many other factors also contribute, such as the organisational processes and culture that allow staff to use their talents and be rewarded for their efforts. A World Bank study found that on average, government salaries do not appear to be grossly out of line<sup>31</sup>. To improve workplace effectiveness there also needs to be a transition from undesirable behaviour (such as nepotism and patronage and the practices of simultaneously working multiple jobs across the public/ private sectors, which are pervasive in the civil service, though also exist in the private sector).

**At the provincial government level** Vietnam has devolved administrative and service delivery units (such as health care and education) to provincial and lower levels of government. With increasing decentralisation, Vietnam's provinces and large cities (Ha Noi, Ho Chi Minh City, Hai Phong, Da Nang and Can Tho) now have the autonomy to prepare their own development plans, allocate budgets and monitor the implementation of these schemes. The capacity of local staff to plan, allocate resources and execute programs, however, is limited. There is devolution of HRD to provinces and communes, but generally they are expected to follow strict regulatory or central implementing circulars for approaches and content. This limits the capacity for innovation and adaptation to local or industry needs.

**HRD planning and management capabilities**, particularly corporate governance, are also insufficient and poorly qualified. HRD planning is constrained by limited institutional capacity and poor data and management informational systems in various sectors. For example, in the tertiary education sector, management is too centralised and does not provide autonomy and accountability for individual

universities/colleges. Corruption, in particular the practice of unofficial payments for grades and for staff promotions, compromises the quality of the education system, in particular for employers in recruitment. Weak coordination between all actors (government, education providers, industry, development partners, students and their parents) constrains information flow. This coupled with low capacity, weak incentives, and a lack of autonomy for education providers, are impediments to strengthening partnerships, for better coordination within the sector.

The *Manpower Master Plan 2010-20* also acknowledges that state budgets for HRD are limited and state capability for management of manpower development is limited<sup>32</sup>. While provinces have some scope for making decisions about human resources, the management of human resources must adhere to the many central standard rules and processes. The plans on staffing must be approved by the Provincial People's Councils and must meet the quotas and norms determined by the central government. Available evidence shows that in practice, the autonomy of provinces with regard to key personnel is substantially constrained. In-depth interviews conducted in 2007 to inform the *Vietnam Development Report 2010* found that the degree of autonomy of provincial governments in terms of selecting, appointing and promoting key personnel was quite limited, as the Party Committees at provincial and higher levels play important roles in making these decisions<sup>33</sup>. Notably, women's role as Chair of these committees is especially low (ranging from 1.5% at provincial level to 4% at commune level), and likely diminishes attention to women's ascension in government.<sup>34</sup>

## Private sector

Private sector growth is restricted by skill gaps in the workforce. The private sector contributes to economic development by generating jobs and incomes, as well as through investments, new technologies, knowledge transfer, and enhanced productivity. This is particularly true in Asia, where much of the recent success in reducing poverty has been due to robust economic growth stimulated by the private sector<sup>35</sup>. Equipping Vietnamese workers with the right skills will enable them to continue to take advantage of expanding opportunities in a growing, non-agricultural private sector. A secondary or tertiary education degree is increasingly a predictor of employment chances within Vietnam's urban private sector<sup>36</sup>. Austrade has identified skill shortages in the following private sectors: Information and Communication Technology (ICT), electronics, healthcare, tourism, aviation, shipbuilding, manufacturing, waste treatment and financial services (banking, insurance and securities). It also identified skill shortages in the following skill areas: English language, nursing, pharmacy, hospitality, pilot training, accounting and auditing, machine operation, component manufacture and assembly, engineering (design and development), computer literacy and programming/software engineering and management (decision-making, leadership, delegation, motivation)<sup>37</sup>.

## Investment in HRD

### Government of Vietnam's HRD response

Education and training are top priorities for the Vietnam government, which needs to equip the labour force with scientific, technological, and management skills. The *Vietnam Socio-Economic Development Plan (SEDP) 2011-2015* identifies HRD as one of three key breakthrough areas to achieve Vietnam's development goals.

Primary responsibility for tertiary education, TVET and public service capacity development lies with the Ministry of Education and Training (MOET), the Ministry of Labour, War Invalids and Social Affairs (MOLISA), and the Ministry of Home Affairs (MOHA). The majority of central Ministries also fund and manage sector-based tertiary training institutions to meet their respective sector HRD needs<sup>38</sup>.

The central policies relating to HRD are expressed mainly through the *Vietnam Manpower Development Master Plan (2011-2020)*, the *2005 Higher Education Reform Agenda*, and the *2012 Higher Education Law*. Within those policies the Government aims to increase a trained workforce from 20 million in 2010 to

44 million by 2020 (of a total expected population of 97 million)<sup>39</sup>, to have over four universities and 10 vocational training schools meeting international standards and to have 30 per cent of university lecturers with doctorate degrees by 2020<sup>40</sup>. The Master Plan focuses on university and vocational training, but does not consider HRD policy development, capacity and efficiency of HRD institutions, curriculum and wage reform and evaluation of quality of education and training. Increasing the quantum of teachers with Master/PhD levels is important to improve the quality of teaching and research in the tertiary sector. This also needs to complement pedagogic and educational management reforms. Given available human and financial resources, many of the Master Plan targets are unrealistic and are generally not derived from relevant market based assessments. Mobilisation of resources for a ramp-up in education and training will require expansion of the government share of budget allocations for TVET and Higher Education, continuation of significant levels of ODA support, as well as significantly increased involvement of enterprises and the private sector.

Central ministries are expected to produce their own manpower plans in line with the national plan and sectoral needs. Effective planning is constrained by limited institutional capacity and weak baseline data. This has meant the forecasting of labour and skill in some ministries is not evidence-based or linked to market change and is still constrained from the top-down planning approach.

The GOV has an increased focus on reforming the TVET sector, including developing TVET institutions. The *Vocational Training Development Strategy (2011-2020)* aims to ensure vocational training will satisfy the labour market needs; the quality of some occupations will reach that of developed countries; and vocational training will produce a contingent of skilled employees to contribute to improving national competitiveness.

The GoV has opened its tertiary education system to include international institutions<sup>41</sup>. Australia (with twenty institution linkages) has the 4<sup>th</sup> highest such linkages, behind only the USA, France and UK<sup>42</sup>. This is a higher proportion, relative to the much larger number of institutions in those comparison economies, and it offers Australia a good potential base for future partnerships for development in targeted HRD investment. The GOV is also exploring options of cost-sharing with development partners on HRD initiatives.

## Donor landscape

A significant portion of aid provided to Vietnam is in the form of low interest loans from the ADB, WB and the Japanese and Korean development banks<sup>43</sup>. Australia is the largest bilateral grant donor.

With respect to HRD, the development partners have to some extent concentrated their activities to specific education and training sub-sectors. WB, ADB and the United Nations Educational, Scientific and Cultural Organisation (UNESCO) are lead donors in primary and secondary education; WB, ADB, Australia (through scholarships) and New Zealand (through scholarships) are lead donors in higher education; and ADB, Germany, Japan, and Korea are lead donors in TVET. With multiple stakeholders, there is considerable potential for duplication of activities in the education sectors. To minimise this, MOET leads the Education Sector Group, composed of education-related government agencies and development partners. Similarly on the TVET sector, MOLISA co leads the Vietnam Development Partnerships Forum TVET Network with MOET and Germany to strengthen coordination and cooperation in TVET investment. The Australian Department for Foreign Affairs and Trade (DFAT) meets regularly (formally and informally) with the key development partners in Vietnam to discuss education and training issues and coordination/ harmonisation.

Even with these efforts, there is still a need and demand from GOV for support to implement the reforms being developed, and quality tertiary education until Vietnam is able to provide this itself. The HRD development needs of Vietnam are extensive, and too large an arena for relatively small donors to expect to have an adequate impact from broad-based interventions. It is therefore proposed that the Strategy for investing in HRD in Vietnam will be selective, will seek to build on areas where Australia has well

established expertise and experience and will be targeted to relatively narrow priority sectors and themes (as aligned with Australia's Vietnam Aid Investment Plan).



## Australia's support

### Current support

Australia is a medium-size donor to HRD in Vietnam. Australia's almost 40 years of investment in higher education scholarships is well-recognised and highly-regarded.

HRD is one of three pillars of the current Australia-Vietnam Joint Aid Program Strategy 2010-2015, along with economic integration, and environmental sustainability. The broad strategic objective of HRD under this strategy is "to improve the quality of Vietnam's human resources". Through this objective, Australia is committed to improving the quality of Vietnam's human resources across the strategy's objectives—to build individuals' skills and impact, strengthen public institutions, and promote Australia–Vietnam linkages through knowledge and experience exchange. This support is reaching and tailored for staff working in central and local government agencies, lecturers in higher education institutions and locally based non-government organisations. We continue to prioritise support for disadvantaged groups, including people with disability and in remote rural areas. Without Australia's support, these target groups would have limited opportunities to study in quality higher education degree programs overseas.

From 2013-15, around AUD 100 million has already been committed for existing HRD investments under the aid program. Australia Awards Scholarships (AAS) currently absorb about one-third of the annual bilateral aid funding to Vietnam and is a commitment until 2015-16. This combined with a reduction in the annual funding envelope commencing in 2013-14, means there is limited funding flexibility within HRD until 2015-16. Any new major investments from 2016-20 will need to be met through the scaling-down of (and therefore savings from) existing programs.

To date, the majority of HRD support has been through the flagship AAS program, which boasts more than 3,500 alumni. Australia is one of the leading scholarship providers to Vietnam. The GOV would like this support to continue, but has also asked Australia to consider supporting short term training that can be delivered in Vietnam to support needs that are not best met by long-term training and will allow greater attention to the needs of the many larger numbers who are not able to qualify for Higher Education or take time out from careers to study in Australia.

Other support through the aid program includes Australian volunteers (currently 60 new volunteers annually), Australia Awards Fellowships (AAF) for short-term training and work attachments, in-country Master of Engineering scholarships, and grants to support in-country organisations with blended learning innovations (information technology use, such as lectures using video conferencing equipment, web-based forums and on-line learning platforms). The other two country strategy pillars also provide in-country short-term training.

Other Australian Government agencies also support HRD in Vietnam. The Department of Education and the Australian Centre for International Agricultural Research (ACIAR) also provide scholarships and fellowships under Australia Awards. Defence provides training opportunities in English language, peacekeeping and governance. The Department of Education is also responsible for facilitating international collaboration and partnerships for student mobility and knowledge exchange, influencing education reform and policy development, including on TVET, and coordinates the Australia-Vietnam Joint Working Group on Education and Training. The Australian Trade Commission (Austrade) leads on education services promotion and facilitates commercial partnerships within the education sector.

The HRD pillar under the aid program has consistently met its goals under the annual performance assessment framework. The Australia Awards program continues to receive mostly 'good quality' ratings in its quality at implementation reports<sup>44</sup>. Through its strong reputation and the individual and institutional linkages created through scholarships, the Australia Awards also serve Australia's public diplomacy interests.

Key challenges continue within this existing support to HRD. Analysis of the challenges is informed (but not exclusively) by a mid-term review of the existing scholarship program design in 2011 and from a lessons

learnt study of the scholarship program over the past ten years in 2013. These indicate that the program still has issues with:

- a lack of focused objective and strategy
- insufficient sustainability focus of Australian HRD support, recognising the transition of Vietnam to a medium MIC and a changing donor landscape by 2020
- minimal strategic cohesion between the different modalities and with the broader aid investment in Vietnam
- a lack of complementary HRD support to the long-term scholarship program to enhance the enabling environment for greater alumni effectiveness in the workplace<sup>45</sup>
- limited access to long-term scholarships for middle-level managers, people with disability and other disadvantaged Vietnamese, due to job demands and English language capacity
- diluted impact of support through volunteers and Fellowships due to a lack of strategy and targeting; and
- inflexible nature and lack of control at post of centrally-managed investments, such as Fellowships, Australian Volunteers for International Development (AVID) and Government Partnerships for Development (GPFD) makes it difficult for the program to respond efficiently and strategically to emerging needs.

### **Future support**

The Vietnam Government considers that HRD is one of three key areas integral to its economic development. It is in Australia's national interest to support Vietnam with its HRD needs to help it meet its economic development goals. It will deepen our education relationship, including within academia and business, and continue to support our foreign policy goals.

