



Evaluation Summaries

Evaluation: *Poverty Reduction through Integrated Small Enterprise Development Project (PRISED)*

Quick Facts

Countries: Viet Nam

Mid-Term Evaluation: May 2007

Mode of Evaluation: Independent

Technical Area: Small enterprise development

Evaluation Management: Asia Regional

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Project Start: Aug 2005

Project End: Aug 2009

Project Code: VIE/04/01/SID

Donor: Sweden \$4,500,000 (both phases)

Keywords: Poverty reduction, small enterprise

Background & Context

Summary of the project purpose, logic and structure

The Poverty Reduction through Small Enterprise Development (PRISED) approach was chosen as a valid approach for the growing segment of micro- and small enterprises (MSE) as well as household businesses in Vietnam.

PRISED started off with a highly active first phase of introducing its approach and piloting tools and products to test for their relevance to small and medium enterprises both in rural and urban settings in four provinces of Vietnam: Than Hoa (North), Quang Ngai (Central) Binh Phuoc (South) and Tra Vinh (Mekong Delta). The ILO's project support unit in charge of international execution, together with VCCI units involved in all steps of design and implementation of phase 1, deserve appreciation for their efforts since launching the project in August 2005 and until present. The range of inputs, outputs and activities demonstrates a high level of

the partners' commitment. The fruits of emerging impacts are yet to mature from a first quantitative base of 6270 participants, of which 35% are women.

Present situation of project

Technical assistance delays and deficiencies during phase 1 appear home-made by internal ILO mechanisms for technical assistance (TA) beyond this particular project. TA operations with VCCI headquarters and the respective branch offices may allow for simpler mechanisms in the future, as long as mutual accountability and transparency are guaranteed for the donor's concern.

Opportunities exist for PRISED in conjunction with other technical assistance (TA) interventions with a pro-poor approach to MSE/HB in Vietnam (ILO: EEW; IFAD: rural economy; ADB/DFID: Markets for the Poor - M4P). PRISED in particular will be able to demonstrate how globalisation threats in the era of WTO accession may be transformed into action for local economic development (LED). Targeting MSE/HB through gender-neutral business niches will also allow for increased gender equality in a market economy during a period of change.

Purpose, scope and clients of the evaluation

Funded by the Swedish Development Agency (SIDA) and jointly designed by the Viet Nam Chamber of Commerce and Industry (VCCI) and the ILO, PRISED has been successfully introduced during the first of two phases of PRISED, with a total of 48 months for implementation between 2005 and 2009.

With a long-term visioning process to start in the transition process of PRISED from phase 1 to phase 2, VCCI together with the ILO will be able to strengthen its profile as a business forum that includes the MSE development landscape. The

mid-term review (MTR) team recommends the continuation of project activities to take place along the timing foreseen in the project document (two phases of two years each, with a possible overlap for transition between the two phases).

Main Findings & Conclusions

The points below summarize the conclusions and highlight the recommendations for the remaining phase 1 (until July 2007) as well as for launching phase 2, as of August 2007:

CONCLUSIONS: The **national execution scenario** demands for new execution modalities with VCCI for phase 2. The project management capacities of VCCI constitute a concern for the transition process for which a national consultancy assignment was drafted by the PSU in response to the issues raised by the mid-term review. The areas to be covered by the assignment include management and leadership, institutional arrangements, financial resources, human resources, equipment and knowledge resources.

Meaningful TA interventions with ILO support in phase 2 should build on MSE needs and demand by provincial partners to be re-assessed. Beyond PRISED project completion, capacity building of local institutions and service providers will be the leverage for sustainable business development services (BDS).

LED and policy training for creating an enabling environment at provincial level needs additional conceptual and practical inputs. Social marketing and the use of media, themes introduced by the ILO in phase 1, bear great potential for reaching out to the MSE sector. Their ease of access to media and information and communication technology (ICT) is confirmed for all the four provinces where PRISED is active.

