



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2016-17

Vietnam

September 2017

KEY MESSAGES

2016-2017 was a transition year for the \$86.5 million Vietnam program. We closed down seven investments from the previous aid strategy and ensured that on-going investments remained on track. At the same time, we designed and secured Vietnamese Government approval for three of five new aid investments – Aus4 Reform, Aus4Transport and Aus4Equality – that will advance our new economic partnership with Vietnam, as outlined in the Aid Investment Plan. Due to Vietnam’s complex approval process, and the innovative nature of the programs, we have not yet secured Vietnamese approval for the two remaining new investments – Aus4Water and Aus4Innovation – with the latter currently being designed.

We held a successful High Level Consultation (HLC) on Development Cooperation in Canberra on 31 March 2017, where we secured Vietnam’s support for our preferred approach to an economic partnership, which integrates our economic, trade and development objectives. We pitched a new ‘economic partnership’ Ministerial meeting, which we expect to be agreed in time for announcement late in 2017 or early 2018. A consistent feature of our approach to economic partnership is to leverage better expenditure or policy choices by Vietnam to address its development challenges, drawing on Australian experiences of initiatives to date.

We were more influential in engaging in Vietnam’s policy debate but we have some way to go in realising our aspirations. This year, for the first time, we worked with the Communist Party of Vietnam’s Economic Commission to co-host a forum focused on private sector development, which provided a platform to advocate for economic reform and feature our support as economic partners. We continue to engage formally and informally to advocate for sustained economic reform through Vietnam’s development and business fora. Our influence is growing in human resource development and gender equality but these are sensitive policy issues where innovation is difficult to achieve.

We achieved our innovation objectives for 2016-17, and laid the groundwork for a strong future agenda. We established a new ‘Australia in Vietnam Innovation Champion’ (the first in Australia’s diplomatic network) to provide leadership and strategic advice on driving forward our internal and external innovation agenda. We introduced new technologies and business practices through aid investments to help the local private sector provide access for some of the poorest Vietnamese communities to clean and safe water. We demonstrated the development impact of technology transfer. To raise awareness, we produced a series of short videos to highlight the breadth and depth of our innovation partnership, which was featured during Deputy Prime Minister Hue’s July 2017 visit to DFAT’s innovationXchange in Canberra.

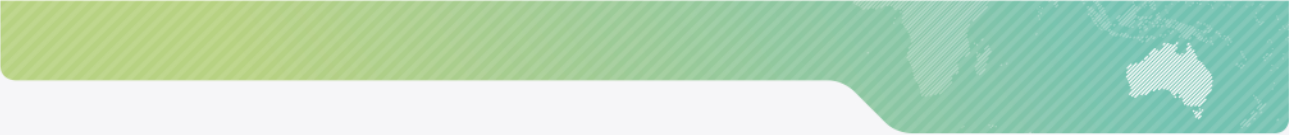
In November 2016, we released a comprehensive Gender Strategy for Australia in Vietnam – which reflects the work of all Australian agencies represented in Vietnam, and both our Hanoi and Ho Chi Minh City posts. That strategy outlines a number of policy changes that we are seeking to influence. Our new Aus4Equality program, focused on the Northern Mountainous region, will be the largest ever grant program in Vietnam focused on gender equality, and will entrench our position as the bilateral partner of choice on gender issues.

We comprehensively overhauled our aid program branding in 2016-17 - based on feedback from stakeholders - to simplify and unify our messaging. Our new ‘Aus4Vietnam’ branding (Figure 1), which translates neatly into Vietnamese, is cutting through in-country compared with the former long and traditional project titles. The simplified branding helps all staff explain how our various aid projects and priorities fit together into a strategic whole.

While pursuing our forward agenda, we also made progress during 2016-17 on implementation. We navigated the complex final stages of the Cao Lanh Bridge project with 91 per cent of the project completed by June 2017, and we are on track for completion by the end of the year. We also bedded down the new Aus4Skills program, awarding 80 scholarships, of which 69 per cent were awarded to women. We have continued to drive a consolidation agenda, reducing our portfolio from 20 to 16 investments (noting that two investments were extended and to be closed by December 2017). Our Aid Management Steering Committee, chaired by the Ambassador and meeting monthly, is actively managing budgets and risk for our aid program. It was recognised in a 2016-17 DFAT Internal Audit as best practice.



Figure 1 - Aus4Vietnam Infographic



There are several key lessons from the year. Our staff need new skills and additional agility to be effective influencers. As we roll out new programs that are about policy reforms and influencing government spending, we will need new perspectives and skills, and to spend less time doing traditional program management. This will be one of the challenges we seek to address in our workforce planning (as outlined in Hanoi Post's 2017-18 Post Business Plan). The complex Vietnamese approval processes proved challenging: our staff needed to change tack on a number of occasions, draw experience from other donors and take a more strategic approach to secure the necessary approvals. These lessons are being applied to secure approval for the outstanding aid investments.

CONTEXT

Vietnam reached middle-income status in 2010 and continues to be a development success story, underscored by impressive poverty reduction and sustained economic growth. Vietnam achieved most Millennium Development Goals – many of them ahead of time – and the *National Action Plan on Sustainable Development* (launched in July 2017) demonstrates Vietnam's commitment to realising the global Sustainable Development Goals (SDGs). Vietnam's *Socio-Economic Development Plan 2016-2020* lays out the roadmap for the country's economic and social development for the next five years.

Vietnam continues to move towards being more dynamic, market oriented, integrated, and connected to regional and global markets. Despite challenging global conditions, GDP growth was 6.2 per cent in 2016, though it dropped to 5.7 per cent for the first half of 2017, falling short of the Government of Vietnam's target of 6.7 per cent.

On balance, Vietnam's medium-term economic outlook remains positive, but challenges persist. Vietnam's total public debt, estimated at 62 per cent of GDP, is quickly approaching the legally mandated ceiling of 65 per cent of GDP, which is constraining public finance options. Much-needed investments in infrastructure exceed the public resources available, and the ability to mobilise private sector resources remains weak. The availability of international finance is becoming more expensive for Vietnam with shorter payback periods. Vietnam has already graduated from the World Bank's International Development Assistance to International Bank for Reconstruction and Development in July 2017 and is expected to graduate from the Asian Development Bank (ADB) Asian Development Fund to Ordinary Capital Resources by the end of 2018. The emergence of the Asian Infrastructure Investment Bank will provide even more commercially based development finance, but will do little to relieve Vietnam's reliance on externally sourced money.

Slow implementation of structural and fiscal reforms may limit medium term growth prospects. Vietnam's economy remains susceptible to further slowdown in the global economy and a potential rise in protectionist trade and investment policies internationally. In 2016-17, Vietnam continued to seek regional and global opportunities for further international integration. Vietnam is actively negotiating new free-trade agreements (FTAs), including the Vietnam-European Union FTA, the Regional Comprehensive Economic Partnership (RCEP), and the Trans-Pacific Partnership (TPP).

Rapid demographic and social change will also have an impact on Vietnam in the coming years. Vietnam's population reached 94 million in 2016 and is expected to expand to 120 million by 2050. Currently, 70 percent of the population is under 35 years of age, with a life expectancy of almost 73 years. However, as noted by the International Monetary Fund, continued delays to structural economic reforms see Vietnam at risk of growing old before it gets rich. The workforce also lacks many of the skills needed to fuel innovation, grow the private sector and lift the quality of public governance.