Australia's new Aid Policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability* states that *promoting economic growth and poverty reduction requires a foundation of strong human development*. HRD is crucial for Vietnam's economic growth. Australia's Foreign Minister referred to education as a "central pillar of the Australian aid program... integral to developing engaged citizens who are able to contribute to their communities and influence decision-making"<sup>46</sup>. The Australian Government has confirmed education and training as a priority for the aid program, which will have:

- a strong emphasis on skills and technical training that is designed to respond to labour market demand and, especially in the Pacific, enhance labour mobility
- increased investment in educating women and girls
- a stronger concentration of the scholarships program in the Indo-Pacific region, complementing the New Colombo Plan's outward bound scholarships program for Australian undergraduates (not aid-funded).<sup>47</sup>

With Vietnam's aim and transition to become a medium MIC by 2020, the shape and size of the Australian aid program and the Australia – Vietnam diplomatic relationship will continue to evolve, and will likely have a greater focus on a multi-dimensional relationship between equal partners. The HRD Strategy will take this into account, including through Australia's choice of support areas and modalities, which need to be able to respond to emerging priorities over the next seven years while the relationship evolves into a new type of engagement.

This HRD Strategy is important for ensuring a more effective, efficient, focussed, and results-based aid investment in HRD. In particular, it aims to:

- maximise linkages and complementarities between HRD investments, other Vietnam aid pillars under the Aid Investment Plan for Vietnam, and WOG efforts
- provide a theory of change and performance assessment framework to better target and manage for results; and
- expand our involvement from 'program management' to a strategic engagement of targeted research and analysis and policy dialogue with GOV that guides future investment designs.

Australia's future HRD support will align well with Australia's new aid policy through promoting learning and leadership for women and those who are disadvantaged, enhancing our engagement with the private sector, and exploring innovative development solutions. We will directly contribute to the following education commitments in Australia's aid policy:

- prioritise skills for growth to enable people to be job-ready and adaptable, by improving access to quality assured technical education and training, which matches the needs of the local private sector;
- innovate for learning and improve education outcomes by working with the private sector and civil society to develop creative solutions to persistent education challenges; and
- continue to enable students from our partner countries to undertake tertiary study in Australia, enhance cross-cultural understanding through people-to-people links and build their capacity to contribute to development in their countries.

This strategy will seek to continue the strong achievements of the existing Australia Awards program to support the insertion into the workforce of new tertiary graduates with international standard knowledge and skills training. It will extend assistance to seek new constructive means to support Australian trained graduates and their employers to make effective use of the new skills to improve workplace outcomes in selected areas that have agreed priority for development assistance.

# Guiding definition & principles

## Definition of HRD used in this strategy

“Human Resource Development is the enhancement of knowledge, skills and competencies of citizens, and of capacities for applying them effectively towards the advancement of the nation’s development goals”

‘*Knowledge*’ identifies what a person needs to know to perform the work in an informed and effective manner;

‘*Skills*’ describes the application of the knowledge to situations where understanding is converted into a workplace outcome; and

‘*Competencies*’ are the consistent application of knowledge and skill to the standard of performance required in the workplace.<sup>48</sup>

## Principles

The focus of the strategy is guided by the principles deemed most important for Australia’s investment in HRD in Vietnam:

- Utilise **Australia’s strengths and interests** that are recognised in Vietnam by our aid efforts to date
- Be **realistic** about the results Australian assistance can achieve with the resources available and in the Vietnam context
- Demonstrate **value-for-money** in maximising the impact of Australia’s assistance through strategic aid delivery and partnerships
- Promote **sustainability** and **ongoing engagement** with Australia beyond the strategy period by working with Australian government departments, organisations and institutions and deepen ties with Vietnam

Annex A provides a summary of Australia’s support for each principle.

# Theory of change

The Government of Vietnam's HRD goal is to "improve the quality of human resources to meet the socio-economic development needs associated with Vietnam's progression to an industrialised country by 2020" as set out in *Vietnam Socio-Economic Development Strategy 2011-2020* and *Vietnam Manpower Master Plan 2010-20*.

Australia recognises two intermediate outcomes that are necessary to achieve this goal:

- Increased numbers of high quality tertiary graduates and skilled technicians
- Strong workplace enabling environments for skill utilisation within the public and industry sectors

Annex B describes the specific HRD areas that would contribute to these outcomes. It identifies the areas that will receive Australian support.

Australia has a reputation for excellence in the tertiary education sector. The GOA continues to see tertiary education as a flagship of Australian aid in Vietnam and will contribute to this sector. In order to ensure we have the greatest impact with these investments and that our aid is efficient and effective, a theory of change has been developed. This will guide how we chose to invest our resources so that we get the greatest return in line with Australia's national interest.

Australia's end of aid outcome for its HRD Strategy in Vietnam is:

***Vietnam accesses and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and inclusive development, and enduring links with Australia***

The theory of change for the HRD Strategy is that:

- If Vietnamese individuals and their workplaces receive targeted assistance for learning (for example tertiary education, professional development, higher level leadership, technical and management knowledge and skills), they will acquire new capacity and, if in an enabling environment, utilise it to contribute to enhancing the quality and productivity of policy making and service delivery activities in their workplace and sector; and
- If this process of acquiring and using new knowledge and skills is focussed and linked to Australia's strengths and agreed priority areas supported by the Australian Government, the cumulative effects from continuing individual, organisational and sectoral improvements will lead to measurable development outcomes for the core area of work. Over the medium-long term, such effects will contribute to strengthening of relevant areas of Vietnam's development.
- If learning assistance is delivered in Australia, by Australians in Vietnam, or through Vietnam-Australia organisational partnerships, the relationship between both countries will be strengthened and will foster long-term learning opportunities and sustainable links between individuals and organisations.

To realise the end of aid outcome, the following three inter-related **intermediate outcomes** are proposed:

4. *Increased number of high quality tertiary graduates and skilled professionals and technicians in selected priority areas*
5. *Stronger workplace enabling environments for skills utilisation in selected priority areas*
6. *Australia and Vietnam have stronger, sustainable links in selected sectors*

Annex C provides a summary of Australia's support by outcome and how it will contribute to Vietnam and Australia's HRD goals.

**Outcome 1** contributes to Vietnam nationals' *access to quality* professional and technical knowledge and skills. It aims to expand the pool of Vietnamese with higher professional and technical capabilities, and ensure better access to learning opportunities for disadvantaged Vietnamese. It builds on our current HRD support through the Australia Awards, as an asset of the Australian Government support for HRD in Vietnam that is highly recognised by GOV. The support encompasses quality study programs that are recognised in the Australian Qualifications Framework and which may be both long and short term studying opportunities for tertiary education teachers and researchers, government and non-government workers, especially in priority areas of the aid program in Vietnam. Support would be designed to meet the HRD needs of each group, including the disadvantaged such as ethnic minorities, rural poor and people with disability.

Over time we will increase our engagement on TVET to ensure sustainable solutions to Vietnam's vocational needs. This may extend to establishing initiatives to improve the Vietnamese TVET sector's responsiveness to industry needs through enhancing TVET-private sector engagement.

*Skills utilisation is an important element of workforce development and is increasingly recognised .. as just as valuable to productivity as skills acquisition*<sup>49</sup>. **Outcome 2** contributes to the utilisation of high level knowledge and skills by improving the enabling environment in selected organisations. More effective skills utilisation is expected to improve organisational performance (for example in the quality and productivity of policy making, production, innovation and service delivery). More effective skills utilisation is also expected to increase employee job satisfaction, motivation and commitment through greater access to learning, leadership and career pathways in the workplace.

Support for this outcome is expected to be implemented at three levels:

At the **individual** level, Australia Awards alumni will be supported to reintegrate into the workplace, and to effectively utilise and transfer their skills.

At the **organisational** level, up to 10 targeted public, private and/or CSOs in 2-3 priority sectors will be supported to strengthen their enabling environment for skill utilisation. Flexible technical assistance (TA) and customised short-course training will be used to i) improve the levers for skill utilisation (e.g. leadership, technical and management training for the managers and supervisors who have influence over fully utilising and developing the skill-sets of their staff; ii) improve skills utilisation delivery practice (e.g. good human resource practices; skills audits; enterprise-level competency frameworks; job design; mentoring; knowledge transfer)<sup>50</sup>.

Female mid-career managers will be given priority to participate in technical and leadership training opportunities to help narrow the gaps in professional development and promotion opportunities that Vietnamese women are facing as compared to their male counterparts.

At the **sectoral level**, subject to further preparatory and analytical work, Australian investment may also support and complement the broader sectoral reform work of the GoV and other development partners to develop and implement competency frameworks (and competency-based training) for agreed occupations within 2-3 priority industries.



**Outcome 3** contributes to *enduring links with Australia* through implementation of Outcomes 1 and 2. The expansion of Australian Government-funded alumni (including Australia Awards, Australian Volunteers and New Colombo Plan alumni) will help grow individual linkages between Australia and Vietnam. Strengthened partnerships in selected sectors between Australian and Vietnamese organisations will help facilitate sustainable and professional/business relationships, beyond development assistance. Moreover, our investments in facilitating these linkages will assist Australia Awards alumni to keep abreast with new knowledge development in their work areas and enhance their capabilities to make contributions to Vietnam's development.

## Assumptions

Australia's investment on its own will not achieve the higher level goal. We will focus on the areas where we have a comparative advantage and continue to work with other donors to ensure the whole sector is adequately addressed.

Other assumptions inherent in this theory of change include that:

- access to tertiary education and advanced professional and technical skills training will equip beneficiaries with new knowledge and skills relevant to the development priority areas of Vietnam
- that Australia's investment will gain greatest impact if it builds on the strengths of Australian expertise and experience, and that the primary modality for this will remain funding of scholarships for Vietnamese to study in Australia to ensure best exposure to the expertise and the rich learning environment in Australian institutions;
- that support for creative partnerships between Vietnamese and Australian entities to support selected areas of workplace operational reform with competency standards and competency based training will build on the tertiary learning experience and allow significantly more Vietnamese to share in the opportunities to learn and improve skills and work outputs
- Vietnamese awardees and other HRD aid beneficiaries have a positive experience and develop ongoing links with Australia
- alumni of tertiary scholarships will return to Vietnam and undertake employment in relevant development areas and remain working in such areas for sufficient time to make contributions that have potential to cumulate and make measurable impacts over the medium term
- Vietnamese employers/workplaces are willing to, and have the flexibility to, create an enabling environment to maximise utilisation of advanced knowledge and skills in order to improve their organisation's productivity.

# Approach

## Assessment of current efforts to achieve the strategy outcomes

Australia's current efforts would not meet all of the strategy's intended outcomes and outputs. A portfolio centred on one modality – the Australia Award Scholarships – cannot meaningfully contribute to Outcomes 2 and 3 without additional complementary interventions. The three outcomes are interlinked. If one outcome is not supported strategically and adequately, it will impact on the other outcomes being achieved. This is particularly, but not exclusively, true for Outcome 3, which is reliant on the partnerships developed through tertiary education, professional development, and organisational capacity and systems support. Furthermore, the program cannot rely solely on initiatives that are globally competitive and not guaranteed for Vietnam, to support short-term activities and partnerships between Australia and Vietnam.

## Approach for strategy support 2014-2020

### Overarching strategy approach

Australia's approach and the delivery of support will be based on the principles (as outlined in the Focus section) – using Australia's strengths and interests; being realistic and selective; demonstrating value-for-money; and promoting sustainability and ongoing engagement.

Australia's future HRD support in Vietnam aligns well with Australia's new aid policy. It will extend Australia's interests through, for example, the positive recognition of the quality of the Vietnamese graduates from Australian higher education and the ongoing linkages between alumni and Australia. It will promote growth by increasing the knowledgeable and skilled workforce in Vietnam and for example, through supporting enabling environments for skill utilisation leading to increased organisational productivity. Scholarships and training support will be targeted to women, people with disability, and the disadvantaged in rural and remote areas in Vietnam. The strategy includes empowering women through equal access to the Australia Awards and improving the work status of women through supporting workplace change in human resource practices and through targeted leadership and management training.

The new investments will explore innovative ways to engage the private sector, for example working with Vietnam TVET institutions in establishing competency-based training to develop job-ready and adaptable graduates. It will also work with targeted organisations to implement innovative human resource practices to support effective skills utilisation. The strategy promotes cooperation with the most effective partners, including other Australian Government agencies, a small number of Vietnamese organisations that are prepared to be accountable for change in the workplace, and other development partners with common objectives.