Recommendations & Lessons Learned

Main recommendations and follow-up

Relevance and Impact: In order to overcome the supply-driven start of phase 1 towards a more focused and demand-driven BDS approach, PRISED should continue only with those products and tools that can effectively be rolled out in phase 2. These include Start & Improve Your Business (SIYB), Gender & Entrepreneurship Together (GET) AHEAD as well as Know About Business

(KAB) and capacity development for Small Business Associations (SBA).

Regions and Outreach: The **absorption capacity to go deeper within the four provinces to reach out to districts** and communes along the local economic development (LED) approach will allow PRISED to work closely with all stakeholders involved. Working with two additional provinces as originally planned (see project document) would represent a fresh learning ground for national execution in phase 2, on the one hand. On the other hand, the added value for the PRISED concept appears limited and the add-on be kept as an option, only.

Systematic Exchange of Information: It is recommended to continue the dialogue between projects for real coordination and implementation, to avoid overlaps and foster learning and innovation for good practice cases.

MEI System to be set-up as of NOW! Monitoring, evaluation and impact (MEI) assessment is urgently needed for PRISED. A simple and fully decentralised tool along the project document's updated indicators of achievement (IOA) should be handled in and by all four provinces (and beyond). Such a tool will contribute to a coherent joint planning, implementation and evaluation of achievements.

Staff development, technical business competencies and decentralisation: Human resources and capacities need to be strengthened for VCCI branches. Acting as a facilitator for BDS service provision, VCCI's role will have to focus on supporting local providers in applying relevant business content and tools for MSE. The urge for decentralisation requires TA budget and sufficiently qualified human resources for technical transfer. If the identification of national short-term staff appears difficult, long term hired national candidates should be considered as alternative sources.

⇒ **Short-term Issues until 07/2007 (end of phase 1)** The MTR team recommends a wide discussion and feedback of MTR results and recommendations as well as decisions to be taken, as summarized below:

- **Take a decision on the use of ILO support staff for phase 2:** The MTR team recommends to continue making use of

ILO advisory services in phase 2 as foreseen in the project document (plus additional resources made available by Sida independently). This includes 12 w/m for 3 advisors each (international, national and associate expert). VCCI may negotiate its priorities with Sida in a triangular discussion to include the ILO, so as to reach the best fit of expertise and management.

- **Prepare the outline for an endline survey**, building on Baseline Survey with corrections (MSE target group!) for use at the beginning of phase II.
- **Use of Unspent Budget, Phase 1**, to accommodate for delays - meet hardware needs of the provinces and respond to demand for activities (e.g. WTO&MSE relevance through media; value chains and environmental concerns).
- **Preparation for New MoU for Phase 2 between SIDA and VCCI**: design new system of management, including a project document and budget revision, a certified accounting system and organisation development support for monitoring and strategic advice. Sida to supervise VCCI Operational Planning via benchmarks/milestones.

includes the leveling of TA also in the fight against corruption.

- **VCCI: support VCCI in its motivation to make PRISED a Good Practice CASE for National Execution**, and for MSE service delivery decentralised to provincial level.

⇒ **Short- and medium-term Issues as of 08/2007 (start of phase 2)**

The MTR team recommends the launching of phase 2 without delays, by taking a clear but at the same time smooth approach for transfer between the two phases:

- **Launch of phase 2 by calling for a PRISED FUTURE STRATEGY event**: to earmark the progress achieved in phase 1 and the beginning of a new phase 2, PRISED should run a joint vision retreat at its earliest convenience, involving a large number of participants from all four provinces.
- **Operational planning for 2008 at provincial level to be prepared by October 2007** Ensure continuity of a consultative mechanism to include multiple stakeholders: MPI-ASMED to continue to act as a consultative advisory body through the provincial network.
- **Institutional Arrangement VCCI HQ - Provinces & Sida**: Steering with trust while reinforcing mutual accountability