

# EVALUATION

Evaluation on the Transition Process of  
Finnish-Vietnamese Cooperation in 2008–2020

Volume 1 • Main Report



Ministry for Foreign  
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Evaluation on Finland's Development Policy and Cooperation

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## **EVALUATION ON THE TRANSITION PROCESS OF FINNISH-VIETNAMESE COOPERATION IN 2008–2020**

### **Volume 1 – Main Report**

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**2021/5A**

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# Evaluation on the Transition Process of Finnish-Vietnamese Cooperation in 2008–2020

This evaluation report consists of two volumes. This is Volume 1 and is the main report.

## VOLUME 1 – MAIN REPORT

1. Introduction
  2. Approach, methodology and limitations
  3. Context
  4. Theory of Change of transitioning and partnership development
  5. Findings
  6. Conclusions
  7. Lessons learned from the Viet Nam transition process
  8. Recommendations
- References
- Evaluation Team

## VOLUME 2 – ANNEXES

1. Terms of Reference
2. Evaluation Matrix
3. People interviewed
4. Documents consulted
5. Research approach, methodology, and limitations – extended
6. Theory of Change
7. Stakeholder mapping
8. Political and diplomatic dialogue
9. Political economy analysis
10. Trade analysis
11. Analysis of ODA flows
12. Coherence analysis
13. Cross-cutting policy priorities and objectives in Finnish-Vietnamese cooperation
14. Survey results
15. HEI ICI analyses
16. Comparative study on Zambia
17. Comparative study on Denmark and the Netherlands
18. Description of key cooperation modalities and instruments



# Contents

<b>ACRONYMS AND ABBREVIATIONS .....</b>	<b>6</b>
<b>TIIVISTELMÄ .....</b>	<b>8</b>
<b>REFERAT .....</b>	<b>9</b>
<b>ABSTRACT.....</b>	<b>10</b>
<b>YHTEENVETO.....</b>	<b>11</b>
<b>TÄRKEIMMÄT LÖYDÖKSET, JOHTOPÄÄTÖKSET JA SUOSITUKSET.....</b>	<b>17</b>
<b>SAMMANFATTNING .....</b>	<b>20</b>
<b>CENTRALA RESULTAT, SLUTSATSER OCH REKOMMENDATIONER .....</b>	<b>26</b>
<b>SUMMARY .....</b>	<b>29</b>
<b>KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>35</b>
<b>1. Introduction .....</b>	<b>38</b>
1.1. Purpose, objectives and scope of the evaluation.....	38
1.1.1.Purpose .....	38
1.1.2.Objectives .....	38
1.1.3.Scope of the evaluation.....	39
1.1.4.Intended users of this evaluation .....	39
1.2. Evaluation questions.....	40
1.3. Structure of the report.....	40
<b>2. Approach, Methodology and Limitations.....</b>	<b>41</b>
2.1. Approach .....	41
2.2. Methodology for data-collection and analysis.....	42
2.2.1.Methodology for data collection .....	42
2.2.2.Methodology for data processing and analysis.....	43
2.3. Risks, limitations, and mitigation.....	43
<b>3. Context .....</b>	<b>45</b>
3.1. The Vietnamese perspective on international cooperation and partnership with Finland .....	45
3.2. Transition in the cooperation between Finland and Viet Nam .....	51
3.3. Stakeholders in the transition process .....	55
<b>4. Theory of Change of Transitioning and Partnership Development .....</b>	<b>57</b>



<b>5. Findings .....</b>	<b>61</b>
5.1. On the relevance of transitioning to mutual political, developmental and economic interests....	61
5.1.1. Vision and strategy behind the transition process .....	62
5.1.2. Stakeholder appreciation of transition and partnership development.....	66
5.2. On the effectiveness of transitioning and partnership development.....	67
5.2.1. Key changes and milestones in Finnish-Vietnamese cooperation and partnership .....	69
5.2.2. Development of ODA and trade flows between Finland and Viet Nam.....	71
5.2.3. Strategizing the transition process and related factors .....	79
5.2.4. Participation of stakeholders in the transition process and new partnerships .....	81
5.3. Coherence and synergy in policy dialogue and development and private sector support instruments and modalities applied .....	84
5.3.1. Coherence of modalities and instruments in the Finnish support portfolio .....	85
5.3.2. Coherence in policy dialogue between Finland and Viet Nam.....	88
5.4. Sustainability of Finnish-Viet Nam partnership after finalisation of the transition process.....	90
5.4.1. Institutional arrangements for a partnership beyond the transition process.....	92
5.4.2. Future sustainability of the Finnish-Vietnamese partnership relation .....	95
5.4.3. Priority needs and actions to consolidate transition and partnership development between Finland and Viet Nam. ....	97
5.5. Cross-cutting objectives throughout the transition process .....	99
5.5.1. Integration of Finnish cross-cutting objectives in aid instruments, development and private sector modalities, trade agreements and corporate policies .....	100
5.5.2. Mutual influencing of cross-cutting objectives and the transition process towards a new kind of partnership between Finland and Viet Nam .....	102
5.5.3. Good practices and challenges in promoting Finnish cross-cutting objectives .....	104
5.6. Experiences and lessons learned from transitioning in Zambia and peer countries' cooperation with Viet Nam .....	105
5.6.1. Experiences and lessons from Zambia .....	107
5.6.2. Experiences and lessons from Denmark and the Netherlands .....	109
<b>6. Conclusions .....</b>	<b>112</b>
6.1. What has worked well and what has worked less well .....	112
6.2. Conclusions .....	113
<b>7. Key lessons learned from the Viet Nam transition process .....</b>	<b>122</b>
<b>8. Recommendations .....</b>	<b>124</b>
8.1. Recommendations on the Finland-Viet Nam transition and partnership development process .....	124
8.2. Recommendations on transition and partnership development processes in other Finnish partner countries .....	129
<b>References .....</b>	<b>135</b>
<b>Evaluation Team .....</b>	<b>137</b>



## LIST OF FIGURES

Figure 3.1 Viet Nam: one of the fastest growing economies around the world .....	50
Figure 3.2 Main phases in the transition in cooperation between Finland and Viet Nam .....	52
Figure 3.3 Approximate volumes and modalities of Finland's development cooperation with Vietnam since 2008 .....	54
Figure 3.4 Stakeholders of the transition process .....	55
Figure 4.1 ToC of transitioning towards a new kind of partnership between Finland and partner-countries.....	57
Figure 5.1 Direct ODA disbursements to Viet Nam 2008-2020 .....	72
Figure 5.2 Finnish Exports to and Imports from Viet Nam, 2010- 2019 (in 1000 €).....	73
Figure 5.3 Average growth rates of trade between Finland and Viet Nam vis-à-vis with the world, 2010-2019 .....	75
Figure 5.4 Key Finnish Export sectors to Viet Nam in 2019 (in 1000's €) .....	76
Figure 5.5 Key export sectors from Viet Nam to Finland in 2019 (in 1000's €).....	76

## LIST OF BOXES

Box 1	The transitioning process in relations between Finland and Vietnam has brought changes though mutual interest has remained strong .....	64
Box 2	Rich exchange of expertise in innovation between Finland and Viet Nam .....	78
Box 3	Coherence of support instruments and sector focus contributes to SDGs and development impact.....	87
Box 4	Some of the priority sectors in Finnish cooperation with Viet Nam that have long- term potential.....	93
Box 5	Diverse development and effects of the Finnish cross-cutting objectives: the examples of climate action and gender equality .....	105
Box 6	An example of a partnership: The Danish Strategic Sector Cooperation Partnership Agreement .....	107

## LIST OF TABLES

Table 1	Risks, limitations encountered in the evaluation and mitigating actions .....	44
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# Acronyms and Abbreviations

€	Euro
<b>BEAM</b>	Business with Impact
<b>BF</b>	Business Finland
<b>B2B</b>	Business to Business
<b>CC</b>	Concessional Credit
<b>CCOs</b>	Cross-cutting objectives
<b>CIFOR</b>	Centre for International Forestry Research
<b>CSO</b>	Civil Society Organisation
<b>CSR</b>	Corporate Social Responsibility
<b>CTPPP</b>	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
<b>D4D</b>	Digital for Development (Hub) of the EU
<b>DAC</b>	Development Assistance Committee
<b>DAG</b>	Domestic Advisory Group
<b>DevPlat</b>	Developing Markets Platform
<b>DFI</b>	Development Finance Institution
<b>DPP</b>	Development Policy Programmes
<b>DRR</b>	Disaster Risk Reduction
<b>EAEU</b>	EurAsian Economic Union
<b>EEP</b>	Energy and Environment Partnership
<b>EFA</b>	Education For All
<b>EK</b>	Confederation of Finnish Industries
<b>EMS</b>	Evaluation Management Services (framework contract)
<b>EQ</b>	Evaluation Question
<b>ERG</b>	Evaluation Reference Group
<b>EU</b>	European Union
<b>EVA-11</b>	Development Evaluation Unit at Finnish MFA
<b>EVFTA</b>	European Union-Viet Nam Free Trade Agreement
<b>FAO</b>	Food and Agriculture Organisation
<b>FDI</b>	Foreign Direct Investment
<b>FF</b>	Finnfund
<b>FINGO</b>	Finnish Development NGOs
<b>FLC</b>	Fund for Local Cooperation
<b>FMI</b>	Finnish Meteorological Institute
<b>FORMIS</b>	Forest Management Information System (bilateral project in Viet Nam)
<b>FP</b>	Finnpartnership
<b>FWF</b>	Finnish Water Forum
<b>GoV</b>	Government of Viet Nam
<b>HEI ICI</b>	Higher Education Institutions - Institutional Cooperation Instrument
<b>HRBA</b>	Human Rights-Based Approach
<b>ICI</b>	International Cooperation Instrument
<b>ICT</b>	Information and Communication Technology
<b>IDA</b>	International Development Association
<b>IFAD</b>	International Fund for Agricultural Development
<b>IFC</b>	International Finance Corporation
<b>IFI</b>	International Financial Institution