The strategy presents a strategic transformation of the HRD portfolio in Vietnam, from using a modality-based approach to a strategic-based approach that is supported by a package of modalities. Its core is to provide a more comprehensive and integrated solution and to do this it will target organisations within priority areas. It takes a holistic approach to making advances in all three areas of Knowledge, Skills and Competencies. This includes those learned via higher education, formal TVET, or activities that relate to the

application of KSC in workplaces. Australia's aid focus will be determined based on the selected themes, and organisations within those themes, and will not be targeted to particular provinces.

## Modality selection

The choice of modalities (e.g. scholarships, volunteers, linkage programs, TA, short term training, other targeted support etc) and mode of delivery within each modality (e.g. courses in-Australia, in-Vietnam or a combination) will be based on the specific HRD needs of the target groups, to ensure aid effectiveness and value for money while contributing to Australia's economic diplomacy agenda. Flexible, combined use of modalities to targeted areas would allow Australia to support gaps and complement the support provided by other development partners in a strategic and selective manner.

Most existing modalities will continue, but with a tightened focus. Some may be reduced in budget to allow the bilateral program to support new interventions required to meet the Strategy's HRD outcomes.

Most of the inputs will support multiple outcomes and are also interlinked with other inputs.

**Outcome 1** will provide scholarships for formal Australian tertiary education opportunities for Vietnamese (degree programs and AQF award courses). Priority access will be given to lecturers and workers of selected priority organisations to acquire specialist, high level knowledge and skills in selected areas.

**Outcome 2** will provide informal short course training to middle-level managers, especially women, of selected organisations; and advisory support, including through Australia-Vietnam partnerships, to improve sector and organisational capacity for skills utilisation. Outcome 2 is a new focus area for Australia. GOA will undertake preparatory work, including research and consultations, to determine the shape of the inputs that will support achievement of the outcome.

For both outcomes, the use of flexible modes of training (e.g. in-Australia, in-Vietnam or a combination) will be considered to respond to the different needs (including language of instruction) of the targeted groups.

**Outcome 3** is linked to the inputs provided under the other two outcomes to help sustain the bilateral relationship through organisational and individual linkages. Australia will work more closely with Australian Government-funded alumni (Australia Awards, Australian Volunteers and New Colombo Plan alumni) to maintain and expand linkages between Australia and Vietnam, create networks between the different streams of alumni, and provide opportunity for alumni to further contribute to Australia's engagement in Vietnam (e.g. advising on HRD needs and approaches, participating in sectoral design and review activities, mentoring other alumni and participating in alumni/awardee activities).

## Targeting

The strategy will address priority HRD needs in a number of selected areas of the aid program. Focus areas under the aid program may change as Australia transitions from the current Country Strategy (2010-15) to the new AIP post 2015. Given the current Country Strategy expiry date, and the time required to implement the preparatory work under the HRD Strategy, targeting will sensibly align to the focus areas under the new AIP. Areas that will likely continue to be of priority for Australia, such as *economic integration* and *HRD* (including TVET), can immediately be identified for targeted support. Investments in these areas, in particular TVET, will require more preparation and consultations. Recognising these sectors are too broad to have any meaningful impact with Australia's level of resources, the program will identify up to 10 organisations Australia is already working with, and that are key to Vietnam's development within these sectors. A strong commitment and collaboration from these organisations is essential to the effectiveness of Australia's support.

The approach of supporting targeted areas (and organisations) is of most relevance and benefit for Outcome 2, and will be partially adopted for the other outcomes. This approach is to recognise the competitive nature of the scholarship, fellowships and partnership programs, and their ability to flexibly

respond to Vietnam's broader HRD needs. Targeting for individual investments is explained further under *Investments* below.

Preparatory work will also be undertaken to consider targeted support for women, people with disability, ethnic minorities, and those from rural areas. This work will provide input to program design considerations as to how to effectively increase the proportion of the HRD support that will directly benefit people with disadvantage in Vietnam. Support would aim to improve the work environment in selected sectors/organisations to enable them to become more gender-responsive through work areas including, but not limited to, promoting gender-responsive budgeting and M&E, promoting women's economic empowerment through more learning opportunities for female disadvantaged and female managers; and more inclusive workplaces for people with disability.

## Flexibility

Support will retain an intentional degree of flexibility to allow the program to respond to emerging development and public diplomacy needs. Flexibility allows Australia to implement the HRD Strategy in a *staged approach* that makes sense for the program. Australia will have a new AIP from 2016 so flexibility is required to ensure the strategy's alignment with any new focus areas. Flexibility also allows Australia to maintain support and linkages in areas that have received Australian assistance in the past, such as ongoing support for earlier Australia Awards alumni who have studied in a broad range of sectors, and non-government organisations (NGOs) that have hosted Australian volunteers.

## Delivery mechanism

This strategy supports the establishment of a HRD Program that will implement multiple Australian programs, including:

- management of the scholarships; and
- research and technical assistance to identify, select and implement support for targeted workplace partners.

Identified partners may be linked to alumni or existing Australian partners, and must be willing to incorporate competency approaches to workplace operations, and support the adaptation and delivery of relevant workplace oriented short course training.

A Program's flexibility also includes scope to manage a relatively *fixed* operating fund for expenditure on the scholarships program alongside a *flexible* fund to support emerging needs for the workplace support element.

A Program approach will help ensure a cohesive package of support for selected organisations. It will maximise efficiencies in implementing costs and provide a mechanism to flexibly and efficiently respond to immediate professional and technical training needs of the priority organisations in parallel with formal tertiary education. It will motivate Australian and Vietnamese stakeholders to explore opportunities to work together. A Program could also support promotion and demand for other modalities, such as AAF, GPFD, and AVID.

## Research

From 2014-2015, GOA will conduct research to fill information gaps and help Australia tailor and design its future HRD support. Research may be funded through Vietnam bilateral funds, existing bilateral investments or regional adviser resources, or through DFAT existing partnerships with the Overseas Development Institute or UN Women. Priority research will be undertaken on the following:

- Feasibility of supporting TVET through collaboration between Vietnam and Australian TVET Colleges, and Australian industry partner(s) with interests in Vietnam. Industry sectors would be

aligned to Australia's national interests. Lessons would be drawn from established models by Germany and Korea. This research will inform the next research on *identifying priority organisations, in particular for the HRD/TVET area*.

- Identifying up to 10 organisations in Vietnam to receive targeted HRD assistance, and identify their priority HRD needs. Organisations could be government departments, civil society organisations, or businesses, but should be organisations Australia is already working with. The criteria for organisation selection will include: i) alignment to Australia's future aid priorities for Vietnam (including economic integration and TVET); ii) level of commitment from the organisation and capacity/willingness to take new reform steps to adapt and implement Australian experience; and iii) strategic importance to Vietnam's development. Selection of organisations will consider a balanced approach between supporting central agencies in major cities, and key organisations in provincial areas, including CSOs.
- The barriers affecting female middle-managers in being promoted to senior/leadership positions, in order to design targeted support for women.

## Investments

### Australia Awards Scholarships

This program will continue to be a flagship of Australia's HRD support to Vietnam, building on Australia's extensive experience and good reputation in providing access to higher education opportunities. The next phase of AAS in Vietnam will be from 2016. The program will have fewer long-term scholarships in the next phase. To maximise impact of the scholarships, the program will provide some priority access for up to 10 organisations (from the government, civil society and the private sector) that are strongly aligned to Australia's aid program. Scholarships will be linked to the priority organisations' HRD plans with studies/training focussed on a set of well-defined fields. The level of education qualification needed by these organisations may vary. The new phase will include an open category to ensure flexibility within the program to meet other HRD needs in other sectors, and as a strategy to transition effectively from the current relatively open AAS program. Lecturers and officers in positions of leadership/influence will continue to be prioritised to maximise impact. Access and support for people (in particular women) with disability and from rural areas will also continue to be an important feature, with the continuation and enhancement of the program's Gender Social Inclusion Strategy. The new phase will build on the alumni support currently offered, with greater emphasis on sustainability of alumni linkages, and how Australia can work/engage with alumni better. The program will research and design the new phase in 2014-15. Its scope will include the following considerations:

- the research on selection of priority organisations to be recipients of scholarships (as described under *Research* above);
- inclusion of TVET scholarships for specific training skills related to work processes or technology applications, in addition to Master and PhD level scholarships;
- quotas for disadvantaged Vietnamese (rural and people with disability); and
- delivery models including in-country scholarships, formal joint (or 'sandwich') programs, and in-country scholarships for Australian Qualification Framework (AQF) recognised qualifications. In-Australia scholarships would be reserved for high-level university qualifications not available in Vietnam and for selected TVET course component units that will upgrade skills, where the competency or content is not available in Vietnam.

Until early 2016, the program will continue to implement the current AAS with reduced scholarship numbers (with implementing partner Coffey International), and adapting the program where possible to respond to the results of the research being undertaken to help with transition to the new phase.

### Short course training

Informal short course training will become a new investment for Australia. They will aim to meet different skills needs than longer-term scholarships, such as technical and soft-skills, including leadership and management training, linked to the understanding, development and use of competency based approaches in workplaces. Designed to be tailored, completely demand-driven, and with flexible delivery (including in local language) and partnership options, this modality will complement, but not duplicate AAF. The courses will also be designed to complement AAS and will be offered to the same priority organisations supported under AAS. As with AAS, the organisations will determine the type of training support needed, and identify the training participants within their workplaces. Short course training will be considered in the research and design of the new phase of AAS. Considerations in the design for short course training will include:

- machinery of the modality, including the conditions/competitiveness of access
- training delivery through partnerships with Australia and private industry in Vietnam, and/or with cost-sharing support from the organisations
- targeted support for female employees, provincial employees, and inclusive access for people with disability; and
- potential for scalability.

### Australia Awards Fellowships

AAF will continue to provide other short term training and work attachment opportunities. They are in high demand in Vietnam. Based on partnerships with Australian organisations and support delivered in Australia, they are best prioritised to support activities that require exposure to Australian work practices and culture, skills and knowledge. Prioritisation will also be given to activities that complement other Australian Government efforts. However Fellowships will remain a flexible mechanism to support proposals outside of these efforts, based on alignment to Vietnam's development needs and quality of proposal.

### Government Partnerships for Development

GPFD is a globally competitive initiative that supports ODA activities by Australian public sector organisations (including Commonwealth, state and territory government agencies and public universities) in recipient countries that align with Australia's ODA goals. GPFD is based on partnerships between Australian and Vietnamese public sector organisations, and will help the program contribute to meeting Outcomes 2 and 3. Vietnam will continue to be an eligible country under GPFD. From 2014-15 (Round 2 or 3), Vietnam-specific priorities will apply to improve the *relevance* of proposals (to Australia's ODA goals in Vietnam) and *efficiency* of DFAT resources to manage the program. In 2014, DFAT in Vietnam will develop the priorities in consultation with the GPFD Secretariat.

### Australian Volunteers for International Development

AVID will continue to contribute to Australia's development and public diplomacy goals in Vietnam. Australia will transition from one-off volunteer placements in a broad range of organisations in Vietnam, to a more strategic, long-term approach in targeted organisations, aligned strongly with Australia's aid program. At least 20 per cent of placements will be kept flexible to respond to new opportunities and emerging needs. The targeted approach would allow organisations in Vietnam to design specific roles for Australian volunteers and benefit from their placements over a longer period of time so these organisations can sustain contributions/roles performed by volunteers beyond AVID assistance. This would



include a tailored approach for the organisation, taking advantage of the long-term (AVID) and short-term (Australian Business Volunteers) schemes – which target different volunteers and provide varying lengths of placements. Volunteer placements will continue to be demand-driven, and will be strongly guided and approved by the Australian Government, in line with the needs it identifies through its other investments and engagements. All volunteer placements require a lengthy planning period well in advance of actual assignments. Already, 67 per cent of volunteer placements to end 2014-15 are committed. In addition, placements with new host organisations require extensive engagement and planning with the organisation before it is viable to place volunteers. Transition to the strategy approach will be managed carefully in collaboration with AVID implementing partners. Australia will look for opportunities to support organisations outside of the major cities, particularly where a long-term approach can be adopted, and where the placement would complement Australia's other efforts in that province. It is also important to manage host organisations' expectations, particularly in relation to the voluntary nature of volunteers and its implications, and to appreciate the difference between volunteers and other support modalities such as technical assistance in an organisational setting. Australia will also encourage more Australian organisations (government departments, educational institutions, NGOs and private sector enterprises) to become *Australian partner organisations* with volunteer host organisations in Vietnam. Australia will continue to work with AVID core partners (currently Australian Volunteers International and Scope Global) to implement AVID in Vietnam.