Poverty gains since Doi Moi - the substantial economic reforms which began in 1986 - remain fragile, with stubborn pockets of poverty concentrated in rural areas and among ethnic minorities. Vietnam is highly vulnerable to climate change and natural disasters, particularly in its productive agriculture sector, and natural assets are exploited unsustainably. Weak institutions, often with overlapping mandates and responsibilities, and inadequate processes for coordination and public disbursement, continue to impede effectiveness and efficiency.

Women's economic empowerment is improving. Female-headed households are less likely to be poor than male-headed households, and primary and secondary school net enrolment rates are about equal for boys and girls. Women's labour force participation rate is within 10 per cent of men's – a smaller gap than in most comparable countries – and there has been an upward trend in the share of women in paid work. However gender gaps persist, including women's limited access to high-level leadership positions in both public and private sectors, and a pay gap

where women earn 20 per cent less than men. Women also make up a large share of the country's unpaid workers, particularly in agriculture.

Australia's *Aid Investment Plan (AIP) Vietnam 2015-16 to 2019-20* remains relevant and well-matched to Vietnam's economic and development needs. The continued transition towards an economic partnership with Vietnam ensures our development assistance complements broader economic diplomacy efforts and encourages greater regional economic integration.

In 2016, Australia maintained its position as the ninth largest donor in Vietnam. The major multilateral banks (World Bank and ADB) and the United Nations continue to be important development partners along with Japan, Korea, Germany, France, United States and the European Union.

EXPENDITURE

Total ODA expenditure for 2016-17 is set out in Table 1. Expenditure represents a slight increase on last financial year reflecting the stabilisation of allocations to Vietnam from Australia's overall ODA budget. The low expenditure under Objective 3 reflects the delays in Government of Vietnam approvals of new designs. The Aid Management Steering Committee agreed a reallocation plan to mitigate the impacts of these delays on bilateral disbursement by end September 2017. Expenditure for Objective 3 will accelerate in the next APPR reporting period. Similarly, the low expenditure on innovation reflects that this work was only established in 2017, with implementation expected in late 2017.

Table 1 Total ODA Expenditure in FY 2016-17

Objective	A\$ million	% of total ODA
<i>Bilateral</i>		
Objective 1: Enabling and engaging the private sector for development	30.67	35%
Objective 2: Assisting the development and employment of a highly skilled workforce	25.95	30%
Objective 3: Promoting women's economic empowerment, including ethnic minority	0.33	0%
Operation and economic diplomacy	1.49	2%
Innovation	0.06	0%
Sub-Total Bilateral	58.50	68%
<i>Regional and Global</i>	22.60	26%
<i>Other Government Departments</i>	5.44	6%
Total ODA Expenditure	86.54	100%

PROGRESS TOWARDS AIP OBJECTIVES

The amber rating for Objective 3 reflects the delays in Government of Vietnam approval processes for our major projects under Aus4Equality. The delays have primarily resulted from the Government of Vietnam's introduction of a new process under Decree 16 that adds an additional requirement for the Prime Minister to approve all ODA

projects at the concept stage. Nevertheless, the majority of the work has been done and we expect the new designs to be approved in the coming reporting period.

Table 2 Rating of the program's progress towards Australia's aid objectives

Objective	Previous Rating	Current Rating
Objective 1: Enabling and engaging the private sector for development	Green	Green
Objective 2: Assisting the development and employment of a highly skilled workforce	Green	Green
Objective 3: Promoting women's economic empowerment, including ethnic minorities	Green	Amber

Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1 - ENABLING AND ENGAGING THE PRIVATE SECTOR FOR DEVELOPMENT

Contributes to SDGs:



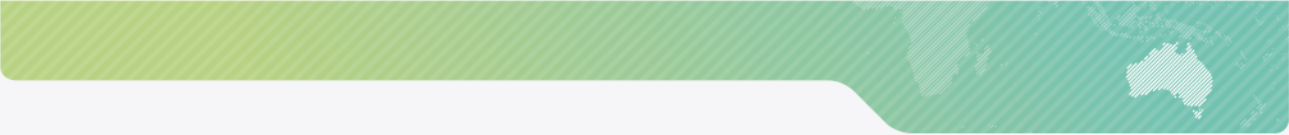
Progress against this objective remains on track in 2016-17.

Economic reform

The Restructuring for a more Competitive Vietnam (RCV) program is supporting the Government of Vietnam in its economic reform agenda with a focus on reducing the regulatory burden on business, strengthening competition and improving efficiency in the rice sector. The focus areas of RCV are also consistent with commitments under regional trade agreements, including the TPP and the Vietnam-European Union FTA. By supporting Vietnam to meet its commitments under the TPP, we help ensure that the transformational impacts on the Vietnamese economy will be delivered and an effective private sector for Vietnam.

RCV has grown in influence across the policy agenda by continuing to work closely with Government of Vietnam partners. In 2017, through the engagement of the RCV program, the Australian Ambassador and the Chairman of the Party's Economic Committee co-chaired the Communist Party Economic Forum, one of the biggest and most important economic conferences in Vietnam. Our growing cooperation with the Party's Economic Committee has given us access to an important player and has allowed us to demonstrate Australian capability and experience. It has also reinforced our position as an economic partner of choice.

The 2016 mid-term review of the project found that the program had already delivered some impressive achievements. It has contributed to removing more than 3,000 business conditions, reducing the number of sectors closed to private investors from 51 to six and reducing the average time to start a business from 34 to 10 days through reforms to Vietnam's Enterprise and Investment Laws. The program has also strengthened relationships between Australian institutions and their Vietnamese counterparts. For example, the program supported a comprehensive review of competition policy undertaken by the program's key partner, the Central Institute for Economic Management (CIEM). This review drew heavily on the methodology of Australia's own Competition Policy Review (the 2015 Harper Review) including through close consultation with the private sector, an area that has



traditionally been a weakness of Vietnamese policymaking. The recommendations will feed directly into the drafting of the new Competition Law scheduled for review by the National Assembly in October 2017.

Building on key lessons from RCV, Australia's new economic reform program, Aus4Reform, has been approved by the two Governments and will commence in late 2017. This program will continue much of the good work of RCV, ensuring the Government of Vietnam remains in the driving seat to take forward politically difficult reforms. The program is also placing a stronger emphasis on addressing the gender impacts of reform and continuing to foster strong relationships between Australian Institutions and Vietnamese counterparts.

From early 2017, Australia has also been working with the World Bank to further promote Vietnam's economic integration under a new second phase of the Australia-World Bank Strategic Partnership (ABP2). This pillar of the ABP2 will focus on improving logistics performance and reducing the negative impact of non-tariff barriers on Vietnam's capacity to integrate into global value chains.

We are supporting not only long-term reforms, but also short-term opportunities. Under ABP2, we were able to respond swiftly as part of our influencing agenda on the TPP by tasking the World Bank to prepare modelling on the ongoing benefits to Vietnam of the TPP following the withdrawal of the United States. That modelling will be a key piece of information for the Government of Vietnam as it makes decisions on whether to support TPP11 in the lead up to the November 2017 APEC meetings. Under Post's innovative Economic Diplomacy Fund, Austrade was able to fund the participation of the Australian Energy Regulator in a recent Australian energy business mission to Vietnam. This helped boost the credibility of the mission with Vietnamese counterparts, in turn increasing the access and influence of the regulator when engaging on critical reform issues.