<b>IPP</b>	Innovation Partnership Programme (bilateral project in Viet Nam)
<b>KII</b>	Key Informant Interview
<b>LDC</b>	Least Developed Country
<b>LIC</b>	Low Income Country
<b>LMIC</b>	Lower Middle-Income Country
<b>LRC</b>	Learning Resource Centre
<b>MARD</b>	Ministry of Agriculture and Rural Development (Viet Nam)
<b>MDGs</b>	Millennium Development Goals
<b>MEAE</b>	Ministry of Economic Affairs and Employment (Finland)
<b>MFA</b>	Ministry for Foreign Affairs (Finland)
<b>MIC</b>	Middle-Income Country
<b>MOC</b>	Ministry of Construction (Viet Nam)
<b>MOET</b>	Ministry of Education and Training
<b>MOF</b>	Ministry of Finance (Viet Nam)
<b>MOFA</b>	Ministry of Foreign Affairs (Viet Nam)
<b>MOIT</b>	Ministry of Industry and Trade (Viet Nam)
<b>MOLISA</b>	Ministry of Labour, Invalids and Social Affairs (Viet Nam)
<b>MONRE</b>	Ministry of Natural Resources and Environment (Viet Nam)
<b>MOST</b>	Ministry of Science and Technology (Viet Nam)
<b>MOU</b>	Memorandum of Understanding
<b>MPI</b>	Ministry of Planning and Investment (Viet Nam)
<b>NDF</b>	Nordic Development Fund
<b>NHMS</b>	National Hydro-Meteorological Service of Viet Nam
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PEA</b>	Political Economy Analysis
<b>PIF</b>	Public Sector Investment Facility
<b>PPP</b>	Public Private Partnership
<b>PSD</b>	Private Sector Development
<b>PSIs</b>	Private Sector Instrument
<b>RBM</b>	Results Based Management
<b>RCEP</b>	Regional Comprehensive Economic Partnership Agreement
<b>RVO</b>	Netherlands Enterprise Agency
<b>SDGs</b>	Sustainable Development Goals
<b>SEA</b>	South-East Asia
<b>SEDP</b>	Socio-Economic Development Plan
<b>SEDS</b>	Socio-Economic Development Strategy
<b>Sitra</b>	Finnish Innovation Fund
<b>SME</b>	Small and Medium-sized Enterprise
<b>SRV</b>	Social Republic of Viet Nam
<b>Tekes</b>	Finnish Funding Agency for Technology and Innovation
<b>ToC</b>	Theory of Change
<b>ToR</b>	Terms of Reference
<b>ToT</b>	Training of Trainers
<b>TPP</b>	Trans-Pacific Partnership
<b>UN</b>	United Nations
<b>UMIC</b>	Upper Middle-Income Country
<b>VEA</b>	Viet Nam Environment Agency
<b>VMAP</b>	Viet Nam Market Access Programme (in IPP II)
<b>VTT</b>	Finnish State Research Centre
<b>WB</b>	World Bank



# Tiivistelmä

Vietnam on ollut yksi Suomen tärkeimmistä kumppanimaista lähes neljän vuosikymmenen ajan. Vietnamin nopean talouskasvun vuoksi vuonna 2008 käynnistyi siirtymäprosessi, jonka tavoitteena on ollut edistää osallistavaa kehitystä Vietnamissa. Sen tavoitteena on ollut myös lisätä kauppaa ja muita molempia osapuolia hyödyttäviä yhteistyömuotoja Suomen ja Vietnamin välillä. Arvioinnissa tarkasteltiin siirtymäprosessia, joka oli suunniteltu päättymäksi vuonna 2020. Toimeksianto toteutettiin marraskuusta 2020 kesäkuuhun 2021. Arvointi oli teoriaperustainen. Lähestymistapa oli sekä taaksepäin katsova että tulevaisuuteen suuntautuva, ja toteutuksessa käytettiin niin laadullisia kuin määrellisiä tutkimusmenetelmiä.

Arvioinnissa todetaan, että siirtymävaihe johti julkisen kehitysyhteistyön vähentämiseen ja kahden välisen kaupan ja investointien kasvuun. Siirtymävaihe ei kuitenkaan johtanut muodolliseen uuteen kumppanuuussuhteeseen maiden välillä. Arvioinnin mukaan yhteistyömuotojen koordinointi ja johdonmukaisuus oli siirtymävaiheen aikana puutteellista, sillä tukimuotoja oli useita ja niitä toteutettiin useiden instituutioiden kautta. Ilmastonmuutos sisällytettiin teemana toimintoihin, mutta muita läpileikkaavia tavoitteita ei otettu yhtä paljon huomioon. Julkisten, yksityisten, kansalaisyhteiskunnan ja tiedemaailman sidosryhmien laajempaan kumppanuukseen kiinnitettiin vain vähän huomiota. Erityisesti kansalaisyhteiskunnan rooli on heikentynyt.

Arvioinnissa suositellaan siirtymäprosessin saattamista virallisesti päätökseen ja vaihtoehtojen harkitsemista uudentyyppisen kumppanuuden jatkamiseksi. Tämä voitaisiin toteuttaa solmimalla yhden tai useita eri sektoreita kattava sopimus, joka kohdistuu tiettyihin molempia osapuolia hyödyttäviin talouden aloihin ja jossa keskitytään kehitysvaikutuksiin Agenda 2030:n mukaisesti. Muiden siirtymävaiheessa olevien maiden kanssa Suomen tulisi pyrkiä uuteen kumppanuusjärjestelyyn heti siirtymäprosessin alusta alkaen.

Avainsanat: *Siirtymävaihe, kumppanuus, virallinen kehitysyhteistyö, yksityisen sektorin instrumentit, taloudellinen kehitys, Vietnam*



# Referat

Vietnam har varit ett av Finlands viktigaste partnerländer under nästan fyra årtionden. Mot bakgrund av den snabba ekonomiska tillväxten i Vietnam inleddes 2008 en övergångsprocess för att i ökande grad inrikta samarbetet på att främja en mer inkluderande utveckling i landet. Processen har även syftat till att öka handeln och andra ömsesidigt fördelaktiga former av samarbete mellan Finland och Vietnam. Utvärderingen granskar denna övergångsprocess (som avslutades 2020) och genomfördes från november 2020 till juni 2021. Utvärderingen är teori-baserad och tar både ett bakåt- och framåtblickande perspektiv med hjälp av kvalitativa och kvantitativa datainsamlings- och analysmetoder.

Utvärderingen konkluderar att övergångsprocessen ledde till en minskning av det offentliga utvecklingssamarbetet och en ökning av bilaterala kommersiella relationer, handel och investeringar. Processen ledde inte till ett formaliserat nytt partnerskap mellan de två länderna. Utvärderingen visar att det har varit en utmaning att samordna och tillförsäkra koherens mellan olika stödformer, delvis till följd av en alltför komplex organisation och en mängd olika stödformer. Medan klimat-förändring genomsyrar relationerna är andra horisontella mål mindre synliga. Begränsade satsningar har gjorts på bredare aktörssamarbeten inom offentlig och privat sektor, civilsamhället samt akademiska områden. Civilsamhällets roll har särskilt försvagats.

Det rekommenderas att övergångsprocessen formellt avslutas, och att olika alternativ övervägs för ett nytt partnerskap baserat på ett (multi-)sektoriellt avtal, inriktat på ekonomiska sektorer av ömsesidigt intresse och med fokus på utvecklingseffekter, i linje med Agenda 2030. Finland bör överväga att bygga upp en ny partnerskapsstruktur redan från början i de länder där en liknande övergångsprocess planeras.

**Nyckelord:** *Övergångsprocess, partnerskap, offentligt utvecklingssamarbete, yksityisen sektorin instrumentit, ekonomisk utveckling, Vietnam*



# Abstract

Viet Nam has been one of Finland's key partner countries for almost four decades. Given the rapid economic growth in Viet Nam, a transition process started in 2008 to promote inclusive development in Viet Nam. It also aimed at increasing trade and other mutually beneficial forms of cooperation between Finland and Viet Nam. This evaluation looks at the transition process that was completed in 2020. The assignment was implemented from November 2020 to June 2021. It followed a theory-based approach and combined backward and forward-looking perspectives and qualitative and quantitative research methods.

The evaluation concludes that transitioning led to the scaling down of official development aid and increasing bilateral commerce, trade, and investments. The transition process did not lead to a formalised new partnership between the two countries. The study observes that coordination and coherence of support modalities during the transition were challenged, with a rather complex institutional set-up and a variety of support modalities. While climate change is embedded in the relationships, other cross-cutting objectives are less visible. Attention to broader multi-stakeholder partner relationship of public, private, civil, and academia sectors is limited, particularly civil society's role has weakened.

It is recommended to formally close the transition process and consider options to continue a new partnership in a (multi)-sectoral agreement, targeting specific mutually benefiting economic sectors and focussing on development impact, as specified in the international Agenda 2030. With other countries about to transition, Finland should consider building a new partnership arrangement right from the start of the transition process.

Key words: *transition, partnership, ODA, Private Sector Instruments, economic development, Viet Nam*



# Yhteenvetö

**Johdanto.** Vietnam on ollut yksi Suomen tärkeimmistä kehitysyhteistyökumppanimaista lähes neljän vuosikymmenen ajan. Vietnamin nopean talouskasvun vuoksi vuoden 2007 kehityspoliittiseen ohjelmaan kirjattiin muutos, jossa suositeltiin siirtymää pitkääkaisesta hallitustenvälisestä yhteistyöstä muihin yhteistyömuotoihin. Vietnamin maaohjelmaan (*Country Engagement Plan*) 2008–2012 sisällytettiin muutos kahdenvälisen kehitysyhteistyön vähentämisestä samalla kun vahvistettaisiin muita kumppanuuksia. Kahdenvälinen kehitysyhteistyö oli suunniteltu päättyväksi vuonna 2015 ja perustuvan sen jälkeen uudenlaiseen yhteistyöhön Vietnamin kanssa, kuten instituutioiden väliseen ja yksityisen sektorin yhteistyöhön.

Vuoden 2012 kehityspoliittinen ohjelma vahvisti Suomen strategian edistäää Vietnamin asteittaista muutosta pitkääkaisesta kumppanimaasta monipuolisemman yhteistyön kumppaniksi. Vietnamin maaohjelmassa 2013–2016 todettiin: “*Vietnamin ja Suomen perinteinen hankemuotoinen kehitysyhteistyö korvataan asteittain kattavammalla kumppanuudella, jolla vastataan keskituloisen Vietnamin muuttuvien tarpeisiin.*”

Vuoden 2016 kehityspoliittinen ohjelma asetti vuoden 2018 kahdenvälisen yhteistyön päätymisajankohdaksi Vietnamissa. Viimeisin Vietnamin maaohjelma vuosille 2016–2020 oli erityinen siirtymästrategia. Visiona oli, että “*vuoteen 2020 mennessä Suomen rahoittamat käynnissä olevat kahdenväliset, lahjarahalla toteutettavat hankkeet on onnistuttu sulkemaan niin, että ne jättävät jälkeensä kestäviä tuloksia, kahdenvälinen kauppa on kasvanut merkittävästi, ja Suomi tunnetaan Vietnamissa luotettavana kumppanina, joka tarjoaa taloudellisesti ja ympäristön kannalta kestäviä ratkaisuja, jotka edistävät Vietnamin tavoitetta tulla innovatiiviseksi, tietoon ja osaamiseen perustuvaksi taloudeksi.*”

Siirtymästrategian yleisenä tavoitteena oli edistää osallistavaa kehitystä Vietnamissa sekä lisätä Suomen ja Vietnamin välistä kauppaa ja muita molempia osapuolia hyödyttäviä yhteistyömuotoja.