### Technical Assistance

Beyond the assistance provided under the global GPF and AVID programs, additional technical assistance by Australian or local specialists will be considered to support Outcome 2. This could for example, support the design of tailored short courses to meet priority organisation needs; assist organisations with the development and adoption of competency frameworks; provide advice on innovative human resource practices and access to innovative learning; train-the-trainer facilitation; and as well as providing advice on policy dialogue. Strategy implementation will ensure that value-for-money is achieved in the deployment and remuneration of advisers.

### Policy dialogue and partnership engagement

In transition from a modality-based to a more strategic, theme-based approach, this strategy emphasises a greater importance of active consultations, engagement and policy dialogue with GOV, WOG and other development partners in Vietnam. Investment in policy dialogue and partnerships will complement Australia's investment in 'programs'. In consultation and coordination with their economic, education and trade counterparts, Australia's aid representatives will increase their engagement with key stakeholders, including the Vietnamese ministries of education, labour, and planning. They will promote Australian values and interests, seek to understand the values and interests of Vietnamese and other stakeholders, and support the policy processes of the Vietnamese government. This investment will allow Australia to share information and lessons, keep Australia abreast of other activity in the sector for potential collaboration and avoid duplication of efforts. It will feed into the design of our interventions to ensure their relevance and effectiveness, and help identify threats to Australia's programs allowing Post to anticipate and mitigate risk.

The Department of Education is responsible for policy dialogue in education across all sectors, i.e. early childhood, basic education, higher education, TVET, as well as non-award programs such as English Language for overseas students. The Department of Education engages in dialogue related to system reform, quality assurance and qualifications recognition, promoting Australian education quality and expertise, teacher education, transnational education, student mobility and research collaboration. The Australia-Vietnam Education Joint Working Group, Australia's formal bilateral forum for education matters is led by the Department of Education for Australia.

With the level of policy engagement from the Department of Education, and that of larger donors (in particular Germany) taking the lead on HRD policy engagement, it's important for Australia's policy dialogue and partner engagement at the development cooperation level to be focussed. The areas of focus should be aligned to Australia's national interest and experience. This includes tertiary education (including higher education and TVET), and social inclusion.

Collaboration and coordination between the various GOA agencies in the HRD sector is crucial. Internally, the Australian Embassy Hanoi's Education Working Group provides a formal mechanism for ensuring cohesion in Australia's efforts and policy messages.

Externally, Australia's aid representatives will participate in the Education Sector Group (led by the United Nations), the Vietnam Partnerships Development Forum Technical Working Group on Vocational Training, and the Scholarships Working Group. Australia will formally update GOV on its HRD assistance (and overall development assistance) at the biannual High Level Consultations with the Ministry of Planning and Investment, GOVs lead ODA ministry.

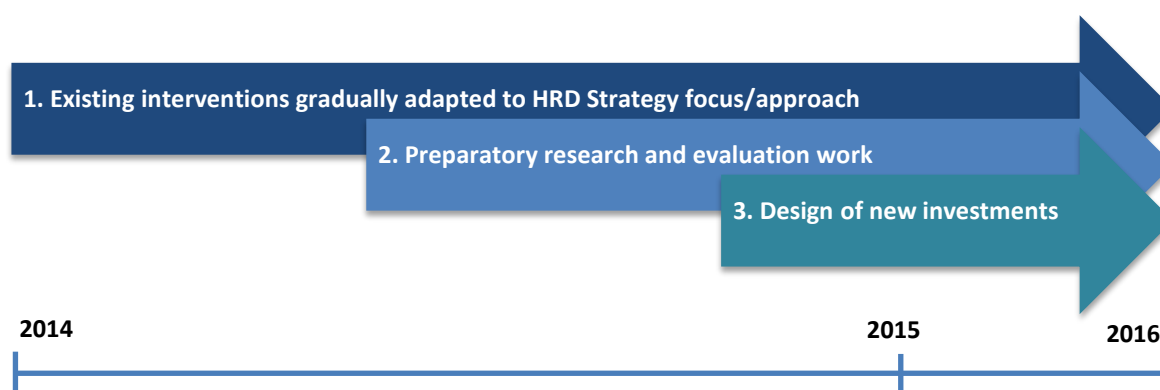
Acknowledging that most engagements don't begin with or be sustained by formal dialogue, Australia will continually monitor the environment for informal engagement opportunities, and ensure the necessary resources are available and can capitalise on these opportunities when they present.

Australia will utilise its strong network of alumni (who graduated from Australia), Australian volunteers working in Vietnam, and private sector linkages to leverage policy dialogue.

# Management

## Managing program delivery and transition

Transition from the current HRD portfolio to the one outlined in this strategy will need careful management and planning. The major transition is the scaling down of the AAS program (currently the main modality of support), and the development of other investments (such as short course training and TA) in order to transition to a more holistic package of HRD support. [Figure 2](#) below outlines the sequence of priorities (which overlap) to achieve transition:



The individual activities that fit within the above priorities are detailed in the Gantt chart at [Annex D](#). This demonstrates the HRD activity pipeline. The pipeline considers appropriate sequencing and prioritisation of activities, and realistic time commitments. It will also contribute to staff performance management by informing Individual Performance Agreements of the core HRD team.

## Staff resourcing

The existing five-member HRD Team based in Hanoi will be primarily responsible for managing the strategy implementation:

- The team is led by the Second Secretary Development Cooperation, who is responsible for setting the strategic direction (with Counsellor Development Cooperation), policy engagement and relationship management, and program oversight
- A team of four locally-engaged-staff (LES) are responsible for managing HRD investments, policy support and relationship management. The Vietnam aid program's Gender Focal Point role is located within this HRD team, which will help to ensure a strong gender focus in Australia's HRD efforts.

The existing HRD Team has extensive development experience (over 65 years) and is well-placed to deliver the HRD Strategy. However, the required skill set of the HRD team over the strategy period will likely have some differences from the current skill set. Research and analysis, communication, and design skills will

be more important under the strategy. The program needs to ensure staff have the tools to manage the transition to a different support model.

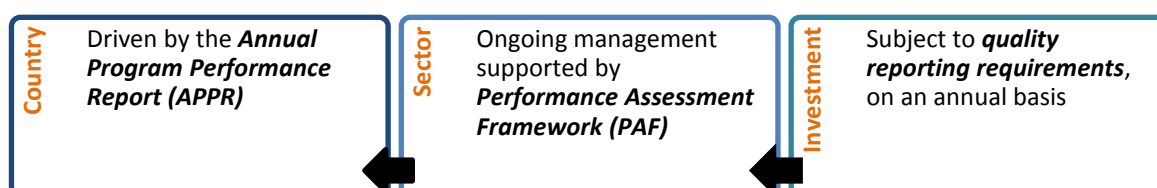
From 2014-16, the program will undergo a period of heightened workload during the research and design work necessary for strategy implementation. This preparatory work will require high level strategic, research and analytical and technical knowledge of the tertiary education sector. It is proposed additional advisory services (with the aforementioned skills) be recruited to provide technical assistance to help the HRD Team with this work.

The core HRD Team will also receive the following ongoing support by a range of other in-house and external resources:

- the **other Vietnam sector teams** (*Infrastructure and Governance; Climate Change; and Water and Sanitation*) and **Mekong Regional Hub** will provide access to a range of specialist expertise in their areas of responsibility, including Social Development, Economic Development, Disability Support, and Civil Society. HRD is cross-cutting. Support from these areas will help to ensure HRD support for sectors and organisations are relevant and need-based
- **DFAT headquarters** will set policies (in particular for centrally-managed investments), fulfil ministerial responsibilities, and manage in-Australia relationships and representational duties
- external support from key **WOG partners**, in particular the Department of Education and Austrade, and advisory services through the **Aid Advisory Services Panel** which will provide independent advice/expertise, and take advantage of expertise/knowledge within the Australian Government.

## Managing performance

The Vietnam Program is supported by a robust performance management system for its management at the *country*, *sector*, and *individual investment* levels, which feed into one another from the investment level up. These components contribute to Australia's aid program performance framework *Making Performance Count: enhancing the accountability and effectiveness of Australian aid*. Investments under the HRD Strategy will have a strong focus on results and working with delivery partners who will be selected based on their preparedness to be accountable for outcomes and an assessment of their effectiveness and capacity to deliver.



For the HRD Strategy, a PAF will be the primary planning and management tool to help the program manage for, and report on, results at the sectoral level. The PAF is at [Annex E](#). It represents the information known at the time of strategy development, and will evolve and become more comprehensive as preparatory work (foundational activities) is completed and other investments are developed. In accordance with PAF guidelines, input targets and annual targets for the change indicators will be determined as part of design work.

The HRD Strategy will be subject to a **mid-term review** in 2018 to assess Australia's progress to meeting the strategy goal, outcomes and PAF milestones. It will consider whether there are any major changes that need to be made to the outcome areas and of Australia's approach. This will also inform the Vietnam AIP

beyond 2020. A *final review* of the HRD Strategy will be conducted in 2021. HRD Strategy stakeholders including Australian WOG, GOV, implementing partners and other sector stakeholders, will be invited as appropriate to participate in these processes.

## Managing risk

Transition to a different HRD delivery approach and entering into new investment areas brings a level of risk to the aid program. The Risk Matrix at [Annex F](#) outlines the sectoral risks associated with the HRD Strategy that have been identified to date. These risks will be managed in accordance with the Aid Programming Guide. Risks associated at the individual investment level are captured separately under the risk plans for each respective investment. Risks identified at the sectoral and investment levels feed into the overall Vietnam Program's *Risk Register* and *Post Risk and Fraud Management Plan*. Through this plan, HRD sectoral risks will be updated and monitored on a biannual basis.

## Communicating results

Results and lessons from Australia's HRD support will be communicated through appropriate channels to ensure Australian identity, and provide opportunity for Australia and other partners to learn from Australia's experience in this area. Australia will capitalise on the 'investment in people' nature and public diplomacy aspect of its HRD efforts by working with alumni and volunteers to promote Australia's development results and opportunities. Australia will continue to be an active contributor to social and other online media. Post will work closely with communications resources based at Post and headquarters.

# Annexes



## Annex A: Principles

### Principle 1 – Australia’s strengths and interests

**Australia’s support for tertiary education will be broadened to include both higher education and TVET** to meet Vietnam’s selected skill needs in these sub-sectors, such as strengthening teaching and management capabilities of lecturers/trainers and managers, including female leaders. Australia’s tertiary education institutions operate at high international standards including recognition of six universities in the top 200 as measured by the two main indexes that measure ‘world-class’ status in research and standards. Almost 40 years of investment in higher education scholarships and 4,500 alumni from Australian Government funded long and short term training assistance provides Australia a strong experience and reputation base from which to grow assistance through higher education and professional development training. However, Australia’s strengths go beyond quality higher education delivery. The GOV recognises Australia as a leader in TVET quality assurance, competency-based standards and training, with strong industry links. This, together with an active Department of Education presence in Vietnam on TVET policy engagement, provides a good foundation for Australia to provide targeted support to both the higher education and TVET sectors.

**Support should be focussed on the sectors and themes that are in the national interests of Australia and Vietnam.** The new AIP (from 2016) will determine these areas for Australia and the strategy will be flexible to changing Australian Government priorities. To respond to emerging priority HRD needs that fall outside of the AIP, **flexibility should be maintained.** Post has identified other ministries that could benefit from Australian support, such as Science and Technology for help with research and methodology standards.

**Australia will support the adoption of workplace competencies and leadership and management within selected sectors and organisations.** This will complement Australia’s investment in tertiary education and maximise development outcomes. Efforts in this area will help address the slow adoption of formally-recognised competency standards into individual sectors. *The workplace culture, leadership style and work organisation are critical to whether workplace competencies can be used effectively for performance improvement<sup>1</sup>.* The same applies for the effective use of skills and knowledge gained through formal education. As proven in a 2012 Monitoring and Evaluation (M&E) study of the Australia Awards program on the impact of alumni in selected Vietnamese government agencies, their effectiveness was greater in the agency that received other forms of HRD support in addition to scholarships, as opposed to those that received stand-alone scholarships.