Transport infrastructure

Our flagship investment in the transport sector, the Cao Lanh Bridge, will help to improve connectivity from the Southern Mekong Delta to Ho Chi Minh City and provide a critical link to markets in Thailand and Cambodia. Once complete, it will serve around 170,000 users per day. As of 30 June 2017, the bridge was 91 per cent complete and based on current progress will be delivered on schedule and under budget in late 2017. The best practice approach to resettlement is almost fully complete with only one household remaining to be resettled out of around 1,800 households across the entire project. The project's independent resettlement monitoring specialist has reported that the project's grievance redress mechanism is working well with households and provincial authorities having negotiated compensation without the need for judicial review.

As our largest investment in mainland South-East Asia, Australia is undertaking a detailed evaluation to understand the final impacts of the bridge on the residents of Dong Thap and neighbouring provinces. The first stage of this evaluation, a detailed benchmark survey, was completed in April 2017.

Despite nearing completion, risks still remain for the project. Two workers died due to health and safety incidents during 2016-17. Immediately on being notified, Post management worked with partners and contractors to make sure they completed a comprehensive review of safety procedures. This highlighted good safety plans had been developed but had not been comprehensively implemented by contractors. Additional specialist health and safety personnel have now been mobilised to supervise construction, including enforcing stop work orders if required. Since these measures have been introduced, there have been no further serious accidents.

We have invested heavily on project preparation to ensure construction is high quality and to accelerate progress. For example, the design of the Cao Lanh Bridge included new measures to address climate change and soft soils – the first of their kind in Vietnam. The project also introduced an independent engineering review mechanism to provide an additional safeguard on quality control. These measures have helped to reduce long-term maintenance costs and accelerate construction progress by identifying and resolving engineering issues early. Lessons from our engagement in hard infrastructure for over 20 years, including on the importance of climate change adaptation, will be essential elements of our new transport sector initiative, Aus4Transport. Through the new initiative, Australia will influence better early stage project preparation for new transport infrastructure, including on climate change and gender. This will help grow the pipeline of new transport projects and stimulate increased private sector investment by reducing risk. Ultimately, it will lead to more sustainable and higher quality pieces of infrastructure for Vietnam. Our influence will extend well beyond the dollars we spend. This program is due to start in January 2018.

Innovation

Promoting innovation in the private sector is a feature of our assistance under this objective. We are supporting the Vietnam Climate Innovation Centre (VCIC) to turn climate challenges into opportunities for growth. Until this year, VCIC was one of our poorer performing investments – delayed because, under Vietnamese law, private sector institutions are not eligible to receive ODA funds. This issue has now been resolved by hosting the centre in the Ministry of Science and Technology and the project is performing well. Through its first selection round, the centre supported 18 small and medium enterprises (SMEs) to commercialise and scale up innovative private sector solutions to climate change. One such enterprise is Dichung Taxi, which has created an online platform to share empty car seats. Dichung's ultimate goal is to have 500,000 vehicles join its ridesharing platform, reducing carbon emissions by 66,000 tons and saving 20 million litres of petrol per year. Of the 18 SMEs being supported, eight are led by female entrepreneurs and another three have women on their board, exceeding VCIC's gender equality target.

In the water sector, we introduced new technologies and business practices to help the local private sector improve access to clean and safe water for some of the poorest communities in Vietnam. Through a partnership with East Meets West and the Australian Water Association, we introduced new Australian technologies like micro membrane filtration kiosks to rural areas of Son La where piped water is not feasible. These kiosks have capacity to provide up to 20,000 litres of high quality drinking water per day at costs less than one third of that of bottled water (the only safe alternative available to households). The kiosk has only been in operation for a few months but, despite lower costs than alternatives, demand is currently lower than expected. We are investigating the reasons for this before the model can be rolled out to other provinces.

These small projects on innovation and private sector engagement in the rural water sector were deliberately chosen by Post as we gear up to implement a new Australian water initiative, Aus4Water. The initiative is in the process of obtaining Government of Vietnam approval and is scheduled to commence in April 2018. This is later than first anticipated as the original concept note required substantial revisions before proceeding to design. The project will build on our experience and credibility from over 20 years working in Vietnam's water sector, with a specific focus on innovation and private sector engagement.

OBJECTIVE 2 - ASSISTING THE DEVELOPMENT AND EMPLOYMENT OF A HIGHLY SKILLED WORKFORCE

Contributes to SDGs:



Progress against this objective remains on track in 2016-17.

This was the first year of implementation for the new Aus4Skills program (previously named Vietnam-Australia Human Resource Development Partnership). In this transition year, Aus4Skills continued to deliver Australia Awards¹, and designed a number of new human resources development (HRD) support packages to address weaknesses in priority AIP areas, including higher education and vocational training, and with a focus on women in leadership.

Work commenced on developing the Improving Quality of Universities in the Northern Mountainous Region project. It is designed to assist universities² located in the relatively economically disadvantaged area of Northern Mountainous

¹ Australia Awards are scholarships and fellowships for study in Australia, that aim to build people-to-people links and develop capacity and leadership skills so that individuals can contribute to development in their home country. They include the Australia Awards Scholarships and Australia Awards Fellowships administered by DFAT, John Allwright and John Dillon Fellowships administered by Australian Council for International Agricultural Research (ACIAR) and Endeavour Scholarships and Fellowships administered by Department of Education and Training (DET)

² Thai Nguyen University, Thai Nguyen University of Agriculture and Forestry, and Tay Bac University

region in Vietnam – populated by many ethnic minorities – to meet market demand for quality and quantity of higher education and research. Activities will focus on improving leadership and management, strengthening curriculum, and increasing the effective support for academic success of ethnic minority students.

A pilot Women in Leadership (WIL) package, in collaboration with Vietnam's Centre for Gender Studies and Women's Leadership (GeLead)³, was designed to support Aus4Skills university partners to promote gender equitable leadership and leadership opportunities for women. Although women continued to account for 60 per cent of new Australia Awards Scholarship recipients in 2016 (Table 3), challenges remain in workplaces for women to provide formal inputs and contributions to their organisations⁴. The WIL package aims to address this via support strategies for women in selected Aus4Skills partner organisations. Implementation will begin in September 2017 with results expected in the 2017-18 reporting period.

We also designed a demonstration project in logistics – Promoting Industry Linkages with Vocational Educational Training (VET) – which will be implemented in sync with policy advocacy at the national level. Aus4Skills has been showcasing the Australian model in promoting industry linkages, initially in the logistics sector, to inform Vietnam's deliberations in promoting collaboration with industry partners to improve the relevance and quality of training. We anticipate implementation in the second half of 2017 and initial results available in late 2018.

Australia Awards

We exceeded our target for the Australia Awards program. In 2016-17, 69 percent of scholarships and 60 per cent of all awards were awarded to women (above our target of 50 per cent). 97 per cent of Australia Awards Scholarship alumni⁵ were employed in positions that were relevant to their course of study after three years of return (compared to our performance benchmark of 75 per cent). In addition, 97 per cent of alumni reported⁶ having maintained people-to-people and/or institutional links with Australia within the 18 months following their return to Vietnam. Five of the 80 Australia Awards Scholarships offered in 2016 were to people with disabilities. 25 per cent of scholarships were provided to members of disadvantaged groups (including rural poor and people with disabilities), which exceeded our target of 20%.