Siirtymäkauden aikana tärkeitä olivat kahdenvälisen ja monenvälisen yhteistyön ohjelmat, instituutioiden välisen kehitysyhteistyön ja korkeakoulujen institutionaalisen yhteistyön instrumentit, paikallisen yhteistyön määrärahat sekä kansalaisjärjestöjen hankkeet ja ohjelmat. Yksityisen sektorin toimijoiden saamiseksi mukaan yhteistyöhön käytettiin niille suunnattuja instrumentteja, kuten Finnpartnership, Business with Impact (nykyisin Developing Markets Platform) ja korkotukiluotot (nykyisin investointituki kehitysmaille -rahoitusinstrumentti).

Siirtymävaiheen aikana, vuosina 2008–2020 Suomen julkinen kehitysyhteistyö Vietnamissa oli yli 163 miljoonaa euroa kyseisiä välineitä käyttämällä. Määrä on todennäköisesti paljon suurempi, koska kehitysyhteistyömäärärahoja kanavoitiin myös muiden tukimuotojen kautta, kuten Finnfund, Pohjoismainen kehitysrahasto, monenvälinen yhteistyö ja alueelliset ohjelmat. Lisäksi julkisen kehitysyhteistyön ulkopuolista tukea tarjottiin Suomen Vietnamin suurlähetystön ja Business Finlandin (Tekesin ja Finnpron fuusio) tarjoamien tieto- ja välityspalvelujen sekä Finnveran vientiluottojen ja Sitran innovaatorahaston kautta. Suomen yksityinen sektori on myös tehnyt merkittäviä määriä suoria ulkomaisia investointeja Vietnamiin. Siirtymäkauden aikana raportoitu julkinen kehitysyhteistyö vähentyi merkittävästi vuoden 2010 yli 23 miljoonasta eurosta alle 3



miljoonaan euroon vuoteen 2020 mennessä. Kehityspankkien ja yksityisen sektorin investoinnit ovat kuitenkin jatkuneet ja ne ovat olleet yhdistelmä julkista kehitysyhteistyötä, muuta yhteistyötä ja sekarahoitusta. Luvut osoittavat, että kehityspoliittinen tavoite vähentää perinteistä lahjamuotoista tukea siirtymällä muihin yhteistyön muotoihin saavutettiin.

**Arvioinnin tarkoitus.** Suomen ja Vietnamin pitkääikaisen kumppanuuden ja transitioprosessin vuoksi on hyödyllistä ymmärtää tämän siirtymävaiheen onnistumisia, haasteita, vahvuksia ja heikkouksia. Arvioinnin tarkoituksesta on edesauttaa siirtymää lahjamuotoisesta kehitysyhteistyöstä lisääntyneeseen maiden väliseen kauppaan ja muihin molempia osapuolia hyödyttäviin yhteistyömuotoihin. Lisäksi tarkoituksesta on tuoda esille Vietnamin siirtymän oppeja, jotka hyödyttävät muissa maissa toteutettavia vastaavia siirtymäprosesseja.

**Arvioinnin tavoitteet.** Arvioinnin tavoitteena oli tuottaa tietoa siitä, miten Suomen kehitysyhteistyö on tukenut siirtymävaihetta ja miten se on edistänyt uudenlaisen kumppanuuden luomista Vietnamin kanssa. Tarkoituksesta oli ottaa oppia myös verrokkimaista, erityisesti Tanskasta ja Alankomaista. Arvioinnin odotetaan vahvistavan synergioita sekä eri kehitysyhteistyömuotojen sisällä että kehitysyhteistyön ja Team Finlandin kanssa. Tämän pitäisi tukea siirtymävaihetta paitsi Vietnamissa myös muissa sellaisissa Suomen kumppanimaissa, jotka ovat siirtymässä pois perinteisestä kehitysyhteistyöstä.

**Keskeisimmät arviontiksykyiset.** Arvioinnissa käsiteltiin viittä pääkysymystä:

- Miten ja missä määrin siirtymäprosessi on edesauttanut Suomen ja Vietnamin kehityspoliittisia, poliittisia ja taloudellisia intressejä ja tavoitteita?
- Miten ja missä määrin kehityksen ja talouden yhteistyöstrategiat sekä julkisen kehitysyhteistyön piiriin kuuluvien ja sen ulkopuolisten yhteistyökanavien valinta ovat vaikuttaneet siirtymäprosessiin ja edistäneet uudenlaista Suomen ja Vietnamin välisen kumppanuuden rakentamista?
- Miten ja missä määrin Suomen kehitysyhteistyön ja yksityisen sektorin rahoituskanavat ja toimijat ovat onnistuneet toteuttamaan johdonmukaisia, yhteisvaikuttelisia ja toisiaan täydentäviä toimia niin, että ne ovat edistäneet myös siirtymävaiheen toteutumista ja uudenlaista Suomen ja Vietnamin välistä kumppanuutta?
- Miten kestävä Suomen ja Vietnamin välinen uudenlainen kumppanuuus on vai tarvitaanko lisätoimia kumppanuuden vahvistamiseksi?
- Miten ja missä määrin Suomen läpileikkaavia tavoitteita (sosiaalinen osallisuus ja köyhyyden vähentäminen, sukupuolten välinen tasa-arvo ja ympäristökestävyys) on tuettu siirtymäprosessin aikana?

Lisäksi tarkasteltiin, mitä ulkoministeriö voi oppia muilta Vietnamissa toimivilta rahoittajilta ja omista kokemuksistaan muissa kumppanimaissa siirtymävaiheen ja uudenlaisen kumppanuuden kehittämisestä.

**Arvioinnin laajuus.** Arvioinnissa tarkasteltiin Suomen ja Vietnamin yhteistyön 12 vuoden siirtymäkautta vuodesta 2008 vuoteen 2020. Ajanjakso kattaa kolme nelivuotista Vietnamin maaohjelmaa. Arvioinnissa otettiin huomioon Vietnamin kannalta merkitykselliset alueelliset hankkeet. Tarkastelun kohteena oli myös Suomen siirtymävaihe Sambiassa sekä Tanskan ja Alankomaiden siirtymävaihe Vietnamissa.



**Lähestymistapa ja menetelmät.** Arvointi oli teoriaperustainen. Lähestymistapa oli tulevaisuuden suuntautuva ja se pyrkii tuottamaan hyödyllistä tietoa käyttäjilleen. Vietnamin siirtymäprosessia koskeva muutosteoria laadittiin uudelleen, jotta voitiin kuvata prosessia kyseisessä maassa. Sen lisäksi kehitettiin yleislouhiteisempi muutosteoria, jota Suomi voi hyödyntää muissa siirtymävaiheessa olevissa kumppanimaissa. Toimeksiannossa kerättiin Vietnamin siirtymäprosessista myös sellaista tietoa ja kokemuksia, joita voidaan soveltaa tuleviin strategioihin niin Vietnamissa kuin muissa siirtymävaiheessa olevissa maissa.

Tiedonkeruu- ja analyysivaiheessa käytettiin monimenetelmällistä lähestymistapaa, jotta siirtymäprosessin moniulotteisuus voidaan ymmärtää syvällisesti. Ajallisen kehityksen ymmärtämiseksi tehtiin pitkän aikavälin analyysi. Lisäksi toteutettiin vertaileva tutkimus, jonka tarkoituksena oli asettaa Suomen siirtymäprosessi Vietnamissa laajempaan kontekstiin. Monimenetelmäinen lähestymistapa sisälsi virallisen kehitysyhteistyön ja kaupan rahoitusanalyysin siirtymäprosessin aikana. Laadulliset näkökohdat otettiin mukaan tarkastelemalla 1) miten kumppanit ovat arvostaneet vuoropuhelua ja yhteistyötä ja miten ne ovat yhdessä sidosryhmien kanssa sitoutuneet vuorovai-kutukseen ja kumppanuuksiin, ja 2) miten sukupuolten tasa-arvoa, sosialista osallisuutta ja köyhyyden vähentämistä, ympäristökestävyyttä ja ilmastonmuutosta koskevat monialaiset tavoitteet ovat vaikuttaneet siirtymävaiheeseen ja päinvastoin.

Sidosryhmien osallistamiseksi tehtiin 110 haastattelua, joissa kuultiin 125 avainhenkilöä. Lisäksi järjestettiin useita työpajoja, joissa käsiteltiin arvioinnin lähestymistapaa ja muutosteoriaa sekä keskusteltiin alustavista löydöksistä, johtopäätöksistä ja suosituksista.

Toimeksiannon toteutti viiden asiantuntijan ja yhden tutkimusassistentin ryhmä, jonka kokoonpanossa huomioitiin sekä sukupuolijakauma että vietnamilaiset ja suomalaiset näkökulmat. Arvointi kattoi ajanjakson marraskuusta 2020 kesäkuuhun 2021.

## Tärkeimmät löydökset

**Tarkoituksenmukaisuus:** Suomen ja Vietnamin välisen yhteistyön siirtymäprosessi on perustunut vahvaan vastavuoroisuuteen ja pitkään yhteistyöhistoriaan. Prosessi on vastannut hyvin Vietnamin saavutukseen nousta keskituloiseksi maaksi ja on linjassa sen tulevaisuuden kasvutavoitteiden kanssa.

**Tuloksellisuus:** Suomen virallinen kehitysyhteistyö on jatkuvasti vähentynyt siirtymäprosessin aikana. Samanaikaisesti maiden väliset kauppa- ja investointisuhteet ovat kasvaneet. Vietnamin siirtymäprosessia on suunniteltu pitkään. Sitä valmisteltiin ja edistettiin IPP- ja EEP-ohjelmien kumppanuusjärjestelyjen avulla. Lisäksi otettiin käyttöön uusia yksityisen sektorin instrumentteja. Suomen ja Vietnamin kehitysyhteistyötä koskeva keskitetty, päämajavetoinen ohjaus on vähentynyt vähitellen siirtymäprosessin loppua kohti. Sekä suomalaisen että vietnamilaisten sidosryhmien kesken on järjestetty aihetta koskevia kuulemisia ja aiheesta on tiedotettu, mutta se ei ole ollut riittävän osallistavaa erityisesti kansalaisyhteiskunnan ja korkeakoulujen osalta.