**Australia should expand its support for women, people with disability, ethnic minorities, and those from rural areas.** Access to quality education beyond basic education and to good jobs is much lower for women and other disadvantaged groups. The priority needs can also vary, and careful consideration needs to be given to ensure support modalities are helpful. Prioritisation to these Vietnamese should continue through the Australia Awards. Targeted and tailored support should also be provided to respond better to the needs of these individuals, through direct support to individuals, or government and non-government organisations that support these individuals.

---

<sup>1</sup> Source: VHRDS: Analytical & TOC Report, Ceri Bryant and Gai Sheridan

## Principle 2 – Be realistic

Australia will support the building of Vietnam's technical and professional skills. This focus will complement efforts of larger development partners and provide support to identified gaps where Australia can meaningfully add value. Limited budget flexibility within the aid program and an already heavily invested area by GOV and other development partners means the strategy must be realistic and selective in order to maximise Australia's investment impact. Australia's resources, both human and financial, are likely to remain steady throughout the strategy period. Therefore, the strategy would need to be supported by resources similar to the current level. Australia does not have sufficient technical and financial resources to meaningfully contribute to all three areas that support skills development – early childhood, basic education, and tertiary education - nor sector wide systemic reform or large-scale education infrastructure in Vietnam. As described in the development context section, all of these areas already receive significant support from larger donors while progress on systemic higher education and TVET sector reforms has been patchy.

## Principle 3 – Value-for-money

Program design and implementation will insure that the investments satisfactorily meet effectiveness and efficiency standards reflecting value-for-money principles. Robust quality systems will ensure that **funding is directed to investments making the most difference**. Australia will strategically match the right delivery mode to the training need, target support to people and activities that will have greater impact, and look for opportunities to leverage or cost-share with GOV or other partners including business. The strategy will also leverage value from money from current and earlier investments through building stronger relationships with the Australia Awards alumni. Such approaches are all key to achieving value-for-money and maximising the impact of Australia's investment.

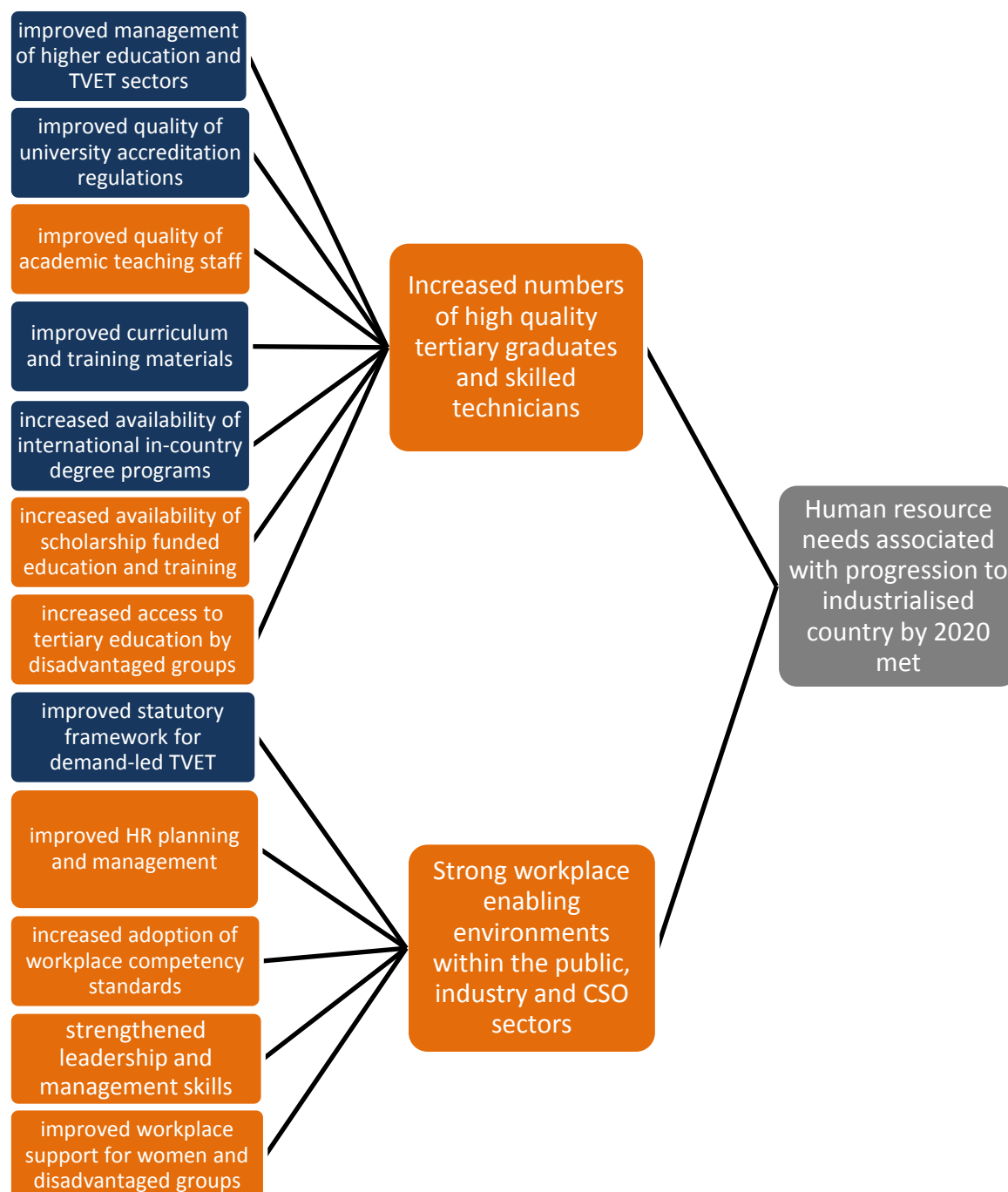
## Principle 4 – Sustainability and ongoing engagement

Aid interventions should complement or leverage linkages and policy dialogue by other GOA agencies, in particular on mutual priority areas like tertiary education with the Department of Education, and private sector development and aid-for-trade initiatives with Austrade. Efforts in these areas will contribute to developing enduring linkages between Australian and Vietnamese education institutions, business, government, and non-government organisations. **Supporting modalities that facilitate Australia-Vietnam organisational links** – such as Fellowships, GPFD and AVID - will help Australia to sustain diplomatic, cultural and trade relationships with Vietnam.

## Annex B: Theory of Change

■ Australia's strategic contribution (*may also complement the work of other donors*)

■ Other donors contribution/working on these areas



## Annex C: Summary of Australia's Support

### *Vietnam's HRD Goal*

Human resource needs associated with progression to industrialised country by 2020 met



### *Australia's HRD end of aid outcome*

Vietnam accesses and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and social development, and enduring links with Australia



### *Australia's HRD intermediate outcomes and interventions*

Increased number of high quality tertiary graduates and skilled technicians in selected priority areas	Stronger workplace enabling environments for skills utilisation in selected priority areas	Australia and Vietnam have stronger, sustainable links in selected sectors
<p>Australia will:</p> <ul style="list-style-type: none"> <li>• continue to provide scholarships for higher education</li> <li>• continue to target lecturers and officers in positions of leadership / influence through scholarships</li> <li>• expand HRD support for women (particularly mid-career managers), PWD, ethnic minorities and those from rural areas through appropriate targeting and delivery approaches</li> <li>• explore the feasibility of delivering in-country scholarships (for AQF recognised qualification including delivered through formal joint (or 'sandwich') programs )</li> <li>• explore the feasibility of establishing initiatives to improve the Vietnamese TVET sector's responsiveness to industry needs through enhancing TVET-private sector engagement.</li> </ul>	<p>Australia will:</p> <ul style="list-style-type: none"> <li>• support Australia Awards alumni to reintegrate into the workplace, and to effectively utilise and transfer their skills</li> <li>• provide HRD support to targeted organisations to enhance the enabling environment for skills utilisation</li> <li>• support the development and application of workplace competency standards in selected government, private sector and community service organisations</li> <li>• provide tailored technical, leadership and management short courses (including curriculum development, access to innovative learning and train-the-trainer facilitation)</li> <li>• support the development of inclusive workplaces in targeted sectors/organisations, including leadership training for women</li> <li>• adopt a strategic, long term approach to the placement of volunteers in targeted organisations</li> </ul>	<p>Australia will:</p> <ul style="list-style-type: none"> <li>• work with alumni of the Australia Awards and New Colombo Plan programs, self-funded Vietnamese graduates of Australia and Australian Volunteers to maintain and expand constructive development linkages between Australia and Vietnam</li> <li>• explore the feasibility of supporting TVET through collaboration between Vietnam and Australian TVET Colleges and industry partnerships</li> <li>• focus support on activities that could benefit from exposure to Australian advanced knowledge and technical skills, and workplace competency based practices</li> <li>• encourage more Australian organisations to become partner organisations with volunteer host organisations in Vietnam</li> <li>• promote relevant twinning arrangements between Australian and Vietnamese organisations in priority sectors through GPFD and Fellowships</li> <li>• complement or leverage linkages and policy dialogue by other GOA agencies and alumni</li> </ul>

## Annex D: Gantt Chart - indicative HRD activity pipeline

	Foundation Activities/Inputs	2014				2015				2016				2017				2018				2019				2020			
		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
	1 <i>Current Australia Awards program (scholarships, alumni activities)</i>																												
1.1	Implementation of the current design (2009-2016)																												
1.2	Program review																												
	2 <i>In-country Master of Engineering Scholarships</i>																												
2.1	Implementation of the ME program																												
2.2	Review of the pilot program																												
	3 <i>Australian Volunteers for International Development</i>																												
3.1	Implementation																												
3.2	Program review (global)																												
	4 <i>Partnership grants</i>																												
4.1	Government Partnerships for Economic Development																												
4.2	Australia Awards Fellowships																												
	5 <i>Research</i>																												
5.1	Feasibility study for TVET /private sector engagement/ partnership																												
5.2	Priority organisations for targeted HRD support																												
5.3	Barriers to women's participation and promotion in the workplace																												
	6 <i>New HRD Facility (Australia Awards Scholarships, organisational support/short term training, targeted support for gender/disadvantaged, TA, alumni activities)</i>																												
6.1	Concept																												
6.2	Design																												
6.3	Tender, contract & mobilisation																												
6.4	Implementation																												
	7 <i>HRD Strategy / Facility M&amp;E</i>																												
7.1	Mid-term review (of the HRD Strategy/HRD Facility)																												
7.2	End of HRD Strategy review (2021 - TBC)																												
	8 <i>HRD policy dialogue</i>																												

## Annex E: Performance Assessment Framework

### Part I- Overall Program strategy objectives and outcomes

Development Objective to 2014-20:		<i>Vietnam accesses and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and inclusive development, and enduring links with Australia</i>		
End of strategy outcome to 2020	End-of-strategy outcome indicators (2020)	Data source and baseline	Target	Key assumptions
<b>Vietnam accesses and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and social development, and enduring links with Australia</b>	(i) Records of actual changes in organisations linked to activities/advice of alumni/trainees; (ii) 3rd party observations of relative effectiveness of changes implemented; (iii) quantitative data on actual change in production, sales/trade etc or quality in government/services delivery; (iv) qualitative data (rubrics) on development impact of actual results recorded.	<b>Impact Evaluation:</b> Recommend - (i) survey of employer organisations of Outcome 1 Alumni, plus of Outcome 2 trainees to assess indicators in column B); (ii) Baseline data on Outcome 2 training and changes in workplace processes/outputs to be designed consistent with focus of Impact survey and implemented as each organisation contract is established;	Organisations (government, enterprises, CSOs) demonstrate clear level of improvement in quality of work outputs or expanded production/ services that are directly relevant to listed development area. (each organisation will have specific detail).	That: (i) Australian Aid funding for the HRD Strategy is maintained at sufficient level to permit planned numbers of Outcome 1 awards consistently over each year and adequate resourcing for the targeted Outcome 2 organisations to benefit from support for competency based reform to workplace processes and management ; (ii) the DFAT and the HRD Program manage timely and effective implementation process to ensure sufficient time to allow impact to occur and be measured; (iii) Vietnam and Australian partners demonstrate commitment and diligence to implementation activities. <b>[Refer additional assumptions at Outcome levels]</b>
<b>Key evaluative questions for end-of-strategy outcome</b>	(i) Are the HE/TVET knowledge and skills to be learned through scholarship awards being targeted to the most appropriate development needs and have the best potential for measurable impact over about five years after return to Vietnam?; (ii) Are causal links between new knowledge of alumni/trainees able to be attributed validly (even if partial)?; (iii) qualitative judgements from independent 3rd party expert observers to make assessments on the DEGREE of change actually achieved in organisation process and quality results from use of new K/S/C; (iv) quantitative data (where feasible) on <b>actual increase in target result per organisation</b> , e.g. quality and /or coverage of government services, production or new trade established, new capacity to sustain training after end of TA support from Australian partners; and (v) program wide data confirm actual increase in numbers of women gaining higher management positions; (vi) increase in numbers of PWD, ethnic minority/rural poor whose individual circumstances show improvement after participation in activities.			
<b>Overarching evaluative questions: (implementation processes)</b>	(i) are program implementation milestones being met on time?; (ii) are Australian TA advisers/training provider partners ensuring appropriate expert personnel with fit-for-purpose knowledge and skill in teaching trainer-trainers in CBT techniques? (new NCVER research shows some concerns about effectiveness of training in CBT techniques in RTOs); (iii) are TA/training activities in Vietnam being delivered with appropriate quality, linked to experience in Vietnam implementing environments?; (iv) are Vietnam leaders in organisations (especially government) sufficiently committed to change to be pro-active in solving institutional implementation barriers and in building sustainability?			