Table 3: Australia Awards offered and completed in 2016

	New awards offered (2016)			Awards completed (2016)		
	Total	Male	Female	Total	Male	Female
Australia Awards Scholarships ⁷	80	25	55	214	84	130
Australia Awards Fellowships	133	61	72	n/a	n/a	n/a
Australia Awards John Allwright Fellowships	3	1	2	6	4	2
Australia Awards John Dillon Fellowships	1	1	-			
Australia Awards Endeavour Scholarships	1	-	1			
Australia Awards Endeavour Fellowships	3	1	2			
Total	221	89	132	272	112	160

Alumni

We strengthened our engagement with the 60,000 Vietnamese alumni through the launch of the *Australian Alumni in Vietnam Strategy* in December 2016, which draws on the Global Alumni Strategy to mobilise, connect and celebrate alumni achievements. A range of innovative engagement activities has been implemented since the

³ GeLead is a Centre operating under the Ho Chi Minh National Academy of Politics

⁴ Study on "Strategies for promoting leadership pathways for female Australia Awards alumni" (DFAT Hanoi, 2015)

⁵ Alumni who returned between July 2013 – June 2014 (Program Management Information System Data)

⁶ Alumni Development Impact Surveys (October 2016, July 2017)

⁷ Australia Awards funding; Scholarships are provided under the bilateral aid program; Fellowships is a global program; John Allwright Fellowships are provided by ACIAR; Endeavour Scholarships and Fellowships are provided by Department of Education and Training

launch, including a new Facebook page (with over 3,500 followers by the end of June 2017) and thematic professional development and networking events, held in collaboration with other government agencies, universities and alumni networks, and hosted by high level Embassy and Consulate General representatives.

Australian Volunteers for International Development (AVID)

Australia's volunteer program also played a role in improving the quality of Vietnam's human resources. In 2016-17, 43 new AVID participants (including 23 women – 53 percent of the total) were placed in Vietnam to build capacity of host organisations in sectors of high priority to both governments and promote positive people-to-people links between individuals, organizations and communities. For example, an AVID volunteer continued his second assignment in a position of key influence as the Principal Environment Policy Adviser to Vietnam's Minister of Natural Resources and Environment to assist implementation of environmental protection policies.

Policy dialogue

Australia has engaged in policy dialogue with Vietnam on HRD and education under the action plan for the Australia-Vietnam Joint Working Group on Education and Training. Australia's policy advocacy has focussed on working with the Government of Vietnam as it reviews and revises the draft decree for implementation of the laws on vocational education and training. DFAT and the Department of Education have continued to work closely on HRD-related APEC meetings and projects.

OBJECTIVE 3 – PROMOTING WOMEN'S ECONOMIC EMPOWERMENT, INCLUDING ETHNIC MINORITIES

Contributes to SDGs:



Progress against this objective did not meet expectations due to delays in Government of Vietnam approval of two flagship investments. Established investments remain on track.


Gender equality strategy

The *Australia in Vietnam Gender Equality Strategy 2016-2020* was launched in November 2016 by Deputy Secretary Gary Quinlan and is driving Australia's whole-of-government approach to promoting women's economic empowerment and gender equality in Vietnam. The Strategy has enhanced Australia's reputation as a gender equality champion in Vietnam and increased our engagement on gender equality policy with the Government and in regional forums such as APEC. We are viewed as the partner of choice by the Government of Vietnam on gender, and are the largest grant donor.

Aus4Equality

Promoting gender equality and women's economic empowerment is a key focus for Australia's aid program in Vietnam. Our Aus4Equality investments will promote economic empowerment among ethnic minority women, focusing on their equitable participation in agriculture and tourism, and support women's leadership in business.

The Women's Economic Empowerment through Agricultural Value Chain Enhancement (WEAVE) project was launched by the Ambassador for Women and Girls in August 2016 and achieved positive results in its first year of implementation. As of 30 June 2017, WEAVE had supported 1,516 farmers (68 per cent women) to form 39 producer groups, providing men and women with a forum to discuss and address gender equality issues at the household level and receive training on farming techniques, business planning, and financial literacy. Village Saving



and Loan Associations were established and are providing farmers with access to loan finance for expanding farming area, health care services or education. WEAVE is successfully building Australia's reputation as a trusted development partner in the Northern Mountainous region, a new geographic focus area for Australia's aid program in Vietnam.

The two Aus4Equality flagship projects – the Gender-Responsive Equitable Agriculture and Tourism Program (GREAT) and the Investing in Women initiative – did not commence implementation in 2016-17 as planned due to delays in securing Government of Vietnam approval. Both programs propose an approach to implementation that requires flexibility in design, which presents challenges for compliance with the Government of Vietnam's new ODA approval and management stipulations.

Despite these challenges, there was good progress in advancing the necessary approvals and both investments are now expected to commence implementation in late 2017. The Government of Vietnam approved the detailed design for GREAT and work is underway to negotiate implementation arrangements and procure a managing contractor. After prolonged negotiations on technical aspects of Investing in Women, we are now exploring options for alternative implementation arrangements. Lessons learned are informing the approach for the approval of our other aid investments.

We also successfully mobilised Investing in Women's gender expertise to support and influence key policy reforms in Vietnam, including the development of the gender impact assessment for and promoting equitable workplace policies in the revision of the labour code. This has helped establish Australia as a trusted partner on gender equality issues.

Integrating gender in the aid program

We strengthened our approach to addressing gender equality across our aid investments. For example, we worked closely with the World Bank to ensure the new phase of the Australia – World Bank Strategic Partnership includes specific outcomes for gender equality, with a dedicated gender pillar and cross cutting requirements across the partnership.

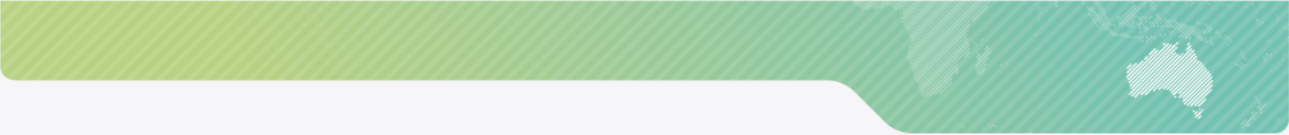
The Australian Centre for International Agricultural Research (ACIAR) commenced a new research activity on integrating gender and social inclusion into agricultural value chain research in Vietnam. The research will create a platform for capacity building and networking for agricultural scientists in Vietnam and the region, leading to greater adoption of modern farming technologies and more inclusive value chains.

OTHER INITIATIVES

Contribute to SDGs:



The Integrated Coastal Management Program (ICMP) is supporting the sustainable economic development of the Mekong Delta, an important region for Vietnam's security and prosperity. An evaluation of the program in January 2017 found that ICMP is performing well and on track to meet its end-of-investment objectives. In 2016-17, ICMP continued to scale up and institutionalise coastal climate change solutions at the regional and national levels. For example, provincial authorities in Kien Giang are now allocating their own budget for mangrove plantation and coastal protection, building on ICMP's pilot work. The program supported the strengthening of policy and governance, including the establishment of the first official policy for regional coordination within the Mekong Delta, and a coastal forest protection policy and development decree that will improve the sustainable management of 356,000 hectares of coastal forest by 2020. ICMP informed the design of a major World Bank loan project and



future public-private investment in the region, and is an example of Australia leveraging our investments for strategic influence and impact.