**Johdonmukaisuus ja yhteisvaikutukset:** Suomen ja Vietnamin välisen kehitysyhteistyön kohdentaminen tietylle sektoreille on tukenut vahvasti johdonmukaisuutta ja suomalaisen kumppaneiden näkyvyyttä. Kysyntään perustuvien yksityissektorin instrumenttien käyttö on vähentänyt mahdollisuuksia ohjata toiminnan johdonmukaisuutta. Erityisesti yksityissektorin instrumentit ovat heikommin linjassa läpileikkaavien tavoitteiden ja kestävän kehityksen tavoitteiden kanssa. Poliittinen vuoropuhelu maiden välillä ei ole johtanut sellaiseen kattavaan viitekehykseen, jonka



avulla voitaisiin varmistaa eri tukimuotojen ja toimintatapojen välinen johdonmukaisuus sekä kahdenvälisen ja kansainvälisten kehitysyhteistyökumppaneiden keskinäinen täydentävyys.

**Kestävyys:** Siirtymäprosessin lopussa on vain vähän sellaisia institutionaalisia järjestelyjä, joiden tarkoitus on ohjata ja tukea kumppanuusprosessia strategisella tasolla tulevaisuudessa. YK:n Agenda2030:n kaltaiset viitekehykset voisivat tarjota sopivat puitteet, tosin niihin viitataan harvoin. Nykytilanteessa kumppanuuksia syntyy lähinnä yksittäisten instrumenttien tasolla, kuten instituutioiden välisen kehitysyhteistyön ja korkeakoulujen institutionaalisen yhteistyön instrumentin sekä tulevaisuudessa mahdollisesti Developing Markets Platformin yhteydessä.

Suomen ja Vietnamin kumppanuudesta tulevaisuudessa on erilaisia näkemyksiä suomalaisten ja vietnamilaisten eri toimijoiden välillä. Kiinnostus kumppanuussuhteeseen virallistamiseen sopimukseilla on vähäistä hallitusten välisellä tasolla. Samaan aikaan vallitsee laaja yksimielisyys siitä, että kauppasuhteet ja ihmisten välinen vuorovaikutus tulevat jatkumaan. Ne edellyttävät diplomaattisten edustustojen ylläpitämistä molemmissa maissa.

**Läpileikkaavat tavoitteet:** Läpileikkaavat tavoitteet on sisällytetty kattavasti Suomen kehitysyhteistyöhön, tosin yksityisen sektorin instrumenteissa niitä on huomioitu vähemmän. Ilmas-tonmuutosta ja ympäristökestävyytyttä koskevien tavoitteiden merkitys on kasvanut Suomen ja Vietnamin välisessä yhteistyössä. Sen sijaan köyhyyteen, sosiaaliseen osallisuuteen ja sukupuolten tasa-arvoon on kiinnitetty vähemmän huomiota erityisesti yksityisen sektorin instrumenteissa. Kansalaisyhteiskunnan toimijat, jotka voivat olla vahvoja läpileikkaavien ja kestävän kehityksen tavoitteiden puolestapuhujia, kokevat, että heidän toimintamahdollisuutensa ja osallistumisensa kumppanuuksiin ovat aina vain rajallisemmat.

**Muista siirtymävaiheen maista saadut kokemukset:** Sambiassa ei Vietnamin tavoin ole enää maastrategiaa. Sambiasta saatu kokemus osoittaa, että siirtymäprosessin toteuttaminen edellyttää vision määrittelyä ja strategian laadintaa. Tarvitaan päätöksenteko- ja tukimekanismeja, joihin kuuluu suurlähetyksen vaiva rooli ja siirtymää valmistelevia kahdenvälisiä hankkeita. Tanskana ja Alankomaiden kokemukset osoittavat, että muodolliset sopimukset tukevat kumppanuuksien keskittämistä molempia osapuolia hyödyttäville talouden aloille. Kestävän kehityksen tavoitteisiin kytketyt kumppanuudet ja niihin sisällytetty tukimuodot ovat olleet tärkeitä kehitysvaikutusten saavuttamiseksi. Tukimekanismien selkeästä institutionaalisesta rakenteesta on hyötyä, jotta kumppaniorganisaatiot ja -yritykset voidaan ohjata sopivien rahoituskäytäntöjen pariin, mukaan lukien pienille ja keskisuurille yrityksille kohdennetut mekanismit.

## Tärkeimmät johtopäätökset

1. Vietnam on ollut Suomen pitkääikainen kehitysyhteistyökumppani. Yhteistoiminta tulee jatkumaan myös tulevaisuudessa, vaikka siirtymäprosessi ei olekaan johtanut viralliseen kumppanuusjärjestelyyn. Vuorovaikutus on tärkeää molemmille osapuolille, mikä edellyttää, että maat ovat diplomaattisesti ja kauppapolitiisesti läsnä kumppanimaassa.
2. Joihinkin kahdenvälisiin ohjelmiin sisältyvät kumppanuusjärjestelyt ja siirtymäkauden aikana sovelletut yksityisen sektorin instrumentit ovat lisänneet suomalaisten yritysten sitoutumista ja läsnäoloa Vietnamissa. Tämä on lisänyt merkittävästi kahdenvälistä kauppaan ja erityisesti Vietnamin vientiä Suomeen.
3. Vietnamin siirtymävaihetta on jossain määrin suunniteltu strategisesti. Strategian laadinnasta ja suunnittelusta huolimatta siirtymäprosessin täytäntöönpano ei ole ollut täysin johdonmukaista.



4. Suomen Vietnamille vuonna 2020 ja sen jälkeen myönnetty kehitysrahoitus on ollut huomattavaa, vaikka lahjarahalla toteutettu kahdenvälinen kehitysyhteistyö Vietnamin kanssa oli määrä lakkauttaa vuoteen 2018 mennessä. ‘Uudenlaisen kumppanuuden’ luomiseksi ja koordinoimiseksi strategisen ohjauksen tasolla ei kuitenkaan ole luotu puitteita. Suomen ja Vietnamin kumppanuussopimuksen, muun viitekehysen ja siihen liittyvän strategian puute muodostaa riskin, että teemat, sektorit, instrumentit ja instituutiot hajaantuvat ja että eri osapuolten toimista tulee huonosti koordinoituja. Tämä voi viime kädessä johtaa siihen, että toiminnan kehitysvaikutukset jäävät vähäisiksi. Lisäksi jäljellä olevalla kehitysyhteistyöllä saatetaan saavuttaa heikommin läpileikkaavia ja kestävän kehityksen tavoitteita.
5. Suomella ei ole enää yhteistyötä ohjaavaa strategista viitekehystä Vietnamissa (lähetystökohtaisia strategisia suunnitelmia lukuun ottamatta). Team Finland on osoittautunut toimivaksi tavaksi tukea ja ohjata yksittäisiä kumppaneita oikean tukimuodon pariin.
6. Suomen ja Vietnamin välisen yhteistyön muutoksesta on järjestetty kuulemistilaisuuksia, mutta ne eivät ole olleet riittävän avoimia ja kattavia maiden välisen uuden kumppanuuden sisällöstä ja vaikutuksista. Sidosryhmät Suomessa ja Vietnamissa eivät ole olleet riittävästi mukana. Yhteistyön ja kumppanuussuhteiden muutoksista tiedottaminen ei ole ollut riittävä, eikä se ole myöskään osallistunut asiaankuuluvia sidosryhmiä.
7. Siirtymävaiheessa mielenkiinto ja tukimuodot ovat siirtyneet selvästi yksityisen sektorin suuntaan. Kaupasta ja investoinneista on tullut tärkeitä keinoja kehitystavoitteiden saavuttamiseksi ja molempia osapuolia hyödyttävän kumppanuuden luomiseksi. Tähän ‘suuntaukseen’ on liittynyt jonkinasteinen ulkoministeriön optimismi siitä, että yksityinen sektori omaksuisi kestävän kehityksen ja Suomen läpileikkaavat tavoitteet osaksi toimintaansa. Tämä ei ole aina toteutunut.
8. Eri sidosryhmien välisten kumppanuksien huomioiminen kestävän kehityksen tavoitteiden saavuttamiseksi (SDG 17) on toistaiseksi jäänyt vähäiseksi suomalaisissa yksityisen sektorin instrumenteissa.
9. Suomen monenvälisen yhteistyön merkitys YK:n, kansainvälisen rahoituslaitosten ja EU:n kanssa on kasvanut siirtymävaiheen aikana. Tällaiset kumppanuudet tarjoavat yhteistyöfoorumeja, jotka säilyvät pitkällä aikavälillä kahdenvälisten hankkeiden loppumisen jälkeenkin. Avun kanavointi monenvälisten organisaatioiden kautta ja vuoropuhelu niiden kanssa eivät ole kuitenkaan korvanneet Suomen ja Vietnamin kahdenvälistä vuorovaikutusta ja yhteistyötä. Kumppanuussopimusten ja EU:n ja Vietnamin välisen vapaakauppasopimuksen allekirjoittamisen myötä EU:n ja Vietnamin välinen vuoropuhelu ja yhteistyö on etenemässä. Tämä tarjoaa Suomelle mahdollisuuden toimia enemmän EU:n kanssa ja sen kautta.
10. Vuosikymmenen kestäneen siirtymävaiheen jälkeen, vuonna 2021, Suomen ja Vietnamin välinen suhde jatkuu elinvoimaisena huolimatta siitä, että kehitysyhteistyön rahoitus on laskenut merkittävästi.
11. Läpileikkaavista tavoitteista ilmastonmuutokseen liittyviä tavoitteita on sovellettu eniten Vietnamissa toteutetussa kehitysyhteistyössä. Köyhyyden vähentämistä, sosiaalista osallisuutta ja sukupuolten tasa-arvoa koskevat läpileikkaavat tavoitteet olivat hyvin mukana lahjarahalla toteutetuissa instrumenteissa, mutta paljon vähemmän yksityisen sektorin mekanismeissa. Suomen ihmisoikeuksiin perustuva lähestymistapa ja läpileikkaavat tavoitteet ovat jääneet vähälle huomiolle myös Team Finlandin kauppa- ja investointipainotteisissa toimissa. Suomen ja Vietnamin välinen ihmisoikeusdialogi on ollut haastavaa, sillä maiden näkemykset eroavat huomattavasti toisistaan.



## **Suositukset ulkoministeriölle, mukaan lukien Suomen Vietnamin suurlähetystö**

1. Saatetaan siirtymäprosessi Vietnamissa virallisesti päätökseen, kun uutta maastrategiaa ei ole laadittu vuoden 2020 jälkeen. Tämä voitaisiin tehdä järjestämällä maiden välinen tapaaminen, jossa siirtymäprosessi huomioitaisiin ja ceremoniallisesti lopetettaisiin ja aloitettaisiin uusi vaihe.
2. Tutkitaan ja kehitetään edelleen ilmastonmuutokseen liittyvää Suomen temaaattista, sektorikohtaista johtajuutta ja asiantuntemusta, kuten kestävä energia, älykkäät kaupungit ja teknologiset innovaatiot.
3. Jatketaan Vietnamin hallituksen kanssa käytävää poliittista vuoropuhelua koskien ihmisoikeuksia sekä kansalaisyhteiskunnan ja yksityisen sektorin demokraattista osallistumista.
4. Tehdään selvitys tai analyysi siitä, miten Suomen ja Vietnamin välinen poliittinen vuoropuhelu sekä julkinen kehitysyhteistyö ja muu tuki voivat jatkossakin täydentää EU:n ja Vietnamin välistä vuoropuhelua uuden vapaakauppasopimuksen aikakaudella.