### Part II - Outcome 1

<b>Overall HRD Delivery Strategy Development Objective to 2020:</b>	<b>Vietnam access and uses high level technical and professional knowledge, skills and competencies, to contribute to the country's sustainable economic and social future, and enduring links with Australia.</b>
---	--

End of strategy outcome to 2020	End-of-strategy outcome indicators (2020)	Outputs	Intermediate outcome/output indicators	Key assumptions
<b>Increased number of high quality tertiary graduates and skilled technicians in selected priority areas</b>	Extent of change (in selected priority areas in Vietnam) that have personnel with new Australian tertiary learning <b>who are actively deploying:</b> (i) advanced technology solutions from Master/PhD Awards in production industry/sectors; (ii) PhD level technical/professional knowledge in teaching delivery; (iii) PhD knowledge to generate more local research relevant to emerging Vietnam challenges; (iv) vocational /technical skills (Certificate III/IV equivalent level) in production/industry, commerce/trade, and government/social services; (v) more Vietnam women, rural and PWD have achieved higher learning outcomes.	1. Expanded pool of University graduates awarded Australian Degrees for advanced professional & technical knowledge in selected priority areas (Est. total over 5 yrs - <b>xx</b> by agreed category - Including: (i) <b>xx</b> Advanced technology for industry production; (ii) <b>xx</b> Advanced knowledge/analytical/soft skills for governance/management in public & private sectors; (iii) <b>xx</b> PhD qualified university teacher/ researchers in target sectors 2. Equity of awards to women/men maintained over 5 years and gradual annual increase (from baseline) of awards to people from ethnic minorities, rural poor and PWD.	% increase annually of graduates of Australia Awards in agreed categories returning to Vietnam and taking up employment in work areas relevant to use of new advanced knowledge/skills.	<b>Assumptions</b> - That: (i) that Australian Aid funding for higher education scholarships is maintained at sufficient level to permit planned numbers of awards consistently over each year; (ii) scholarships are granted and higher capacity is developed in professional and technical fields relevant to strategically important areas for development; (iii) sufficient Australia Awards applications of adequate quality are received by women/men and PWD to sustain filling equity target; (iii) Investing in support for TVET training leaders in priority sectors will build new local capabilities to investigate needs and to adapt relevant Australian industry based competency standards to improve training programs delivered through sectoral TVET training institutions; (iv) relevant Australian RTOs will be prepared to be engaged in partnership activities and will have appropriate internal capacity and adaptability to assist Vietnam partners to engage successfully in new CBT programs
<b>Key evaluative questions for end-of-strategy outcome</b>	<i>Set out key evaluation questions that will be asked in relation to this outcome (or set of outcomes). These should be linked to the program logic and its assumptions. These questions can be answered either through a formal evaluation or alternatively as part of the annual reflection process drawing on research, collected data and analysis.</i>		<i>Set out additional data sources that will be drawn on to answer the key evaluative questions.</i>	
<b>Overarching evaluative questions:</b>	<i>Set out key evaluative questions relevant to the program as a whole. This should include questions that go to general program performance, cross-cutting issues, etc (as distinct from specific, outcome related questions). These questions can be answered either through a formal evaluation or as part of the annual reflection process drawing on research, collected data and analysis.</i>		<i>Set out additional data sources (not referred to above) that will be drawn on to answer the key evaluative questions.</i>	



## Part II - Outcome 2

Overall HRD Delivery Strategy Development Objective to 2020: Vietnam access and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and social development, and enduring links with Australia.				
End-of-strategy outcome to 2020	End-of-strategy outcome indicators (2020)	Outputs	Intermediate outcome/output indicators	Key assumptions
<b>Stronger workplace enabling environments for skills utilisation within selected priority areas</b>	(i) Extent of change (in selected sectors and organisations in Vietnam) in number of senior leaders who are deploying new skills in their workplaces; (ii) selected organisations applying new competency standards; (ii) Australia Awards alumni integrating new advanced knowledge and skills into their workplaces; (iii) adopting / implementing competency systems to improve organisational performance in selected clusters of production /industry, commerce /trade, and government/ social services; (v) more Vietnam women, and people from ethnic minorities, rural poor and PWD have completed training based on relevant workplace competencies.	(i) managers of selected organisations have improved management and leadership skills (to lead change in HR practices for skill utilisation); (ii) managers of selected organisations have increased awareness of gender issues in their organisation; (iii) competency frameworks developed and implemented in selected organisations; (iv) a target number (xx) of women, people from ethnic minorities, rural poor and PWD have acquired management and leadership training (that lead to their improved prospects for productive employment and/or promotion to leadership roles)	(i) Number of Australia Awards alumni who report effective skills use and transfer; (ii) Number staff who complete tailored short course training in each targeted workplace per annum/total over 5 years; (iii) 2-3 integrated TA/training activities in selected sectors completed and assessed as satisfactory in building capabilities of selected sectoral training leaders in identification and development of competency based standards; (iv) 8-10 integrated TA/training activities completed and assessed as satisfactory in supporting selected organisations in reforming local workplace practices to use competency standards and training to optimise higher level skills to improve results and productivity; (iv) 100% of above organisational level activities meet targets for inclusion of participants from equity target groups; (vi) 30% of TA activities are designed primarily for the needs of specific target groups; (vii) 60% of TA activities contain design features to target enhancing skills of female mid-career managers to narrow the gaps in professional development and promotion opportunities they face.]	(i) Scholarships and training is provided in areas where there are employment opportunities for alumni; (ii) Organisations support alumni to utilise and transfer their higher skills to advance the outputs and outcomes of the government agency or industry/business; (iii) Vietnamese organisations have the freedom and are willing to embrace changes to their human resource practices to create an enabling environment for skills utilisation (for alumni and others); (iv) Vietnamese organisations are prepared to support change to improve the work status of women within their organisation; (iv) investing in support for the application of workplace competencies in selected organisation workplaces of returned alumni, or to other areas where it can build on and complete an existing process of change, will create an enabling environment to optimise the alumni's use of advanced knowledge and skills to benefit changes in quality outputs and productivity; (v) Australian Aid can sustain sufficient funding to ensure quality TA/Training activities are designed and implemented in the timeframe; (vi) the Program manages processes effectively to ensure an appropriate timeframe in designing and procuring the relevant TA/training expertise with Australian TVET partners.
<b>Key evaluative questions for end-of-strategy outcome</b>	<i>Set out key evaluation questions that will be asked in relation to this outcome (or set of outcomes). These should be linked to the program logic and its assumptions. These questions can be answered either through a formal evaluation or alternatively as part of the annual reflection process drawing on research, collected data and analysis.</i>		<i>Set out additional data sources that will be drawn on to answer the key evaluative questions.</i>	
<b>Overarching evaluative questions:</b>	<i>Set out key evaluative questions relevant to the program as a whole. This should include questions that go to general program performance, cross-cutting issues, etc (as distinct from specific, outcome related questions). These questions can be answered either through a formal evaluation or as</i>		<i>Set out additional data sources (not referred to above) that will be drawn on to answer the key evaluative questions.</i>	

	<i>part of the annual reflection process drawing on research, collected data and analysis.</i>	
--	--	--

## Part II - Outcome 3

<b>Overall HRD Delivery Strategy Development Objective to 2020:</b>	Vietnam access and uses high level professional and technical knowledge, skills and competencies to contribute to the country's sustainable economic and social development, and enduring links with Australia.			
<b>End-of-strategy outcome to 2020</b>	<b>End-of-strategy outcome indicators (2020)</b>	<b>Outputs</b>	<b>Intermediate outcome/output indicators</b>	<b>Key assumptions</b>
<b>Australia and Vietnam have stronger, sustainable links in selected sectors</b>	Australia and Vietnam diplomatic, trade and cultural engagement enhanced through sustained positive people-to-people and organisational partnerships in HRD.	(i) Alumni have and maintain positive perception of Australia; (ii) People-to-people and professional linkages nurtured and sustained; (iii) organisational links or partnerships continue to expand and create productive cooperation with mutual benefits and development;	(i) % Alumni demonstrate (a) positive attitudes to Australia; (b) % continuing relationships maintained through regular contact; (ii) % Alumni actively foster new or expanded professional/business relationships focussed on pro-active cooperation for development; (iii) Increased numbers of Australian organisations seek to participate actively in cooperative development activities with Vietnam partner organisations for development	(i) Awardees form positive links with Australians and a positive perception of Australia whilst on-award; (ii) Sufficient funding is allocated to post-award activities to facilitate ongoing linkages; Scholarships for Australian higher learning and training is directed to courses/providers that build on Australia's Tertiary and TVET strengths that are directly relevant to Vietnam priority need area; (iii) relevant Australian training and business organisations will have appropriate internal capacity and adaptability to assist Vietnam partners to engage successfully in new HRD programs.
<b>Key evaluative questions for end-of-strategy outcome</b>			<i>Set out additional data sources that will be drawn on to answer the key evaluative questions.</i>	
<b>Overarching evaluative questions:</b>			<i>Set out additional data sources (not referred to above) that will be drawn on to answer the key evaluative questions.</i>	