ACIAR is also supporting research into the application of low-tech innovations to assist mango and peanut farmers in the South Central coast of Vietnam improve their yield and profit margins while saving water. Simple evaporation pans measure the volume of water required to irrigate with sprinklers and drippers. This low-tech solution has increased peanut yields by 10% and mango yields by almost 30%. The quality of fruit has also improved and led to greater profitability for farmers.

MUTUAL OBLIGATIONS

Vietnam's Deputy Prime Minister and Foreign Minister Pham Binh Minh and Australia's Minister for Foreign Affairs Julie Bishop signed the new *Plan of Action 2016-19* in October 2016, reaffirming our commitment to a continued schedule of bilateral discussions and to strengthen cooperation across areas of shared interest.

The Plan of Action recognises our shared commitment to economic growth, including across the region, and calls for us to deepen our bilateral trade and investment linkages even further, noting that we will pursue a bilateral discussion on our economic partnership. This economic partnership will better connect our development, trade and investment cooperation to support our shared ambition of greater economic growth and prosperity.

Strategic direction and priorities for our development cooperation are mutually agreed with the Government of Vietnam every two years through the High Level Consultations (HLCs) on Development Cooperation. The most recent HLCs held in Canberra in March 2017 reaffirmed that the Australian aid program is well-aligned to supporting Vietnam's economic growth. Parties noted that we have jointly achieved results in economic reform, women's economic empowerment, competition policy and law, infrastructure development and connectivity, and skills development. However, we need to keep pace with many changes, including Vietnam's graduation to lower-middle income status, the impressive economic ambitions of Vietnam, and our shared interest in deepening our bilateral trade and investment relationship.

The structure of the HLCs has served us well to date but does not allow us to capitalise on the synergies between our development cooperation, trade and investment agendas.

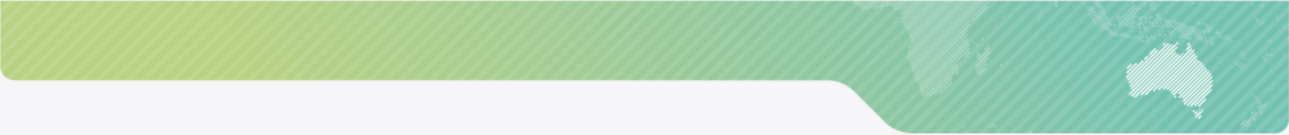
It was proposed that we bring together our regular HLCs on Development Cooperation and the Joint Trade and Economic Cooperation Committee into a new Economic Partnership Meeting at ministerial level. This meeting would address Australia and Vietnam's economic priorities, and bring greater strategic focus to our development, economic and trade cooperation. A concept of this new architecture is being developed with a view to finalisation later in 2017.

PROGRAM QUALITY AND PARTNER PERFORMANCE

Overview

Assessment of the performance of the Australian aid program in Vietnam is grounded on the AIP performance assessment framework (PAF), in conjunction with other tools such as annual Aid Quality Checks (AQC). The 2016-17 AQC round monitored five investments through five respective AQCs. This rigorous process provided useful conclusions on what worked and what did not work during the assessment period, helping inform management decisions to maintain and improve performance of both individual initiatives and the entire portfolio.

The PAF and benchmarks included with the AIP (Annexes B and E) were developed as interim tools, until new investment designs were available to inform more detailed and specific performance indicators and benchmarks. With new designs largely complete, considerable work has been undertaken during 2016-17 to develop a revised PAF with updated benchmarks, which can be used to report against progress of not only the AIP objectives but also the broader economic partnership. The new PAF will also reflect the maturation of our program from traditional aid initiatives to an increasing focus on policy work. We will finalise the revised PAF over coming months and use it as the basis for the 2017-18 APPR.



DFAT provided substantial inputs to four evaluations during the reporting period - three partner-led completion reviews and one joint final evaluation. All three evaluations identified for Vietnam in DFAT's 2017 Annual Aid Evaluation plan were completed. DFAT also completed a review of the climate change sector delivery strategy (2011-16). Given that most of our aid investments will be in early implementation stage during 2017-18, the evaluation plan is light for the next 12 months but will increase in the latter half of 2018. The DFAT-led long-term impact evaluation (2016 – 2020) for the Cao Lanh Bridge project is progressing well, with the completion of the baseline study laying the foundation for impact assessments in coming years. Staff actively used supervision missions to monitor the performance of the projects implemented through others – be it multilateral banks or bilateral partners – to ensure results were on-track and risk management was under control. See Annex C for details of evaluations completed during the reporting period and the forward evaluation pipeline.

The design of new aid investments under the AIP is under way, though slower than planned. In addition to the first new investment – Aus4Skills – commencing its implementation in February 2016, work on the design and approval of a further four key investments – Aus4Equality, Aus4Transport, Aus4Water and Aus4Reform – is progressing. Three out of four investments have received approval from the Prime Minister. Given the importance both governments attach to innovation, our newest investment design – Aus4Innovation - has commenced and is scheduled for finalisation by the end of 2017.

We have continued to consolidate our aid program in Vietnam by reducing the number of investments (both ongoing and pipeline) to 16 by July 2017, in response to the Australian Government's efficiency target of reducing 20 per cent of the number of individual aid investments by 2016-17. Investments under \$3 million (non-monitored) represent 31 per cent of the total numbers of investments, with investments above \$10 million representing 44 per cent.

Aid Quality Checks (AQC)

Five investments were monitored under the 2016-17 AQC process. This is a substantial reduction on 2015-16, reflecting both the conclusion of several initiatives from the previous AIP and the trend of further consolidating the aid portfolio in Vietnam. Results from the AQC process demonstrated a continuous strong performance of the Vietnam aid program, with all investments rating as satisfactory against all criteria (three per cent of criterion ratings were very good, 67 per cent good and 30 per cent adequate). The absence of unsatisfactory ratings represents an improvement in the quality of performance of the programs compared to last year. See Annex D for full details.

Outstanding areas were 'relevance' and 'monitoring and evaluation', where 90 per cent of the ratings were good or very good. This indicates that our investments remain highly relevant to both Vietnam and Australia's priorities.

Gender equality is another strong area to be commended, with satisfactory ratings for all initiatives. The launch of the Australia in Vietnam Gender Strategy plus the engagement of a dedicated Gender Specialist have contributed to this achievement. Moving forward, Post is ensuring all investment managers build in gender equality objectives and action plans, as well as engage the Gender Specialist more substantially during the design and implementation of both ongoing and new initiatives to ensure continued improvement in gender outcomes across the portfolio.

Performance of key delivery partners

Three partner performance assessments were conducted during the reporting period: two multilateral banks (the World Bank and the ADB) and one managing contractor (Coffey International). Overall, all partners performed satisfactorily across all areas of assessment.

Multilateral banks remained key partners, though we will not channel our funding through them as much as under our previous aid strategy. Only one new investment is scheduled for World Bank management: the ABP2 – which is an important continuation and evolution of phase one to further promote Vietnam's development agenda and sustain achievements in areas of priority. Performance of the World Bank team implementing the Vietnam Climate Innovation Centre project this year was rated the same as last year (adequate). However, there were improvements to note, including stronger gender mainstreaming, more regular visits by Implementation Support missions to solve bottleneck issues of the program, and more efforts to promote visibility and branding. Improvement on

communication is still required, given the quarterly update mechanism was not strictly executed and DFAT was still informed of the program's progress on an ad-hoc basis.