## **Suositukset ulkoministeriölle, mukaan lukien Suomen suurlähetystö Vietnamissa ja muissa Suomen kumppanimaissa**

1. Kehitetään siirtymävaiheen lähestymistapa, joka on strateginen eikä pelkkä prosessi.
2. Rääätä löidää ja kohdennetaan kehitysyhteistyön tukimuodot ja instrumentit maakohtaisesti keskeisiin kestävän kehityksen tavoitteisiin ja tärkeisiin talouden aloihin. Näin varmistutaan siitä, että yksityisen sektorin instrumentit ja muut käytössä olevat tuen muodot ovat keskenään johdonmukaisia.
3. Yksinkertaistetaan ja selkeytetään yksityisen sektorin tukirakennetta ja instrumenttien hallinnointia yhteistyössä Team Finlandin ja Business Finlandin kanssa.
4. Parannetaan viestintää kaikkien siirtymä- ja kumppanuusprosesseihin osallistuvien sidosryhmien kanssa ja kehitetään kohdennettu ja vaiheittainen viestintäsuunnitelma eri sidosryhmien kanssa.



# Tärkeimmät löydökset, johtopäätökset ja suosituksset

Tärkeimmät löydökset	Johtopäätökset	Suosituksset
<b>Tarkoituksenmukaisuus</b> <p><b>L1.</b> Suomen ja Vietnamin välisen yhteistyön siirtymäprosessi on perustunut vahvaan vastavuoroisuuteen ja pitkään yhteistyöhistoriaan. Kumppanuussuhteiden jatkuminen vuoden 2020 jälkeen ei enää perustu tiettyyn visioon tai strategiaan.</p> <p><b>L2.</b> Prosessi on vastannut hyvin Vietnamin saavutukseen nousta keskituloiseksi maaksi ja on linjassa sen tulevaisuuden kasvutavoitteiden kanssa. Sidosryhmät arvostavat siirtymävaiheen vaikutuksia talouteen ja kauppaan, vaikka hyödyt rajoittuvatkin suurelta osin yksityiselle sektorille.</p>	<p><b>J1.</b> Vietnam on ollut Suomen pitkäaikainen kehitysyhteistyökumppani. Yhteistoiminta tulee jatkumaan myös tulevaisuudessa, vaikka siirtymäprosessi ei olekaan johtanut viralliseen kumppanuusjärjestelyyn. Vuorovaikutus on tärkeää molemmille osapuolille, mikä edellyttää, että ne ovat diplomaattisesti ja kauppapolitiisesti läsnä kumppanimaanassa.</p> <p><b>J2.</b> Joihinkin kahdenväliisiin ohjelmiin sisältyvät kumppanuusjärjestely ja siirtymäkauden aikana sovelletut yksityisen sektorin instrumentit ovat lisänneet suomalaisten yritysten sitoutumista ja läsnäoloa Vietnamissa. Tämä on lisännyt merkittävästi kahdenvälistä kauppaan ja erityisesti Vietnamin vientiä Suomeen.</p>	<p><b>S1.</b> Saatetaan siirtymäprosessi Vietnamissa virallisesti päätkseen, kun uutta maastrategiaa ei ole laadittu vuoden 2020 jälkeen. Tämä voitaisiin tehdä järjestämällä maiden välinen tapaaminen, jossa siirtymäprosessi huomioitaisiin ja seremoniallisesti lopetettaisiin ja aloitettaisiin uusi vaihe.</p> <p><b>S5.</b> Kehitetään siirtymävaiheen lähestymistapa, joka on strateginen eikä pelkkä prosessi.</p>
<b>Tuloksellisuus ja muista siirtymävaiheen maista saadut kokemukset</b> <p><b>L14.</b> Sambiaissa ei Vietnamin tavoin ole enää maastrategiaa. Sambiaasta saadut kokemukset osoittavat, että siirtymäprosessin onnistuminen edellyttää vision ja strategian laadintaa. Siirtymävaihetta varten tarvitaan selkeitä päätöksenteko- ja tukimekanismeja, joihin sisältyy suurlähetystön vahva rooli ja kahdenvälistä ohjelmia (Sambia AGS, Vietnamissa IPP ja EEP) siirtymävaiheen valmistelemiseksi.</p> <p><b>L15.</b> Tanskan ja Alankomaiden kokemukset siirtymävaiheista osoittavat, että muodolliset sopimukset tukevat kumppanuksien keskittämistä molempia osapuolia hyödyttäville talouden alioille. Kestävän kehityksen tavoitteisiin kytketyt kumppanuudet ja niihin sisällytetty tukimuodot ovat olleet tärkeitä kehitysvaikutusten saavuttamiseksi. Tukimekanismien selkeästä institutionaalisesta rakenteesta on hyötyä, jotta kumppaniorganisaatiot ja -yritykset voidaan ohjata sopivien rahoitusmekanismien pariin, mukaan lukien pienille ja keskisuurille yrityksille kohdennetut mekanismit.</p>	<p><b>J3.</b> Vietnamin siirtymävaihetta on jossain määrin suunniteltu strategisesti. Strategian laadinnasta ja suunnittelusta huolimatta siirtymäprosessin täytäntöönpano ei ole ollut täysin johdonmukaista.</p> <p><b>J4.</b> Suomen Vietnamille vuonna 2020 ja sen jälkeen myönnetty kehitysrahoitus on ollut huomattavaa, vaikka lahjarahalla toteutettu kahdenvälinen kehitysyhteistyö Vietnamin kanssa oli määrä lakkauttaa vuoteen 2018 mennessä. 'Uudenlaisen kumppanuuden' luomiseksi ja koordinoimiseksi strategisen ohjauksen tasolla ei kuitenkaan ole luotu puitteita. Suomen ja Vietnamin kumppanuussopimuksen, muun viitekehysken ja siihen liittyvän strategian puute muodostaa riskin,</p>	



Tärkeimmät löydökset	Johtopäätökset	Suositukset
<p><b>L3.</b> Suomen virallinen kehitysyhteistyö on jatkuvasti vähentynyt siirtymäprosessin aikana. Maiden väliset kauppa- ja investointisuhteet ovat kasvaneet samanaikaisesti. Henkilövaihto ja instituutioiden välinen yhteistyö on myös pysynyt aktiivisena.</p> <p><b>L4.</b> Vietnamin siirtymäprosessia on suunniteltu pitkään. Sitä valmisteltiin ja edistettiin IPP- ja EEP-ohjelmien kumppanuusjärjestelyjen avulla. Lisäksi otettiin käyttöön uusia yksityisen sektorin instrumentteja ja instituutioita kuten Business Finland. Team Finland on tukenut uusien kumppanuuksien syntymistä.</p> <p><b>L5.</b> Sekä suomalaisten että vietnamilaisten sidosryhmien kesken on järjestetty aihetta koskevia kuulemisia ja asiasta on tiedotettu, mutta se ei ole ollut riittävän osallistavaa erityisesti kansalaisyhteiskunnan ja korkeakoulujen osalta.</p>	<p>että teemat, sektorit, instrumentit ja instituutiot hajaantuvat ja että eri osapuolten toimista tulee huonosti koordinoitua. Tämä voi viime kädessä johtaa siihen, että toiminnan kehitysvaikutukset jäävät vähäisiksi. Lisäksi jäljellä olevalla kehitysyhteistyöllä saatetaan saavuttaa heikomin läpileikkaavia ja kestävän kehityksen tavoitteita.</p>	
	<p><b>J5.</b> Suomella ei ole enää yhteistyötä ohjaavaa strategista viitekehystä Vietnamissa (lähetystökohtaisia strategisia suunnitelmia lukuun ottamatta). Team Finland on osoittautunut toimivaksi tavaksi tukea ja ohjata yksittäisiä kumppaneita oikean tukimuodon pariin. Tätä tavoitetta ei ole kuitenkaan täysin saavutettu.</p>	<p><b>S7.</b> Yksinkertaistetaan ja selkeytetään yksityisen sektorin tukirakennetta ja instrumenttien hallinnointia yhteistyössä Team Finlandin ja Business Finlandin kanssa.</p>
	<p><b>J6.</b> Suomen ja Vietnamin välisen yhteistyön muutoksesta on järjestetty kuulemistilaisuuksia, mutta ne eivät ole olleet riittävän avoimia ja kattavia maiden välisen uuden kumppanuuden sisällöstä ja vaikutuksista. Sidosryhmät Suomessa ja Vietnamissa eivät ole olleet riittävästi mukana. Yhteistyön ja kumppanuuussuhteiden muutoksista tiedottaminen ei ole ollut riittävä, eikä se ole myöskään osallistunut asiaankuuluvia sidosryhmiä.</p>	<p><b>S8.</b> Parannetaan viestintää kaikkien siirtymä- ja kumppanuusprosesseihin osallistuvien sidosryhmien kanssa ja kehitetään kohdennettu ja vaiheittainen viestintäsuunnitelma eri sidosryhmiä.</p>
Johdonmukaisuus ja synergiat		
<p><b>L6.</b> Suomen ja Vietnamin välisen kehitysyhteistyön kohdentaminen tiettyille sektoreille on tukenut vahvasti johdonmukaisuutta ja suomalaisten kumppaneiden näkyvyttä. Kysyntään perustuvien yksityissektorin instrumenttien käyttö on vähentänyt mahdollisuusia ohjata toiminnan johdonmukaisuutta. Erityisesti yksityissektorin instrumentit ovat heikomin linjassa läpileikkaavien tavoitteiden ja kestävän kehityksen tavoitteiden kanssa.</p>	<p><b>J7.</b> Siirtymävaiheessa mielenkiinto ja tukimuodot ovat siirtyneet selvästi yksityisen sektorin suuntaan. Kaupasta ja investoinneista on tullut tärkeitä keinoja kehitystavoitteiden saavuttamiseksi ja molempia osapuolia hyödyttävän kumppanuuden luomiseksi. Tähän 'suuntaukseen' on liittynyt jonkinasteinen ulkoministeriön optimismi siitä, että yksityinen sektori omaksuisi kestävän kehityksen ja Suomen läpileikkaavat tavoitteet osaksi toimintaansa. Tämä ei ole aina toteutunut.</p>	<p><b>S6.</b> Rääätälöidään ja kohdennetaan kehitysyhteistyön tukimuodot ja instrumentit maakohtaisesti keskeisiin kestävän kehityksen tavoitteisiin ja tärkeisiin talouden aloihin. Näin varmistutaan siitä, että yksityisen sektorin instrumentit ja muut käytössä olevat tuen muodot ovat keskenään johdonmukaisia.</p>
<p><b>L7.</b> Suomen ja Vietnamin poliittinen vuoropuhelu ei ole johtanut sellaiseen kattavaan viitekehkyseen, jonka avulla voitaisiin varmistaa eri tukimuotojen ja toimintatapojen välinen johdonmukaisuus sekä kahdenvälisten ja kansainvälisten kehitysyhteistyökumppaneiden (kuten EU, YK ja muut rahoittajamaat) keskinäinen täydentävyys.</p>	<p><b>J8.</b> Eri sidosryhmien välisten kumppanuuksien huomioiminen kestävän kehityksen tavoitteiden saavuttamiseksi (SDG 17) on toistaiseksi jäänyt vähäiseksi suomalaisissa yksityisen sektorin instrumenteissa.</p>	