## Part III - Monitoring tables

Results Hierarchy	Indicators	Data source / means of verification	Baseline (Year)		Annual Performance (Year 1 2015)	Annual Performance (Year 2 2016)	Annual Performance (Year 3 2017)	Annual Performance (Year 4 2018)	End of strategy performance (Year 5 2019)
At the start of the strategy, programs may not be able to set realistic milestones and targets. Milestones may be developed (and/or modified) during the life of the strategy as the realistic rate of change becomes more apparent.									
Overall HRD Delivery Strategy Development Objective: Vietnam accesses and uses high level professional and technical knowledge, skills and competencies, to contribute to the country's sustainable economic and social development, and enduring links with Australia.	Impact Evaluation: Recommend - (i) survey of employer organisations of Outcome 1 Alumni, plus of Outcome2 trainees to assess: (a) Records of actual changes implemented from activities of alumni/trainees; (b) 3rd party observations of relative effectiveness of changes implemented; (c) quantitative data on actual change in production, sales/trade etc or quality in government/services delivery; qualitative data (rubrics) on development impact of actual results recorded.	DFAT Aid data, refer note below; plus MTR and Impact survey; Baseline data to be collected from organisations in Outcome 2 at time of approval/contracts. This data to focus on matching information to be sought in Impact evaluation survey (Column B).	2015. refer note below.	Target:	TBA in Program design, as funding etc determined.	TBA	TBA	TBA	TBA
				Actual:	Insert actual performance data for the relevant year	Insert actual performance data for the relevant year	Insert actual performance data for the relevant year	Insert actual performance data for the relevant year	Insert actual performance data for the relevant year
Outcome 1:									
End-of-strategy outcome - Refer Outcome 1	[Abridged - refer Outcome 1 sheet] - Extent change (additional personnel) who use advanced knowledge/technology in:	(i) Australia Awards Vietnam program data base; (ii) Tracer studies on alumni destination,	2015. (NB due to likely reduction in scholarship awards in next program phase the data on	Target:	TBA in design, as funding etc determined	TBA	TBA	TBA	TBA

sheet	(i) industry/production; (ii) university teaching; (iii) university/RI research for local solutions; (iv) who use TVET certificate/Diploma training in selected workplaces; and extent change in women and PWD who use new training/knowledge in selected workplaces.	work experience and attitudes (as recommended in 2013 M&E follow-up studies); (iii) end term impact studies to assess change in quality/productivity etc (as below in Milestones).	change is NOT compared to earlier phases, but to absolute numbers of new alumni available to Vietnam with higher learning of a <b>quality they would not otherwise have</b> ).	Actual:					
Intermediate outcome or output - Refer Outcome 1 Sheet	% increase annually of graduates of Australia Awards in agreed categories returning to Vietnam and taking up employment in work areas relevant to use of new advanced knowledge/skills. (Annual numbers and % to be agreed at AA re-design)	As above	As above	Target:	TBA in redesign, as funding etc determined	TBA in redesign	TBA in redesign	TBA in redesign	TBA in redesign
				Actual:					
Outcome 2:									
End-of-strategy outcome - Refer Outcome 2 sheet	[Abridged - refer Outcome 2 sheet for detail] - Extent change (numbers of personnel) who demonstrate(i) new knowledge of competency standards; and (ii) are using new knowledge to support productivity/quality change in their workplaces.	AS above; refers to extended data base, or if relevant, to new data base to be established by new HRD Program for Outcome 2.	2015	Target:	TBA in Program design, as funding etc determined.	TBA	TBA	TBA	TBA
				Actual:					
Intermediate outcome or output - Refer Outcome 2 sheet	[Abridged refer above] - (i) Number new staff trained; (ii) Number activities to develop/deliver TA/Training completed satisfactorily at sectoral level; and (iii) at organisation level	As above	2015	Target:	TBA in Program design, as funding etc determined.	TBA	TBA	TBA	TBA
				Actual:					
Outcome 3:									

<b>End-of-strategy outcome - Refer Outcome 3 sheet</b>	[abridged refer Outcome 3 sheet] - Australia/Vietnam relationships enhanced through HRD engagement	Recorded views of DFAT senior managers at Post and Canberra (survey using Rubric measure to be developed at redesign); plus qualitative surveys as detailed below in Milestones	2015	<b>Target:</b>	NA	NA	Mid-term review survey	NA	End Term Review survey (conducted in 2020, after completion)
				<b>Actual:</b>					
<b>Intermediate outcome or output - Refer Outcome 3 sheet</b>	[Abridged refer above] - (i) % report positive & % maintain regular contacts; and (ii) % pro-active in cooperative organisational activities; (iii) Number new Australian organisation engaged in cooperative activities.	DFAT/Australia Awards Vietnam Data Base, as designed for both Outcome 1 & 2	2015	<b>Target:</b>	TBA in Program design, as funding etc determined.	TBA	TBA	TBA	TBA
				<b>Actual:</b>					
<b>Program Milestones (actual)</b>	(i) 2014-16 preparatory assessments completed before formal design of HRD Program; (ii) Program procurement/ establishment completed on time for 2015 start to new activities; (iii) annual targets for Outcome 1 scholarship award processes maintained; (iv) Agreement process for establishing agencies/ organisation in Outcome 2 completed during Program Inception; (v) procurement for activities under Outcome 2 completed by end yr 1, commence	(i) quarterly monitoring by DFAT of timely progress of internal and contracted implementation; (ii) Australia Awards Data Base; (iii) New or adapted data base established for Outcome 2;(iv) Mid-term review (MTR) special Tracer survey of extent of application of learning by Outcome 1 Alumni and Outcome 2 personnel; (v) Regular Tracer surveys PLUS end term impact study to measure <b>change</b>	2015	<b>Target:</b>	Indicators: (i) substantially completed by end 2015; (ii) Program established by end 2015; (iv) within Inception (4 months from commencement); (v) Outcome 2 procurement actions completed; (iii) & (vi) annual award and training targets met; PLUS core issues in Impact evaluation to be agreed in advance this year, to support baseline collections.	Annual Targets for Outcome 1 met; Outcome 2 Activities commenced by mid year	Annual Targets for Outcome 1 met; Outcome 2 targets for training delivered met and Activities of yr 2 subject to MTR survey on application of effective learning	Annual Targets for Awards/training delivered for Outcome 1 and 2 met;	Annual Targets for Awards/training delivered for Outcome 1 and 2 met; end term survey of learning effectiveness commenced; Impact assessment of change in quality/ productivity planned (for implementation in 2020)

	early in yr 2; (vi) annual targets for numbers personnel trained under Outcome 2 met.	in quality/productivity in target organisations.		<b>Actual:</b>	<i>Record actual performance in implementation of the program</i>	<i>Record actual performance in implementation of the program</i>	<i>Record actual performance in implementation of the program</i>		
--	---	--	--	----------------	---	---	---	--	--

## Annex F: Risk Matrix

What might constrain or put at risk the achievement of the delivery strategy outcomes?	What might be the impact be on the program if the risk becomes an eventuality?	Affected outcome areas and level of risk assessed	What actions can DFAT take to minimise, mitigate and manage this risk?
<b>Overall strategy risks</b>			
1. The inherent complexity of an overarching Strategy with a proliferation of initiatives  <i>(e.g. multiple partners, cross sectoral and cross-cutting interests, high number of HRD approaches and initiatives)</i>	A fragmented HRD portfolio that is unwieldy and increases the overall management challenges of the program and diminishes its effectiveness	1, 2 & 3 (high)	<p>Ensure the HRD Program design is focused, including using clustered interventions and clear management/accountability arrangements.</p> <p>Convene a Program Steering Committee early in the program to establish clear agreement on the HRD program's overarching strategic directions and priorities, including considerations regarding the sectors to be supported, the targeting and selection of partner organisations, and types of activities to be supported.</p> <p>Develop, maintain and implement an effective communications strategy to ensure strategic directions, priorities and procedures are communicated and clearly understood by DFAT staff, other GOA partners, GOV stakeholders and delivery organisations.</p> <p>Incrementally establish partnerships with target organisations in accord with DFAT and Program capacity to effectively manage the initiatives.</p> <p>Allocate sufficient and appropriately skilled DFAT staff resources for policy development, partner engagement and program oversight. Maintain program quality by engaging specialist contractors to provide technical expertise.</p>
2. Pressure for DFAT to be responsive to partner demands on an ad hoc basis	A program that is not well integrated and not clearly aligned with the overall vision and strategic orientation	1 & 3 (medium) 2 (low)	<p>Limit the number of partner organisations that have priority HRD support.</p> <p>Undertake annual review of strategy performance including assessment of how different initiatives are mutually reinforcing (through the APPR process).</p> <p>Implement annual strategic planning process to establish clear parameters for support and deliverables for the upcoming period in line with the program's overall strategic direction.</p> <p>Clearly communicate investment decisions to all stakeholders through regular meetings and inclusion in written formal agreements with partner organisations.</p> <p>Maintain an agreed level of flexibility, especially under Outcome 3, to respond to emerging priority HRD needs of partners.</p>
3. Lack of strategic complementation or effective coordination within DFAT or with other GoA agencies providing HRD support in Vietnam	<p>Limited effectiveness and impact of Strategy activities.</p> <p>Confusion of Vietnamese stakeholders and reduction to the positive perception of Australia.</p>	2 (medium) 3 & 1 (low)	<p>The DFAT Vietnam HRD team will work closely with other DFAT areas with programs in Vietnam (for example those managed centrally from Canberra outside of the bilateral funding) to ensure effective integration of support.</p> <p>DFAT will play a key role in facilitating strategic opportunities for linkages and coordination with other GOA agencies implementing HRD programs. This will include regular thematic knowledge sharing and meetings with team leaders (or other staff) from other GOA programs, including during the annual planning process.</p>



<p>4. The timeframe for HRD support may not be adequate to demonstrate results</p> <p><i>(particularly for the new short-term training initiatives or changes in the sectoral priorities in the DFAT Aid Investment Plan for 2016-2020 that will only commence in 2016)</i></p>	<p>Timely development impact of the Strategy.</p> <p>Loss of support for the Strategy and to Australia's reputation.</p> <p>Sustainable reforms may not be able to be adequately established before Strategy end in 2020.</p>	<p>1, 2 &amp; 3 (high)</p>	<p>Undertake relevant research and analysis prior to 2016, so that new initiatives can commence as soon as possible from the start of the new program.</p> <p>Careful assessment and selection of partners that meet established criteria (such as committed leadership, proven record of working with development partners etc) that will support the fast-tracking of implementation of project initiatives.</p> <p>Encourage a culture of continuous improvement among partners and focus on strategic, complementary and mutually reinforcing investments, including those that can enhance the enabling environment for HRD.</p> <p>Agree on and plan for realistic results with robust monitoring and evaluation with respect to innovative or experimental activities that can be used as pilots for broader uptake by GOV or other development partners.</p>
<p>5. Extent of DFAT budget available for the overall Strategy is insufficient to achieve desired outcomes</p> <p><i>(particularly for new initiatives under Outcome 2)</i></p>	<p>If one outcome is not supported adequately it will impact on the achievement of the other outcomes.</p> <p>Inability to influence partner organisations because of relatively low scale of funding <i>(to meet HRD needs, and in comparison with other development partners)</i></p> <p>Reduced recognition of Australia as a significant contributor to HRD in Vietnam.</p>	<p>2 (high) 1 &amp; 3 (medium)</p>	<p>Reach agreement with the GOV as the allocation of financial resources between the three outcomes so that there is adequate support for all initiatives to achieve demonstrable impact.</p> <p>Limit the number of partner organisations in line with budget availability so that HRD support is provided to a critical mass and has a cumulative impact.</p> <p>Pilot activities and undertake cost-benefit analysis to establish most effective value for money activity delivery.</p> <p>Explore options for private sector contribution to funding or other participation in HRD activities under the program.</p>
<p>6. Departure of highly skilled and trained staff from target organisations</p>	<p>Reduced sustainability of organisational gains realised through the Strategy.</p> <p>Program cost-effectiveness reduced where replacement staff need training.</p>	<p>1, 2 &amp; 3 (medium)</p>	<p>Work with target organisations in HRD planning to emphasise long-term staffing requirements and continuity and in the transparent and merit-based selection of trainees with appropriate motivations and commitment.</p> <p>Encourage ongoing communication between individual awardees and their home organisations while on scholarship.</p> <p>Increase post-award support to alumni, including reintegration workshops and opportunities for further professional development and ongoing support from relevant Australian academics and professionals.</p> <p>Support organisational reforms to improve the enabling work environment in addressing issues of key staff turnover, skill utilisation and to motivate staff to stay on for longer periods of time with their organisation..</p>
<b>Partner organisations risks</b>			
<p>7. Limiting the number of Vietnamese organisations for priority allocation of HRD support could lead to resentment among prospective or former partners</p>	<p>Reduced positive perception of Australia's support for Vietnam's HRD.</p>	<p>1, 2 &amp; 3 (low)</p>	<p>Communicate targeting and selection criteria clearly to Vietnam stakeholders early on and consistently.</p> <p>Provide support, as necessary, to 'legacy' partners based on clear strategies for graduation/ disengagement.</p>
<p>8. New Australian partner</p>	<p>Limited effectiveness and</p>	<p>2 (low)</p>	<p>Careful assessment and selection of Australian partners that meet established criteria (such as committed</p>