The partnership with ADB on the Cao Lanh Bridge continued to be highly satisfactory across all criteria. Thanks to strong collaboration amongst the ADB, the Government of Vietnam and DFAT, the project is on track and the bridge will be launched in late 2017. Effective communication – including the annual high level consultation meeting between ADB and DFAT – has been key in helping address any program concerns.

The collaboration between DFAT and Coffey in the first year of Aus4Skills operation has been rewarding. Post's investment in active and effective management of the managing contractor has resulted in a very responsive, results-oriented partnership with Coffey. DFAT highly appreciated Coffey's "one team" partnership approach with a shared understanding of the context, issues, options, and solutions to inform mutual decisions and action plans. Coffey has been responsive, including to new requirements from DFAT. They have also been proactive and eager to apply extra effort to deliver additional work, including their support for the new "Aus4Vietnam" branding effort.

At a policy level, the Government of Vietnam remained the primary partner and Ministry of Planning and Investment (MPI) was our key interlocutor. We successfully worked with MPI to host the HLCs on Development Cooperation in March 2017, with participation from a wide range of government agencies related to the operation of our aid program in Vietnam. The policy deliverable of this meeting was the mutual agreement to transition the aid relationship into an economic partnership to respond to the changing context in both countries as well as globally.

RISKS

Overall the risk profile for the program is rated moderate. Details on management of key risks is provided below.

Table 4: Management of key risks to achieving objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)	Are these same risks in in Post's Risk Register (Yes/No)*
1. Delays in the Government of Vietnam approval process of four major pipeline investments hinder the achievement of AIP 2015 -2020 strategic objectives.	<p>DFAT Hanoi raised concerns with Ministry of Planning and Investment about the new Government Decree on ODA that added Prime Ministerial approval at concept level for all group A and B ODA projects.</p> <p>DFAT Hanoi is engaging with MPI and line agencies at working and management level to ensure the design proposals are approved.</p>	<p>Aid Management Steering Committee reviews the timeline for concept and design approvals on a monthly basis, and Counsellor (Economic and Development Cooperation) provides an update on progress.</p> <p>DFAT sector teams to intensify efforts with counterparts to develop a shared understanding about the benefits of the proposed designs and next steps in the approval process.</p> <p>Options for how to absorb/reprogram potential underspends to be developed and submitted to the Aid Management Steering Committee to mitigate the impacts delayed implementation has on disbursement.</p>	Moderate	Yes

2. Slow Government of Vietnam progress of institutional reform in the AIP focus areas (private sector development, gender equality and human resource development) and the reliance on few individual champions to drive the change process may lead to inability to sustain investment results and AIP strategic objectives.	All teams ensured this issue is accounted for in the design and implementation of new investments.	Sector teams continue active engagement with a range of different institutions to identify and support other potential reform champions. DFAT has developed new PAF indicators to measure the impact of policy dialogue and influence.	Moderate	Yes
3. Relationships with Government of Vietnam weakened due to the changes of political context.	HOM maintained a schedule of high-level calls and advocacy with key political and line agency counterparts. All teams worked closely with counterpart agencies to identify opportunities for building new and strong relationships.	Sector teams actively engage with a range of different institutions and support other potential reform champions. Sector teams consider alternative mechanisms to support a champion network.	Low	Yes
4. Insufficient fraud and corruption detection and control mechanisms at investment level may cause reputational damage for DFAT.	Sector teams included fraud and corruption detection as an agenda and reporting item for monitoring visits. Corporate section identified high-risk investments for procurement / performance audits and compliance spot-checks.	Corporate section conducts fraud and anti-corruption training for staff and partners. New investments use managing contractor models to increase transparency and reduce corruption risk. Program specific risk registers reviewed routinely by sector teams and risk treatments applied.	Low	Yes

MANAGEMENT ACTIONS

Annex A outlines progress in addressing the management actions identified in last year's APPR. Notably, the HLCs on Development Cooperation were successfully held in March 2017, which confirmed Australia's role as a key development partner in Vietnam and secured agreement to establish an economic partnership.

The Vietnam program will prioritise the following management actions in 2017-18 to deepen our transition to an economic partnership and to continue our effort in pursuing strategic focus for our development program, including (i) embedding innovation in our work; (ii) being a leader on gender; and (iii) improving Australia's aid branding and recognition:

1. Establish a **new Ministerial-level Economic Partnership Meeting** to bring together trade, economic and development interests to be announced at an appropriate high-level opportunity.
2. **Mobilise four new aid investments**, with Government approvals issued and all tenders completed by the end of the 2017-18 financial year.
3. Implement a **new Performance Assessment Framework** by December 2017 to better measure the impact of our investments on influencing policy and achieving the Embassy's economic partnership priorities.

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4. Launch the Embassy's **Innovation Strategy** to help us better innovate across the breadth of our cooperation and aid investments.
 5. Deepen recognition of Australia's aid in Vietnam by applying the **Aus4Vietnam branding** to all existing and new investments in 2017-18 and developing an Aus4Vietnam website, online application and producing more short videos and animations. Bring to wider attention – across DFAT's South-East Asia programs and more broadly – the path-breaking work that the Vietnam program has done on branding.
 6. Increase our policy engagement on **global and regional programs** by identifying lead officers for each relevant initiatives at Hanoi Post, allowing us to increase our influence and the strategic clarity of Australia's work in Vietnam.
 7. Implement the measures outlined in the ***Australia in Vietnam Gender Equality Strategy 2016-20*** and internal Gender Equality Action Plan, so we can be influential on gender across all our work.
 8. Conduct a **mid-term review of the AIP** during 2018 to ensure our aid program remains relevant, geared to maximising opportunities for policy influence and targeted towards realising an economic partnership with Vietnam.
 9. Following on from the 2017 Aid Capability Review, focus on the capabilities of our people at Hanoi Post and help staff acquire the **new skills, perspectives and agility necessary to be effective influencers** as we deepen the economic partnership with Vietnam. This work will provide lessons that other programs may benefit from in this vital area.

ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Management actions identified in 2015-16 APPR	Rating	Progress made in 2016-17
1. Allocate sufficient staff resources to mobilise five new aid investments , complete the tender of three new investments and obtain Government of Vietnam approvals for all new investments	Partly achieved	Three new aid investments have secured Government of Vietnam approval. Aus4Equality and Aus4Water have experienced delays. We expect Aus4Water to be approved by April 2018. Alternative implementation arrangements for Investing in Women are being explored, for finalisation by end 2017.
2. Hold High Level Consultations (HLCs) on Development Cooperation in Canberra in March 2017 to seek Government of Vietnam prioritisation of approvals for our new aid investments and agree mutual obligations.	Achieved	Aid HLCs successfully held and Government of Vietnam endorsement secured for incorporating HLCs into a new economic partnership meeting.
3. Prepare a gender strategy and train and mentor staff, to enable us to achieve 100 per cent of programs effectively addressing gender in their implementation by 2016-17.	Achieved	The Australia in Vietnam Gender Equality Strategy was launched in late 2016. All four new designs were peer reviewed as adequately addressing gender equality, and 100 per cent of Aid Quality Checks for 2017 were satisfactory on gender equality.
4. Identify greater opportunities for innovation in the way we deliver our aid investments, as well as fostering greater innovation in trade and private sector development aid investments.	Achieved	An Aus4Innovation pillar was established in 2017 along with a dedicated Innovation Champion to ensure a strong focus on innovation in Australia's development assistance. Aus4Innovation is under design, and all other designs represent innovative delivery modalities.
5. Close seven investments in 2016-17 to complete program consolidation .	Achieved	Seven investments were closed as planned. A slight increase in investments to 16 from our benchmark of 13 reflects management agreement to establish new programs in Human Rights, and Innovation. Closure of three legacy programs in the next six months will bring the total back to benchmark in the next APPR reporting period.
6. Maintain Australia's reputation and influence as a leading development partner in Vietnam, engaging in quality policy dialogue with the Government of Vietnam and ensuring donor coordination.	Achieved	Australia continues to be an influential development partner and assertively engaged in Vietnam's Development, Business and Private Sector Forums and the Central Party's Economic Committee in 2016-17. We continue to coordinate well by maintaining good working relationships with the Ministry of Planning and Investment, other missions, and through participation in the monthly development partner's forum.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B – PERFORMANCE BENCHMARKS