Tärkeimmät löydökset	Johtopäätökset	Suositukset
<b>Kestävyys</b> <p><b>L8.</b> Siirtymäprosessin loppuvaiheessa on olemassa vain vähän sellaisia institutionaalisia järjestelyjä, joiden tarkoitus on ohjata ja tukea kumppanuusprosessia strategisella tasolla tulevaisuudessa. YK:n Agenda2030:n kaltaiset viitekehykset voisivat tarjota sopivat puitteet; tosin niihin viitataan harvoin. Nykytilanteessa kumppanuuksia syntyy lähinnä yksittäisten instrumenttien tasolla, kuten instituutioiden välisten kehitysyhteistyön ja korkeakoulujen institutionaalisen yhteistyön instrumentin sekä tulevaisuudessa mahdollisesti Developing Markets Platformin yhteydessä.</p> <p><b>L9.</b> Suomen ja Vietnamin kumppanuudesta tulevaisuudessa on erilaisia näkemyksiä suomalaisten ja vietnamilaisten eri toimijoiden välillä. Kiinnostus kumppanuussuhteeseen virallistamiseen muodollisella sopimuksella on vähäistä hallituksen välisellä tasolla. Samaan aikaan vallitsee laaja yksimielisyys siitä, että kauppasuhheet ja ihmisten välinen vuorovaikutus tulevat jatkumaan. Ne edellyttävät diplomaattisten edustustojen ylläpitämistä molemmissa maissa.</p> <p><b>L10.</b> Ensijaisia tarpeita ja toimia Suomen ja Vietnamin kumppanuuden lujittamiseksi ovat muun muassa poliittisen vuoropuhelun jatkaminen läpileikkaavista ja kestävän kehityksen tavoitteista, osallistavamman ja useiden sidosryhmien välichen kumppanuuden tukeminen sekä pieninten ja keskisuurten yritysten huomioiminen Vietnamissa toteutettavassa toiminnassa.</p>	<p><b>J9.</b> Suomen monenvälisen yhteistyön merkitys YK:n, kansainvälisten rahoituslaitosten ja EU:n kanssa on kasvanut siirtymävaiheen aikana. Tällaiset kumppanuudet tarjoavat yhteistyöfoorumeja, jotka säilyvät pitkällä aikavälillä kahdenvälisten hankkeiden loppumisen jälkeenkin. Avun kanavointi monenvälisten organisaatioiden kautta ja vuoropuhelu niiden kanssa eivät ole kuitenkaan korvanneet Suomen ja Vietnamin kahdenvälistä vuorovaikutusta ja yhteistyötä. Kumppanuussopimusten ja EU:n ja Vietnamin välichen vapaakauppasopimuksen allekirjoittamisen myötä EU:n ja Vietnamin vuoropuhelu ja yhteistyö on etenemässä. Tämä tarjoaa Suomelle mahdollisuuden toimia enemmän EU:n kanssa ja sen kautta.</p> <p><b>J10.</b> Vuosikymmenen kestääneen siirtymävaiheen jälkeen, vuonna 2021, Suomen ja Vietnamin välinen suhde jatkuu elinvoimaisena huolimatta siitä, että kehitysyhteistyön rahoitus on laskenut merkittävästi.</p>	<p><b>S4.</b> Tehdään selvitys tai analyysi siitä, miten Suomen ja Vietnamin välinen poliittinen vuoropuhelu sekä julkinen kehitysyhteistyö ja muu tuki voivat jatkossakin täydentää EU:n ja Vietnamin välistä vuoropuhelua uuden vapaakauppasopimuksen aikakaudella.</p>
<b>Läpileikkaavat tavoitteet</b> <p><b>L11.</b> Läpileikkaavat tavoitteet on sisällytetty kattavasti Suomen kehitysyhteistyöhön, tosin yksityisen sektorin instrumenteissa niitä on huomioitu vähemmän. Läpileikkaavat tavoitteet ovat muuttuneet jonkin verran, erityisesti ilmastonmuutoksesta on tullut tärkeämpi aihe. Suomen ja Vietnamin välinen ihmisoikeusdialogi on ollut haastavaa, sillä maiden näkemykset eroavat huomattavasti toisistaan.</p> <p><b>L12.</b> Ilmastonmuutosta ja ympäristökestävyyttä koskevien tavoitteiden merkitys on kasvanut Suomen ja Vietnamin välisessä yhteistyössä. Sen sijaan köyhyyteen, sosiaaliseen osallisuuteen ja sukupuolten tasa-arvoon on kiinnitetty vähemmän huomiota erityisesti yksityisen sektorin instrumenteissa. Kansalaisyhteiskunnan toimijat, jotka voivat olla vahvoja läpileikkaavien ja kestävän kehityksen tavoitteiden puolestapuhuja, kokevat, että heidän toimintamahdollisuutensa ja osallistumisensa kumppanuuksiin ovat aina vain rajalliset.</p> <p><b>L13.</b> Hyviä käytäntöjä Suomen läpileikkaavien tavoitteiden edistämiseksi Vietnamissa on havaittu IIP- ja EEP-ohjelmissa sekä ICI- ja HEI ICI -instituutiovaihdoissa. DevPlatista voi tulevaisuudessa tulla hyvä käytäntö kestävän kehityksen kumppanuuksien edistämisessä.</p>	<p><b>J11.</b> Läpileikkaavista tavoitteista ilmastonmuutokseen liittyviä tavoitteita on sovellettu eniten Vietnamissa toteutetussa kehitysyhteistyössä. Köhyyden vähentämistä, sosiaalista osallisuutta ja sukupuolten tasa-arvoa koskevat läpileikkaavat tavoitteet olivat hyvin mukana lahjarahalla toteutetuissa instrumenteissa, mutta paljon vähemmän yksityisen sektorin mekanismeissa. Suomen ihmisoikeuksiin perustuva lähestymistapa ja läpileikkaavat tavoitteet ovat jääneet liian vähälle huomiolle myös Team Finlandin kauppa- ja investointipainotteisissa toimissa. Suomen ja Vietnamin välinen ihmisoikeusdialogi on ollut haastavaa, sillä maiden näkemykset eroavat huomattavasti toisistaan.</p>	<p><b>S2.</b> Tutkitaan ja kehitetään edelleen ilmastonmuutokseen liittyvää Suomen temaatista, sektorikohtaisista johtajuutta ja asiantuntemusta, kuten kestävä energia, älykkääät kaupungit ja teknologiset innovaatiot.</p>



# Sammanfattning

**Inledning.** Vietnam har varit ett av Finlands viktigaste partnerländer under nästan fyra årtionden. Mot bakgrund av den snabba ekonomiska tillväxten i Vietnam beslutade Finlands regering 2007 att en möjlig övergång från långsiktigt, mellanstatligt samarbete till andra former av samarbete skulle utredas. *Samarbetsstrategin för Vietnam 2008–2012* anger att det bilaterala utvecklingssamarbetet skulle minskas samtidigt som andra partnerskap stärktes. Det bilaterala utvecklingssamarbete skulle avslutas 2015, men nya typer av samarbete med Vietnam, t.ex. institutionellt samarbete och samarbete inom den privata sektorn, skulle fortsätta.

I programmet för Finlands utvecklingssamarbete 2012 bekräftades att Vietnam skulle gradvis övergå från att vara ett land för långsiktigt utvecklingssamarbete till att bli en mer diversifierad samarbetspartner. Landstrategin för Vietnam 2013–2016 lade fast att: *"Som ett resultat kommer det traditionella, projektbaserade utvecklingssamarbetet mellan Vietnam och Finland gradvis att ersättas av ett mer omfattande partnerskap som svarar mot de förändrade behoven hos ett medelinkomstland som Vietnam"*.

Finlands regering angav i sin rapport om utvecklingssamarbetet 2016 att det bilaterala samarbetet med Vietnam skulle avslutas 2018. Den sista landstrategin för Vietnam 2016–2020 benämndes en övergångsstrategi och hade målsättningen att *"innan 2020 ska pågående, bilaterala, bidragsbaserade utvecklingssamarbetsprojekt som finansierats av Finland framgångsrikt ha avslutats med hållbara resultat, den bilaterala handeln ha vuxit kraftigt, och Finland vara ansedd av Vietnam som en pålitlig partner som tillhandahåller ekonomiskt och miljömässigt hållbara lösningar som bidrar till Vietnams utvecklingsmål att bli en innovativ, kunskapsbaserad ekonomi."*

Det övergripande målet för övergångsstrategin var att främja inkluderande utveckling i Vietnam och öka handeln och andra ömsesidigt fördelaktiga former av samarbete mellan Finland och Vietnam.

De centrala formerna för samarbetet under övergångsperioden var bilateralt och multibilateralt samarbete, instrument för samarbete mellan institutioner, institutionellt samarbete mellan högskolor, anslaget för lokalt samarbete, och projekt och programstöd för civilsamhällesorganisationer. För att främja den privata sektorns deltagande i utvecklingssamarbetet användes nya mekanismer för samarbete inom den privata sektor (PSI), inklusive Finnpartnership och Business with Impact, samt därefter Developing Markets och förmånliga stödkrediter, som nyligen ersattes av Public Sector Investment Facility.