organisations (e.g. RTOs, TAFE, enterprises) with CBT knowledge may have limited staff with appropriate skills to manage TA/training and adaptation in Vietnam environment (Outcome 2)	impact of Strategy activities and skills in CBT not transferred effectively.		leadership, proven record of working with development partners etc) that will support the effective implementation of project initiatives.
9. Insufficient commitment/ collaboration in partner organisations <i>(for example through lack of consensus among leaders, frequent turnover of senior staff or politicisation of decision-making)</i>	Holistic organisational changes not achieved.	2 (medium) 1 & 3 (low-medium)	Select partner organisations with stable leadership and whose leaders have demonstrated a commitment to reform processes and to commit resources to change the enabling work environment. Select partner organisations who value a more holistic HRD approach and who are not just seeking long-term scholarship opportunities. Support leadership of partner organisations throughout implementation, for example through providing management and leadership training to strengthen the influencing and decision-making capacity of partners. Emphasis the HRD support as a partnership. Value and build on existing plans and processes where possible, as aligned with the organisations own strategic priorities.
10. Partner organisations do not have the capacity to identify, develop and manage HRD initiatives	Investment decisions are not well targeted leading to reduction in program outcomes	1 & 2 (medium) 3 (low)	DFAT will continue to approach the Program with a strong analytical foundation, including an in-depth situation assessment of organisational capacity. HRD activities will include support to collect and utilise realistic training needs analysis and training cost data on which to base realistic HRD planning. Establish realistic expected results with partner organisations which reflect: the partner organisation's absorptive capacity, the Program's capacity to deliver, and the potential influence of external or internal factors on the effectiveness of the assistance or the sustainability of results. Ensure robust monitoring and evaluation system in place to identify ineffective and low performing organisations for early interventions.
11. Partner organisations do not facilitate the application of newly acquired skills and knowledge negating the impact of the training on organisational outcomes	Significantly reduced impact of intended training outcomes	1, 2 & 3 (high)	Providing support to partner organisations to develop successful training needs analysis and HRD policies at the agency level to identify and addresses barriers to skill utilisation. Implementation of reintegration strategies and post award initiatives that are realistic and contribute to the individual scholars and workplace development. Target organisations to be asked to formally commit to a strategy for utilising and transferring awardee skills on return. M&E to include measurement and follow up on return of trainees and the agencies' obligations to support returnees.
12. Partner agencies do not have ability to create enabling environment due to higher level systemic issues relating to civil service reform	Reduced effectiveness of knowledge and skill utilisation and impact on organisational changes	1 & 2 (high)	Maintain close working relationship with Ministry of Home Affairs (responsible for civil service reform) and other key GOV agencies to gain support for Strategy activities and in order to understand and keep up to date with the evolving policy environment and constraints in which the investment program is being implemented in Vietnam. Implement activities in areas that support or complement the broader policy reform work of other development partners. Support practices, as well as research and dissemination activities, that can potentially contribute to policy dialogue on civil service reform.
13. Development of HR capacity at provincial and	Program outcomes are only realised at the central level	2 (high)	Build close liaison with provinces and facilitate relationships between national and sub-national levels. Ensure that organisational leaders commit to HRD at all levels.

district levels is affected by limited partner agency resources, centralist attitudes and poorly articulated delivery structures	with reduced multiplier impact		Factor availability of partner organisation resources into HRD planning initiatives and programming decisions. Ensure that a phased approach occurs and that a sufficient number of initiatives focus on improving specific organisational functions which extend vertically throughout the organisation.
14. The workplace environment does not support skill utilisation for people with disadvantage even after relevant training	Investment in training for disadvantaged people is not cost-effective	1 & 2 (high)	Undertake preparatory analysis and research (such as through the Overseas Development Institute and United Nations Women) as to most cost-effective modalities to provide training and workplace support for women, people with disability, ethnic minorities and people from rural areas. Work with the Ministry of Labour, Invalid and Social Affairs to pilot activities that have a demonstration effect that can then be rolled out by the GOV on a larger scale.
15. Lack of proper coordination and dialogue with other development partners causes duplication and wastage of resources, creates a burden and overwhelms the absorptive capacity of partner organisations	Donor overcrowding and fragmentation leads to slow implementation of HRD activities, reduced impact of investment funding and undermining of Strategy outcomes	2 & 3 (low)	Australia will actively pursue opportunities to harmonise and align its HRD assistance including through analytical work prior to investment to avoid duplication, selection of partner organisations that have the capacity to work effectively with DFAT and dialogue with GOV and other development partners through the Program Steering Committee.
<b>Other program risks</b>			
16. HRD Delivery Strategy includes increased proportion of HRD delivered in country	Reduced quality of program delivery. Reduced recognition of training and pathways for further study. Reduced visibility of Australian funding and opportunity for Vietnamese to form relationships with Australians	1 & 2 (medium)	Establish clear value for money and quality/accreditation criteria for determining where/when/by whom training is delivered in Vietnam. Ensure adequate monitoring and evaluation of training delivery. Undertake measures to promote recognition of Australian government support for the HRD and for ongoing linkages with Australia.
17. Fraudulent practices damage the integrity of the program  <i>(particularly for the delivery of new in-country initiatives)</i>	Reduced effectiveness, accountability and reputation of Australia's aid program in Vietnam.  Damaged relationships between implementing partner and DFAT.	1, 2 & 3 (medium)	Undertake strong safeguarding and monitoring of Australian funds, including through: establishing and communicating clear policy, code of conduct and procedures in cases of fraud regularly reviewing systems and processes to identify weaknesses and reduce opportunities for corruption checking the credentials and track record of all delivery partners prior to them receiving funding maintain close contact with all delivery partners and undertake regular monitoring visits undertake regular compliance audits of all delivery partners.
18. Vietnamese trainees do not form/ maintain positive linkages with Australia (individuals and/or organisations)	Reduction to positive perception of Australia and ongoing productive linkages	1, 2 & 3 (low)	Monitor the on-award academic and social experience of Vietnamese trainees while in Australia and address issues that reduce their positive perception of Australia and linkages made. Support post-award activities that provide a value proposition for targeted alumni to participate in networking activities.

---

<sup>1</sup> Skills Australia (2012) Better use of skills, better outcomes: A research report on skills utilisation in Australia. April 2012

<sup>2</sup> Skills Australia (2011) Skills Utilisation - Literature Review. April 2011

<sup>3</sup> <http://www.adb.org/documents/development-effectiveness-report-2013-private-sector-operations?ref=themes/private-sector-development/publications>

<sup>4</sup> Vietnam Socio-Economic Development Strategy (2011-2020).

<sup>5</sup> MPI. 2012. Viet Nam Partnership Document. Ownership, Results, Inclusion, Transparency and Accountability. A New Context. Aid Effectiveness Forum

<sup>6</sup> Global Competitiveness Report 2012-2013

<sup>7</sup> Around 6.7 million people (aged 15+) will enter the working age population between 2015 and 2020 (UN population data)

<sup>8</sup> Vietnam Labour Force Survey 2012

<sup>9</sup> World Bank. 2012. Vietnam poverty assessment: well begun, not yet done

<sup>10</sup> <https://www.globalintegrity.org/global/report-2011/vietnam/2011/>

<sup>11</sup> Vietnam Socio-Economic Development Strategy (2011-2020).

<sup>11</sup> MPI. 2012. Viet Nam Partnership Document. Ownership, Results, Inclusion, Transparency and Accountability. A New Context. Aid Effectiveness Forum

<sup>11</sup> Global Competitiveness Report 2012-2013

<sup>11</sup> Around 6.7 million people (aged 15+) will enter the working age population between 2015 and 2020 (UN population data)

<sup>11</sup> Vietnam Labour Force Survey 2012

<sup>11</sup> World Bank. 2012. Vietnam poverty assessment: well begun, not yet done

<sup>11</sup> <https://www.globalintegrity.org/global/report-2011/vietnam/2011/>

<sup>12</sup> Vietnam Socio-Economic Development Plan (2011-2015)

<sup>13</sup> Source: Vietnam Development Report 2014, the World Bank

<sup>14</sup> World Bank. 2012. *Skilling Up Vietnam: A workforce for an industrialized economy in 2020*

<sup>15</sup> Sex-disaggregated data is not available

<sup>16</sup> Government of Vietnam. 2011. Presentation by the General Director, Vietnam International Education Department (MOET) on Vietnam workforce's training needs

<sup>17</sup> Sheridan, G.F. "Vietnam Higher Education Sector Analysis, for ADB TA 7105, preparation of New Model Universities ,p5, 2010

<sup>18</sup> Ministry of Education and Training statistics, 2012-13 school year

<sup>19</sup> Department of Education October 2013

<sup>20</sup> <http://www.vietnam-report.com/vietnam-fdi/>

<sup>21</sup> Vietnamese Prime Minister's Decision 371/QĐ-TTg (28 February 2013) and MOLISA Decision 784/QĐ-LĐTBXH (21 May 2013)

<sup>22</sup> JICA. 2012. *Basic Study on Human Resources Development in Vietnam*

<sup>23</sup> World Bank. 2012. Vietnam poverty assessment : well begun, not yet done - Vietnam's remarkable progress on poverty reduction and the emerging challenges

<sup>24</sup> Vietnam ranks 124<sup>th</sup> out of 129 countries in the number of women in ministerial positions. World Bank Vietnam Country Gender Assessment 2011

<sup>25</sup> World Bank. 2011. Vietnam Country Gender Assessment

<sup>26</sup> Women's wages in the formal sector are 75% of men's earnings, and is believed to be as low as 50% in the informal sector. World Bank Vietnam Country Gender Assessment 2011

<sup>27</sup> DFAT Gender Situation Analysis – Vietnam 2014

<sup>28</sup> Government of Vietnam. 2009. Vietnam Labour Force Survey 2012. Government Statistics Office

<sup>29</sup> World Bank. 2009. Vietnam Development Report 2010 . Modern Institutions. Joint Donor Report to the Vietnam Consultative Group Meeting .Hanoi, December 3-4, 2009. 53573

<sup>30</sup> Arkadie. 2010. Joint Country Analysis of Vietnam. Draft 2010. Arkadie et al.

<sup>31</sup> World Bank. 2009. Vietnam Development Report 2010 . Modern Institutions. Joint Donor Report to the Vietnam Consultative Group Meeting .Hanoi, December 3-4, 2009. 53573

<sup>32</sup> Government of Vietnam. 2011. Vietnam. Manpower Development Master Plan

<sup>33</sup> Vietnam Development report 2010. Modern Institutions. 53573. Joint Donor Report to the Vietnam Consultative Group Meeting. Hanoi, December 3-4, 2009

<sup>34</sup> World Bank. 2011. Vietnam Country Gender Assessment.

<sup>35</sup> <http://www.adb.org/documents/development-effectiveness-report-2013-private-sector-operations?ref=themes/private-sector-development/publications>

<sup>36</sup> Source: Vietnam Development Report 2014, the World Bank

<sup>37</sup> Department of Education. 2013, Vocational Education and Training in Vietnam Background

<sup>38</sup> <http://www.mt.gov.vn/eDefault.aspx?tabid=9&catid=404&articleid=0>

<sup>39</sup> These targets are not sex-disaggregated

<sup>40</sup> As of Dec 2012, 14% of tertiary-level academic staff have doctorates.

<sup>41</sup> In 2011, there were 438 joint training programs in Vietnam (164 Masters, 12 PhDs). Four international universities have also been established under MOET.

<sup>42</sup> MOET. 2013. Global Partnerships data provided to AusAID by MOET, September 2013.

<sup>43</sup> Cox et al. 2011. *Paris Declaration/Hanoi Core Statement Phase 2 Evaluation. Vietnam Country Evaluation.*

<sup>44</sup> <http://www.oecd.org/countries/vietnam/47675183.pdf>

<sup>44</sup> The Australia Awards Scholarships program is the only Vietnam HRD initiative subject to Quality at Implementation reporting

<sup>45</sup> In Vietnam while reporting positive views of alumni ability to use new knowledge in their work, there is a significant proportion of alumni who report limitations to their skill utilisation and transfer. Lessons learned from the Australia Awards program in Indonesia also showed that building a critical mass of scholarship recipients within a targeted organisation has limited impact in and of itself. In other words, large numbers of graduates in a target organisation are not a sufficient catalyst for organisational change or effective utilisation of alumni's knowledge and skills. When implementing an organisational targeting approach, it is fundamental to identify the environmental conditions that enable scholarships to be more effective within an organisation.

<sup>46</sup> Source: Australian Foreign Minister's speech to Australian Council for International Development, 30 October 2013

<sup>47</sup> Source: Senate Foreign Affairs, Defence and Trade References Committee, *Inquiry into Australia's overseas aid and development assistance program*, 7 February 2014

<sup>48</sup> Source: National Skills Standards Council (2012). National Quality Council Training Package Glossary

<sup>49</sup> Skills Australia (2012) Better use of skills, better outcomes: A research report on skills utilisation in Australia. April 2012

<sup>50</sup> Skills Australia. April 2011. Skills Utilisation - Literature Review