Progress towards Performance Benchmarks in 2016-17

Aid objective	Intermediate outcome	2016-17 benchmark	Rating	Progress in 2016-17
Objective 1: Enabling and engaging the private sector for development	1.1 Value-for-money transport infrastructure demonstrated and enabled	90 per cent construction complete	Achieved	Progress on the Cao Lanh bridge was 91 per cent complete as at 30 June 2017. Only slightly behind schedule (92 per cent).
	1.2 Promotion of innovative enterprises to enhance service delivery	24 enterprises receiving grants	Partly Achieved	Government approval delays has meant that our new Aus4Water for program will not start implementation until early 2018. In the meantime, Australia is working with East Meets West on a smaller scale to provide grants to private enterprises to improve access to rural water. Four enterprises received grants from East Meets West in 2016 -17.
Objective 2: Assisting the development and employment of a highly skilled workforce	2.1 Male and female alumni use skills and knowledge to make positive contributions to selected priority areas	75 per cent of alumni employed in position relevant to award skills after three years	Achieved	97 per cent of Australia Awards Scholarship alumni, who returned during July 2013-June 2014, were employed in positions relevant to their award skills after three years of return (Aus4Skills program database).
	2.2 Stronger workplace enabling environments for improved skills utilisation in selected priority areas.	Women in Leadership investments developed	Achieved	The Women in Leadership (WIL) component was developed, as an integrated part of Aus4Skills non-scholarship design (January 2017), which focused on support strategies for women in selected AIP partner organisations. A pilot WIL package was designed to support Aus4Skills university partners to promote gender equitable leadership and leadership opportunities for women.
Objective 3: Promoting women's economic empowerment, including ethnic minorities	3.1 Rural women's livelihood security improved	Program design/ partnership established	Partially Achieved	The commencement of Aus4Equality was delayed due to the Government of Vietnam approval taking longer than expected. We are currently negotiating implementation arrangements and procuring a managing contractor, to allow the investment to commence by end of 2017.
	3.2 Women's empowerment	Program design/ partnership established	Partially Achieved	We were not able to resolve key technical issues with Ministry of Planning and Investment during the detailed design of Investing in Women. Other delivery options are being investigated, with a view to commencing implementation by end of 2017.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

Performance Benchmarks for remainder of Aid Investment Plan

Aid objective	Performance Benchmark	2017-18	2018-19	2019-20
Objective 1: Enabling and engaging the private sector for development	1.1 Value-for-money transport infrastructure demonstrated and enabled	100% construction complete; 170,000 passengers per day traffic volume; travel time from Ho Chi Minh to Long Xuyen reduced from 3 – 3.5 hours to 2.5 hours	170,000 passengers per day traffic volume; travel time from Ho Chi Minh to Long Xuyen reduced from 3 – 3.5 hours to 2.5 hours	170,000 passengers benefit daily from project; five million residents of An Giang, Can Tho and Dong Thap provinces benefit from improved regional trade
Objective 1: Enabling and engaging the private sector for development	1.2 Promotion of innovative enterprises to enhance service delivery	24 enterprises receiving grants; 14 enterprises raising early stage finance	14 enterprises raising early stage finance	Service delivery improved; 500 new jobs created; additional sales revenue generated
Objective 2: Assisting the development and employment of a highly skilled workforce	2.1 Male and female alumni use skills and knowledge to make positive contributions to selected priority areas	80% of alumni employed in position relevant to award skills after 3 years	80% of alumni employed in position relevant to award skills after 3 years	85% of alumni employed in position relevant to award skills after 3 years
Objective 2: Assisting the development and employment of a highly skilled workforce	2.2 Stronger workplace enabling environments for improved skills utilisation in selected priority areas.	50 mid-career professionals (including alumni) and 2 targeted institutions demonstrate awareness of gender equitable leadership models	50 mid-career professionals (including alumni) undertake actions within their workplaces that demonstrate awareness of gender equitable leadership models	Effective gender equitable leadership models implemented by professionals of targeted institutions
Objective 3: Promoting women's economic empowerment, including ethnic minorities	3.1 Rural women's livelihood security improved	Greater awareness of livelihood opportunities among women; acquisition of knowledge and skills	Women's income options diversified	Increase in rural women's farm/nonfarm incomes
Objective 3: Promoting women's economic empowerment, including ethnic minorities	3.2 Women's empowerment	Awareness of mechanisms to improve women's participation and leadership	Greater opportunities for women's voice and empowerment realised	Evidence of informal and formal community level decisions more influenced by women's voice

ANNEX C - EVALUATION PLANNING

List of evaluations completed in the reporting period

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INJ577 Integrated Coastal Management	Final Evaluation	May 17	03 Aug 17	03 Aug 17	4 Aug 17
INK376 World Bank Partnership trust Fund	Independent Completion Review	Aug 17	Nov 17	Nov 17	Nov 17
INH651 Southern Coastal Corridor	Completion Review	Sep 17	Dec 17	Dec 17	Dec 17
INH551 Mekong Transport Infrastructure Project	Completion Review	Feb 17	24 Apr 17	08 Feb 17	26 Apr 17
N/A	Review of the Australia-Vietnam Climate Change Delivery Strategy 2011-2016	Aug 16	N/A	N/A	16 May 17

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Aus4Skills Mid-term Review	INL487	Jun 18	Oct 18	To assess the program outcomes, performance of the managing contractor, and inform any changes required for the latter half of the program	Mid-term review
Gender Equality Action Plan (GEAP) Annual Review	N/A	Jul 17	Oct 17	To assess the achievements of the GEAP since the launch of the <i>Australia in Vietnam Gender Equality Strategy</i> 2016 - 2020, and propose adjustments for coming years where needed	Annual review

ANNEX D - AID QUALITY CHECK RATINGS

AQC RATINGS

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
INJ577 Integrated Coastal Management Program (ICMP)	\$21 m	2017 AQC	5	5	5	5	5	5	n/a
	2013-18	2016 AQC	5	5	5	5	5	4	5
INL487Aus4Skills	\$17 m	2017 AQC	5	5	5	5	4	5	n/a
	2016-19	2016 AQC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
INL081Climate Innovation Center (VCIC)	\$3 m	2017 AQC	6	5	4	5	4	4	n/a
	2013-18	2016 AQC	5	4	3	4	4	3	4
INK042 Cao Lanh M&E Social Development, Diplomacy & Civil Work	\$130.5m	2017 AQC	5	4	5	5	5	5	n/a
	2011 -21	2016 AQC	5	5	6	5	5	4	5
INL354 Restructuring Competitive Vietnam (RCV)	\$3.6m	2017 AQC	5	4	4	4	5	4	n/a
	2014-17	2016 AQC	5	5	5	3	5	4	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.