Under övergångsperioden 2008–2020 har Finland genom dessa kanaler betalat ut mer än 163 miljoner euro i offentligt utvecklingssamarbete (ODA) till Vietnam. I realiteten är beloppet sannolikt betydligt högre då ytterligare medel betaldes ut via andra kanaler, såsom Finnfund, Nordiska utvecklingsfonden, och multilateralt samarbete och regionala program, som inte inkluderas i beloppet ovan. Dessutom tillhandahölls ytterligare stöd, som inte inbegrips av definitionen offentligt utvecklingssamarbete, genom de informations- och mäklartjänster som erbjöds av Finlands ambassad och konsulat i Vietnam och Business Finland (en sammanslagning av Tekes och Finnpro) samt Finnveras exportkrediter och Sitras innovationsfondsstöd. Därtill har den privata sektorn gjort betydande direktinvesteringar i Vietnam. Under övergångsperioden har det rapporterade



totala offentliga utvecklingssamarbetet till Vietnam minskat avsevärt från över 23 miljoner euro 2010 till mindre än 3 miljoner euro 2020. Stödet från utvecklingsbanker och privata investeringar har dock legat kvar, genom en kombination av offentligt utvecklingssamarbete, annat bistånd och blandade medel. Detta tyder på att den politiska målsättningen att ersätta traditionellt bidragsbaserat stöd till Vietnam med andra former av samarbete har uppnåtts.

**Utvärderingens syfte.** Mot bakgrund av det mångåriga partnerskapet och övergångsprocessen finns det ett behov av att förstå vilka framsteg, utmaningar, styrkor och svagheter som övergångsprocessen har medfört och karakteriseras av. Det övergripande syftet med utvärderingen är att underlätta övergången från bidragsbaserat utvecklingssamarbete till ökad handel och andra ömsesidigt fördelaktiga former av samarbete med Vietnam, och bidra med lärdomar för liknande övergångsprocesser i andra länder.

**Utvärderingens målsättningar.** Utvärdering syftar till att öka förståelsen om hur Finlands utvecklingssamarbete har bidragit till övergången och nya partnerskap. Dessutom ska utvärderingen dra lärdomar från andra länder, t.ex. Danmark och Nederländerna. Utvärderingen förväntas också hjälpa Finlands utrikesministerium att skapa ytterligare synergierffekter mellan utvecklingssamarbetet och Team Finland samt mellan olika metoder och former för utvecklingssamarbete. I detta avseende kan utvärderingen bidra till att skapa en mer processinriktad metod för övergångsprocesser, inte bara i Vietnam utan även i andra partnerländer där traditionellt utvecklingssamarbete är tänkt att ersättas av annat samarbete.

**Centrala utvärderingsfrågor.** Utvärderingsfrågorna formulerades på basis av utvärderingsmålsättningar, och återges nedan:

- Hur och i vilken utsträckning har övergångsprocessen främjat Finlands och Vietnams utvecklingsrelaterade, politiska och ekonomiska intressen?
- Hur och i vilken utsträckning har utvecklingsstrategier och ekonomiska samarbetsstrategier samt valet av olika metoder och kanaler för offentligt utvecklingssamarbete och andra samarbetsformer påverkat övergångsprocessen, och bidragit till nya partnerskap mellan Finland och Vietnam?
- Hur och i vilken utsträckning har utvecklingssamarbetet och de former, metoder, kanaler och aktörer som använts för samarbete inom den privata sektorn varit koherenta, påvisat synergierffekter och kompletterat varandra under övergångsprocessen och framväxten av ett nytt slags partnerskap mellan Finland och Vietnam?
- I vilken utsträckning är den nya typen av partnerskap hållbart, eller behövs ytterligare åtgärder för att stärka partnerskapet?
- Hur och i vilken utsträckning har Finlands horisontella mål (social inklusion och avskaffa fattigdom, jämställdhet och ekologisk hållbarhet) efterlevts under övergångsprocessen?

En ytterligare fråga är vad UM kan lära sig av andra, jämförbara länder som samarbetar med Vietnam, och av sina egna erfarenheter i andra partnerländer om hur övergångsprocesser och partnerskapsutveckling kan ytterligare förbättras.

**Utvärderingens omfattning.** Utvärderingen spänner över en period om 12 år, från 2008 till 2020, vilket motsvarar övergångsprocessen i Finlands samarbete med Vietnam. Under denna



period genomfördes tre, fyra-åriga landstrategier. Utvärderingen har beaktat förändringar i den regionala kontexten som anses vara relevanta för Vietnam. Specifika fallstudier har gjorts om Zambia (på temat övergångsprocesser) samt Danmark och Nederländerna (om övergångsprocesser i Vietnam).

**Tillvägagångssätt och metod.** Utvärderingen är teoribaserad. Som en del av utvärderingen togs en förändringsteori fram för att beskriva övergångsprocessen i Vietnam. En mer allmän förändringsteori för övergångsprocesser i partnerländer togs också fram. Utvärderingen är framåtblickande och användarfokuserad: i syfte att extrahera kunskap och lärdomar från övergångsprocessen i Vietnam som kan tillämpas inom framtida strategier i Vietnam och andra övergångsländer. En blandning av metoder och verktyg användes i datainsamlings- och analysfasen. Detta tillvägagångssätt har säkerställt att komplexiteten i övergångsprocessen kan förstås fullt. En trendanalys bidrar med insikter om utvecklingen över tid. Vidare genomfördes en jämförande studie för att placera övergångsprocessen i Vietnam inom det bredare sammanhanget av Finlands föränderliga partnerskap. Blandningen av olika metoder inkluderade kvantitativa aspekter av övergångsprocessen i fråga om flöden av offentligt utvecklingsbistånd och handelsvolymer. Kvalitativa aspekter inkluderades genom att granska 1) hur partners har uppfattat dialogen och samarbetet och hur de tillsammans med intressenter har deltagit i olika samarbeten och partnerskap, och 2) hur horisontella mål – jämställdhet, social inklusion och avskaffad fattigdom, ekologisk hållbarhet och klimatförändringen – har påverkat övergången, och vice-versa.

För att garantera ett högt deltagande genomfördes 110 intervjuer med 125 personer. Dessutom hölls flera workshops om utvärderingsmetoden, förändringsteorier och för att diskutera preliminära resultat, slutsatser och rekommendationer.

Ett team bestående av fem experter och en forskningsassistent, med en jämn könsfördelning och representanter för både vietnamesiska och finska synsätt, genomförde utvärderingen under perioden november 2020 till juni 2021.

## Resultat

**Relevans:** Övergångsprocessen inom partnerskapet mellan Finland och Vietnam har baserats på ett starkt ömsesidigt erkännande och en lång historia av samarbete. Processen har legat i fas med de framsteg Vietnam har gjort i fråga om att bli ett land med medelinkomststatus, och dess framtida tillväxtambitioner.

**Måluppfyllelse:** Finlands offentliga utvecklingsbistånd har gradvis minskat under övergångsprocessen. Jämte denna utveckling har kommersiella relationer, handel och investeringar ökat. Övergångsprocessen i Vietnam hade ett långsiktigt perspektiv. Den förbereddes och underlättades av partnerskapen i IPP- och EEP-programmen, och möjliggjordes även av lanseringen av nya mekanismer för samarbete inom den privata sektorn. Mot slutet av övergångsprocessen minskade den vägledning som har getts från centralt håll för samarbetet mellan Finland och Vietnam. Både finländska och vietnamesiska intressenter har samrått och diskuterat övergångsprocessen, men inte på ett inkluderande sätt. Civilsamhället och den akademiska världen har lämnats utanför.

**Koherens och synergier:** Det sektorfokus som tillämpades i Finlands utvecklingssamarbete med Vietnam har bidragit till koherensen och synligheten hos finska partners. Med de mer efterfrågestyrda mekanismerna för samarbete inom den privata sektorn har möjligheterna att påverka koherensen blivit färre, och de horisontella målen och global målen är särskilt svåra att bedriva inom samarbetet mellan privata sektorns aktörer. Den politiska dialogen mellan Finland



och Vietnam har inte skapat en övergripande struktur för att säkerställa koherensen mellan olika stödformer och metoder eller komplementaritet mellan bilaterala och internationella utvecklingspartners.

**Hållbarhet:** I slutet av övergångsprocessen finns det få institutionella mekanismer av strategisk karaktär för att styra och stödja den framtida partnerskapsprocessen. Internationella åtaganden som Agenda 2030 skulle kunna ge vägledning, men hänvisas till endast i begränsad utsträckning. I nuläget förverkligas partnerskap framförallt inom ramen för särskilda mekanismer, såsom inom det institutionella samarbetet och det institutionella samarbetet mellan högskolor, samt, möjligent, inom plattformen för marknadsutveckling. Det finns olika åsikter om det framtida partnerskapet mellan olika aktörer i Finland och Vietnam. På regeringsnivå finns det ett begränsat intresse av att formalisera en partnerskapsrelation i ett avtal. Samtidigt finns det en bred enighet om att kommersiella, handelsmässiga och mänskliga relationer kommer att fortsätta. Dessa kommer att kräva att diplomatiska representationer upprätthålls i båda länderna.

**Horisontella mål:** De horisontella målen är väl integrerade i Finlands bidragsbaserade former för utvecklingssamarbete, men i en mycket mindre utsträckning inom de mekanismer som finns för samarbete inom den privata sektorn. Miljö- och klimatperspektivet har fått ökad betydelse i samarbetet mellan Finland och Vietnam. Däremot har fattigdom, social inklusion och jämställdhet beaktats som perspektiv i minskande grad, vilket särskilt gäller samarbetet inom den privata sektorn. Aktörer inom det civila samhället, som vanligtvis är kraftfulla förespråkare för perspektiven och de globala målen, har fått ett mer begränsat utrymme att verka och delta i partnerskap.

**Erfarenheter och lärdomar från andra övergångssammanhang:** Erfarenheterna från övergångsprocessen i Zambia, där liksom i Vietnam finns ingen landstrategi, visar på vikten av att ha en tydlig målsättning och strategi för övergångsprocessen. Det behövs besluts- och stödmekanismer, däribland en central roll för ambassaden och det bilaterala programmet, för att förbereda övergången. Erfarenheter från övergångsprocesser som Danmark och Nederländerna har varit inblandade i pekar på att partnerskapsavtal kan bidra till en fokusering av partnerskapet i ömsesidigt fördelaktiga ekonomiska sektorer. Stöd till partnerskap inom de globala målen har varit viktigt för att säkra utvecklingseffekter. En tydlig organisation för olika stödformer kan vägleda partners i valet av lämpliga mekanismer, inklusive mekanismer för små och medelstora företag.

