DFAT Management Response to

The Mid – Term Review for Vietnam Private Sector Development Partnership (VPSDP) with IFC

June 2026

The Vietnam Private Sector Development Partnership (VPSDP) is a 5-year (2022 – 2027) partnership program between the Government of Australia (GoA) through the Department of Foreign Affairs and Trade (DFAT) and the International Finance Corporation (IFC) with total value of AUD15million.

The overall goal of this program is to enhance the competitiveness and diversification of the private sector and to foster inclusive and sustainable COVID-19 recovery and economic growth through advisory and services. The objective is achieved through 4 mutually reinforcing pillars: (i) Enabling Environment for the private sector; (ii) Accelerating inclusive and climate-smart private investment in key growth sectors; (iii) Creating a green, sustainable, and inclusive financial sector and (iv) Enhancing Standards & Gender Inclusion

An independent Mid Term Review (MTR) was carried out between January and March 2026 to (i) independently assess the VPSDP's effectiveness and efficiency in achieving the intended end-of-program outcomes (EOPOs) to date; and (ii) based on the summative assessment, provide recommendations for improvement, strengthen the alignment with the policy priorities of the GoA and the Government of Vietnam (GoV).

The MTR covered program activities implemented during the period from April 2022 to December 2025 and applied the OECD - DAC evaluation criteria, with particular focus on relevance, coherence, effectiveness, and efficiency. Methodologies included a desk review of project documents, a field mission to Vietnam and a combined of online and in-person interviews. A total of 38 people (15 male and 23 female) participated in various consultations, interviews and engagements to contribute to the final evaluation.

Summary of key findings and DFAT's management response

The MTR found VPSDP performed strongly across all assessed criteria. The program has made significant contribution to supporting DFAT and GoV in advancing private sector development and investment promotion in Vietnam. The program demonstrated solid progress across all four pillars. The program's effectiveness was underpinned by its targeted approach, focusing on areas where IFC and DFAT have strong expertise and comparative advantage. This has established a solid foundation for partnership. Building on what has worked well, while addressing identified gaps, presented clear opportunities to deepen impact, enhance leverage and strengthen strategic engagement.

DFAT and IFC concur with MTR's findings. As outlined below, DFAT agrees with 4 recommendations and partially agrees with one. Details of the Management response to each recommendation is included in the table on the next page.

Individual management response to the summary of recommendations

Recommendations	Response	Action plan	Timeframe
Recommendation 1: The IFC should continue to seek solutions to expedite activities with a "low burn" rate and accelerate implementation while maintaining quality and standards. There is scope in the lead-up to the completion report to develop a coherent narrative of overall support and engagement	**Agree**	DFAT is working closely with IFC to ensure projects' expenditure is fully disbursed by the end of VPSDP. IFC will provide a spending strategy for projects which have a low disbursement rate (including new project proposals as required).	**On-going (from May 2026)**
Recommendation 2: IFC should explore options to expand further opportunities to build on gender and disability work and investments to date. Work in the sector should be incremental and staged, and recognise the need for care consultation and engagement with both public- and private-sector institutions and enterprises. GEDSI approaches should be fit for purpose and prioritise awareness raising and understanding, leading to more long-term institutional support and associated reforms.	**Agree**	DFAT acknowledges IFC's efforts in mainstreaming gender equality and disability inclusion into VPSDP activities and investments. Building on the findings of IFC's recent "Disability Inclusion in Private Sector Development in Vietnam" study, DFAT will collaborate with IFC to define next steps and phase subsequent actions. In parallel, the study's recommendations will also inform DFAT's future GEDSI portfolio design.	**July – Dec 2026**
Recommendation 3: The current partnership arrangement has demonstrated an effective support mechanism. Existing governance mechanisms remain relevant and fit-for-purpose and should	**Agree**	DFAT agrees that the existing partnership mechanism is still relevant and fit-for-purpose and should be maintained to increase efficiency and effectiveness. DFAT values early engagement with IFC to discuss and initiate ideas to address emerging	**May 2026 and until end of program**

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be maintained and supported. There is scope to build on the partnership model and promote more information engagement on areas of mutual interest. This could be facilitated through an initial series of presentations and operational deep dives, which could transition into more formal, program-wide, monthly meetings on additional topics of interest to deepen understanding and shared experiences. There is also scoped to deepen engagements across programs, for example, with DFAT's Investing in Women program.		priorities and agrees that focused discussions on topics of interest would be beneficial. DFAT will work with IFC to implement this recommendation and create a list and schedule of topics for discussion.	
Recommendation 4: The IFC should continue to explore a structured and specific approach to MEL. While the current program has implemented an approach to MEL that is "fit-for-purpose", there is scope to continue building on and leveraging this, particularly with the future use of an MEL resource to prepare more outcome-focused knowledge products, such as case studies and performance stories. This should be prioritised for implementation over the remaining few months but considered more fully if a new program is considered.	**Agree**	DFAT will work with IFC to adjust the Progress Report Template to better capture progress in achieving the program outcomes.	**During progress reporting round (Sept 2026, Mar 2027)**
Recommendation 5: There is sufficient evidence of progress towards outcomes and key results from the current VPSDP to justify and support ongoing investment in private-sector initiatives. Future	**Partially agree**	DFAT partially agrees with this recommendation, noting the evidence of progress towards outcomes and that private sector development is a high priority for the GoV to meet its ambition of reaching high-income country status by 2045. DFAT will consider a	**Aug – Dec 2026**

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investments should continue to support, build, and leverage existing IFC private-sector investments initiated under the current program, and remain aligned with the priorities and focus areas for the GoV and GoA.		future phase of support in light of resource availability and alignment with GoA's priorities for private section investment in the region. region.	