ANNEX E – PERFORMANCE ASSESSMENT FRAMEWORK

Insert Performance Assessment Framework

Annual Progress Targets/Milestones							
Intermediate Outcome	Intermediate Outcome Indicator	Milestone 2015-2016	Milestone 2016-2017	Milestone 2017-2018	Milestone 2018-2019	Milestone 2019-2020	Data source and baseline
Australia's aid objective 1	Enabling and engaging the private sector for development						
1.1 Value-for-money transport infrastructure demonstrated and enabled	Cao Lanh Bridge built and utilised	60% construction complete	90% construction complete	100% construction complete; 170,000 passengers per day traffic volume; travel time from Ho Chi Minh to Long Xuyen reduced from 3-3.5 hours to 2.5 hours	170,000 passengers per day traffic volume; travel time from Ho Chi Minh to Long Xuyen reduced from 3-3.5 hours to 2.5 hours	170,000 passengers benefit daily from project; five million residents of An Giang, Can Tho and Dong Thap provinces benefit from improved regional trade	Traffic and travel time surveys Report from review missions. Reports from the DDIS TA consultants Project Completion report Benefit monitoring and evaluation report
	Enhanced ODA project preparation including technical quality, capacity building and streamlined approval process	Investment concept	Investment design complete	3 pre-feasibility studies completed	3 pre-feasibility studies completed; co-financing of demonstration infrastructure	4 pre-feasibility studies completed; larger pipeline of investments for financing; improved MOT approach to pre-feasibility	Investment documents Baseline: aid investment analytical assessment
1.2 Promotion of innovative enterprises to enhance service delivery	Innovative business models developing and utilising climate smart technology	Investment launch	24 enterprises receiving grants	24 enterprises receiving grants; 14 enterprises raising early stage finance	14 enterprises raising early stage finance	Service delivery improved; 500 new jobs created; additional sales revenue	Investment documents Target: enterprise business plans
	Private sector development through improved access to finance and direct mentoring	Investment concept	Investment design complete	Proof of concept in priority areas; mentoring enterprises, financial institutions	Provision of loans by financial institutions to enterprises	Higher access to social and support services; enterprise growth and employment	Investment documents

1.3 Competitive business enabling environment	Stronger evidence base and champions for reform.	Analytical studies	Analytical studies; evidence better utilised in policy making; emerging network of reform stakeholders	Analytical studies; evidence better utilised in policy making and evaluating policy; emerging network of reform stakeholders	Evidence better utilised in policy making and evaluating policy; emerging network of reform stakeholders	Evidence better utilised in policy making and evaluating policy; emerging network of reform stakeholders	Investment documents Baseline: aid investment analytical assessment
Australia's aid objective 2	Assisting the development and employment of a highly skilled workforce						
2.1 Male and female alumni use skills and knowledge to make positive contributions to selected priority areas.	Alumni apply and transfer their new knowledge and skills to contribute positively to their profession.	75% of alumni employed in position relevant to award skills after 3 years	75% of alumni employed in position relevant to award skills after 3 years	80% of alumni employed in position relevant to award skills after 3 years	80% of alumni employed in position relevant to award skills after 3 years	85% of alumni employed in position relevant to award skills after 3 years	Review and Reintegration workshops (annual).
	Alumni have increased knowledge, skills and confidence	90% Australia Awards recipients completing planned course	90% Australia Awards recipients completing course	90% of Australia Awards recipients completing course	90% of Australia Awards recipients completing course	90% of Australia Awards recipients completing course	OASIS, Program MIS (ongoing).
2.2 Stronger workplace enabling environments for improved skills utilisation in selected priority areas.	Alumni and selected institutions demonstrate gender equitable leadership models/concepts	Human resource development scoping work undertaken	Women in Leadership investments developed	50 mid-career professionals (including alumni) and 2 targeted institutions demonstrate awareness of gender equitable leadership models	50 mid-career professionals (including alumni) undertake actions within their workplaces that demonstrates awareness of gender equitable leadership	Effective gender equitable leadership models implemented by professionals of targeted institutions	Review and Reintegration workshops (annual). Baseline: Program 'Women in Leadership' program preparatory data (2015)
					80 mid-career professionals (including alumni) demonstrate awareness of gender equitable leadership models	100 mid-career professionals (including alumni) demonstrate awareness of gender equitable leadership	

	Improved skills utilisation practice in selected institutions (e.g. good HR and gender equity practices, competency based frameworks)	Human resource development scoping work undertaken	Human resource development program option developed and short courses designed	Strengthened leadership and management skills and improved skills utilisation in 2 selected institutions	Strengthened leadership and management skills and improved skills utilisation in 4 selected institutions	Strengthened leadership and management skills and improved skills utilisation in 4 selected institutions	Review and reintegration workshops (annual). Baseline: TBC
2.3 Australia and Vietnam have stronger sustainable links in selected sectors / agencies.	Alumni establish and maintain effective networks / partnerships in Vietnam and with Australia	45% of Australia Awards alumni who maintain people-to-people and institutional links	45% of Australia Awards alumni who maintain links	55% of Australia Awards alumni who maintain links	55% of Australia Awards alumni who maintain links	65% of Australia Awards alumni who maintain links	Surveys and workshops (annual) Baseline: 2008-2015 Program survey data
Australia's aid objective 3	Promoting women's economic empowerment, including ethnic minorities						
3.1 Rural women's livelihood security improved	Women have greater control over the use of household income and assets to strengthen livelihoods	Concept developed	Program design/ partnership established	Greater awareness of livelihood opportunities among women; acquisition of knowledge and skills	Women's income options diversified	Increase in rural women's farm/non-farm incomes	Investment documents Baseline: aid investment analytical assessment
	Women have better access to livelihood support services (e.g. financial, technical, agribusiness etc.)	Concept developed	Program design/ partnership established	Strengthening of support service provision; Higher awareness of services	Improved outreach of services; Service partnerships established	No. of women beneficiaries utilising services; support partnerships in place	Investment documents Baseline: aid investment analytical assessment
3.2 Women's empowerment	Women's voice and leadership increased in informal and formal community decision-making processes	Concept developed	Program design/partnership established	Awareness of mechanisms to improve women's participation and leadership	Greater opportunities for women's voice and empowerment realised	Evidence of informal and formal community level decisions more influenced by women's voice	Investment documents Baseline: aid investment analytical assessment
	Women's collective knowledge and bargaining power in the market strengthened	Concept developed	Program design/ partnership established and approved by	Formation/ strengthening of women cooperative groups	Strengthening of women cooperative groups	Evidence of collective knowledge and bargaining power in the market	Investment documents Baseline: aid investment analytical assessment

3.3 Policy enabling environment facilitates gender equality and women's empowerment among ethnic minorities	Government of Vietnam's policy enabling environment incorporates women's needs and gender equality issues relevant to ethnic minorities	Stocktake of successful Australian aid funded models; ethnic minority partnerships established	Government of Vietnam	Policy / partnership dialogue forums	Policy / partnership dialogue forums	Evidence of Australian policy dialogue influencing development of gender equitable policies for ethnic minorities	Aid investment evaluations
			Stocktake of successful Australian aid funded models; ethnic minority policy engagement				