## Centrala slutsatser

1. Vietnam har under en lång tid varit ett av Finlands viktigaste partnerländer inom utvecklingssamarbetet och kommer att förbli ett viktigt land för Finland under de kommande åren. Även om övergångsprocessen inte har utmynnlat i ett formellt partnerskapsåtagande finns det ett ömsesidigt beroende som fordrar diplomatiska och ekonomiska relationer mellan de två länderna.
2. De plattformar för partnerskap som funnits under övergångsperioden inom ramen för de bilaterala programmen och mekanismerna för samarbete inom den privata sektorn har resulterat i en ökad närvärko av finska företag i Vietnam, vilket har lett till en betydande ökning av den bilaterala handeln, särskilt den vietnamesiska exporten till Finland.
3. Övergångsprocessen i Vietnam har till viss del varit strategi-baserad, men trots strategi och planering har processens genomförande inte varit helt konsekvent.
4. Även efter avslutad utfasning av det bidragsbaserade bilaterala utvecklingssamarbetet mellan Finland och Vietnam under 2018, är det totala offentliga utvecklingsbiståndet till Vietnam 2020 fortfarande betydande, men det finns ingen ramverk för att styra och samordna den ”nya typen av partnerskap” på strategisk och politisk nivå. Frånvaron av ett



partnerskapsavtal och ramverk med en motsvarande strategi för samarbetet mellan Finland och Vietnam utgör en risk. Samarbetet riskerar att bli för utspritt vad gäller tematiska områden, sektorer, mekanismer och institutioner, med dålig samordning mellan olika aktörer. Detta kan resultera i en mer begränsad utvecklingseffekt och att det återstående offentliga utvecklingsbiståndet inte på ett effektivt sätt bidrar till målsättningar för horisontella mål och de globala målen.

5. I avsaknad av en strategisk ram (utöver ambassadens strategiska planer) för att styra Finlands samarbete med Vietnam, fungerade Team Finland för att ge mer stöd och vägleda vissa partners i valet av samarbetspartners och mekanismer, men denna målsättning har inte uppfyllts helt.
6. Konsultation om övergångsprocessen har ägt rum mellan Finland och Vietnam, men konsultationen har inte varit tillräckligt inkluderande vad gäller innehållet och konsekvenserna av det nya partnerskapet mellan de två länderna. Intressenter i Finland och Vietnam var inte tillräckligt involverade. Kommunikationen om förändringarna i samarbetet och partnerrelationen har inte varit tydlig och inkluderade inte heller relevanta intressentgrupper.
7. Övergångsprocessen har i hög grad fokuserat på den privata sektorn. Kommersiella relationer, handel och investeringar har blivit viktiga medel för att uppnå utvecklingsmål och skapa ett ömsesidigt fördelaktigt partnerskap. Det har funnits en viss förväntan hos UM att den private sektorn skulle bedriva de globala målen och Finlands horisontella mål, vilket inte alltid har varit fallet.
8. Finlands mekanismer för samarbete inom den privata sektorn (PSI) har hittills inte fått särskild stor vikt vid partnerskap med andra aktörer för att uppnå de globala målen (mål 17).
9. Finlands multilaterala samarbete med FN, internationella finansiella institutioner och EU har ökat i betydelse under övergångsprocessen, vilket skapat plattformar för framtida samarbete, utöver bilateralt samarbete. Samtidigt har multilateralt stöd och dialog inte ersatt det bilaterala utbytet och samarbetet mellan Finland och Vietnam. Med undertecknandet av ett partnerskapsavtal och ett frihandelsavtal, fortsätter dialogen och samarbetet mellan EU och Vietnam, vilket ger Finland en möjlighet att delta i EU:s arbete.
10. Efter övergångsprocessen i 2021 och trots betydligt minskande offentligt utvecklingsbistånd har Finland och Vietnam ett fortsatt gott samarbete och en dynamisk relation.
11. Klimatmåle är det mål som tillämpats mest inom Finlands olika mekanismer, metoder och insatser. Andra mål – avskaffa fattigdom, social inklusion och jämställdhet – är väl integrerade i de bidragsbaserade formerna för utvecklingssamarbetet men i en mycket mindre grad inom den privata sektorns samarbete. Finlands rättighetsperspektiv och de andra horisontella målen har heller inte fått tillräcklig uppmärksamhet inom Team Finlands insatser med fokus på kommersiella relationer, handel och investeringar. Dialogen mellan Finland och Vietnam om mänskliga rättigheter har varit en prövning då synen skiljer sig avsevärt mellan de två länderna.

## Rekommendationer till UM, inklusive Finlands ambasad i Vietnam

1. Avsluta formellt övergångsprocessen i Vietnam nu när ingen ny landsstrategi för Vietnam har antagits efter 2020. Detta skulle kunna göras i ett officiellt möte mellan Finland och Vietnam för att iaktta övergångsprocessen och ceremoniellt avsluta den och sätta igång ett nytt fas.
2. Utforska och vidareutveckla Finlands ledarskap och expertis inom klimatförändringar och relaterade sektorer, såsom hållbar energi, smarta städer och teknisk innovation.



3. Upprätthåll den politiska dialogen med den vietnamesiska regeringen om mänskliga rättigheter och civilsamhällets och den privata sektorns demokratiska deltagande.
4. Utred eller analysera hur politisk dialog mellan Finland och Vietnam och Finlands offentliga utvecklingssamarbete och andra stöd kan komplettera och anpassas till EU-dialogen med Vietnam inom det nya frihandelsavtalet (EV-FTA).

### **Rekommendationer till UM, inklusive Finlands ambassad i Vietnam och ambassader i andra partnerländer**

1. Ta fram en metod för övergångsprocesser och betrakta det som en strategi och inte bara en process.
2. Skräddarsy och fokusera stödformer och mekanismer för specifika landssammanhang, prioriterade globala mål och viktiga ekonomiska sektorer samtidigt som koherensen mellan mekanismer för samarbete inom den privata sektorn och andra stödformer säkerställs.
3. Förenkla och förtydliga strukturen för olika mekanismer för samarbete inom den privata sektorn, samt hanteringen av dessa stödformer i samarbete med Team Finland och Business Finland.
4. Förbättra kommunikationen med alla relevanta intressenter i övergångs- och partnerskapsprocesser genom att ta fram en riktad och fasad kommunikationsplan med olika intressentkategorier och grupper.



# Centrala resultat, slutsatser och rekommendationer

Resultat	Slutsatser	Rekommendationer
<b>Relevans</b>  <b>Resultat 1.</b> Övergångsprocessen inom partnerskapet mellan Finland och Vietnam har baserats på ett starkt ömsesidigt erkännande och en lång historia av samarbete. Det fortsatta partnerskapet bortom 2020 vägleds inte av en tydlig målsättning och strategi.  <b>Resultat 2.</b> Övergångsprocessen har legat i fas med de framsteg Vietnam har gjort i fråga om att bli ett land med medelinkomststatus, och dess framtida tillväxtambitioner. Intressenter uppskattar att övergångsprocessen och de mekanismer som har tillämpats har haft en effekt på kommersiella relationer och handel, men att det är den privata sektorn som företrädesvis har gynnats.	<b>Slutsats 1.</b> Vietnam har under en lång tid varit ett av Finlands viktigaste partnerländer inom utvecklingssamarbetet och kommer att förblifft viktigt land för Finland under de kommande åren. Även om övergångsprocessen inte har utmynnat i ett formellt partnerskapsätagande finns det ett ömsesidigt beroende som fordrar diplomatiska och ekonomiska relationer mellan de två länderna.  <b>Slutsats 2.</b> De plattformar för partnerskap som funnits under övergångsperioden inom ramen för de bilaterala programmen och mekanismerna för samarbete inom den private sektor har resulterat i en ökad närvaro av finska företag i Vietnam, vilket har lett till en betydande ökning av den bilaterala handeln, särskilt den vietnamesiska exporten till Finland.	<b>Rekommendation 1.</b> Avsluta formellt övergångsprocessen i Vietnam nu när ingen ny landsstrategi för Vietnam har antagits efter 2020. Detta skulle kunna göras i ett officiellt möte mellan Finland och Vietnam för att iakta övergångsprocessen och ceremoniellt avsluta den och sätta igång ett nytt fas.  <b>Rekommendation 5:</b> Ta fram en metod för övergångsprocesser och betrakta det som en strategi och inte bara en process.
<b>Tuloksellisuus ja muista siirtymävaiheen maista saadut kokemukset</b>  <b>Resultat 14.</b> Erfarenheterna från övergångsprocessen i Zambia, där liksom i Vietnam finns ingen landstrategi, visar på vikten av att ha en tydlig målsättning och strategi för övergångsprocessen. Det behövs besluts- och stödmekanismer, däribland en central roll för ambassaden och det bilaterala programmet (AGS i Zambia, samt IPP och EEP i Vietnam), för att förbereda övergången.  <b>Resultat 15.</b> Erfarenheter från övergångsprocesser av Danmark och Nederländerna pekar på att partnerskapsavtal kan bidra till en fokusering av partnerskapet i ömsesidigt fördelaktiga sektorer. Stöd till partnerskap inom de globala mälen har varit viktigt för att säkra utvecklingseffekter. En tydlig organisation för olika stödformer kan vägleda partners i valet av lämpliga mekanismer, inklusive mekanismer för små och medelstora företag.	<b>Slutsats 3.</b> Övergångsprocessen i Vietnam har till viss del varit strategi-baserad, men trots strategi och planering har processens genomförande inte varit helt konsekvent.  <b>Slutsats 4.</b> Även efter avslutad utfasning av det bidragsbaserade bilaterala utvecklingssamarbetet mellan Finland och Vietnam under 2018, är det totala offentliga utvecklingsbiståndet till Vietnam 2020 fortfarande betydande, men det finns ingen ramverk för att styra och samordna den "nya typen av partnerskap" på strategisk och politisk nivå. Frånvaron av ett partnerskapsavtal och ramverk med en motsvarande strategi för samarbetet mellan	



Resultat	Slutsatser	Rekommendationer
<p><b>Resultat 3.</b> Finlands offentliga utvecklingsbistånd har gradvis minskat under övergångsprocessen. Jämte denna utveckling har kommersiella relationer, handel och investeringar ökat, särskilt i fråga om den vietnamesiska exporten till Finland. Utbytet mellan institutioner och individer mellan de två länderna har fortsatt att vara livfullt.</p> <p><b>Resultat 4.</b> Övergångsprocessen i Vietnam hade ett långsiktigt perspektiv. Den förbereddes och underlättades av partnerskapen i IPP- och EEP-programmen, och möjliggjordes även av lanseringen av nya mekanismer för samarbete inom den privata sektorn och nya plattformar som Business Finland. Team Finland har bidragit till nya partnerskap.</p> <p><b>Resultat 5.</b> Både finländska och vietnamesiska intressenter har samrått om övergångsprocessen. Kommunikationen har dock inte alltid varit tydlig, vilket har resulterat i olika tolkningar om huruvida övergången ska ses som en utfasning eller nedtrappning. Konsultationen och kommunikationen har inte varit inkluderande. Civilsamhället och den akademiska världen har lämnats utanför.</p>	<p>Finland och Vietnam utgör en risk. Samarbetet riskerar att bli för utspritt vad gäller tematiska områden, sektorer, mekanismer och institutioner, med dålig samordning mellan olika aktörer. Detta kan resultera i en mer begränsad utvecklingseffekt och att det återstående offentliga utvecklingsbiståndet inte på ett effektivt sätt bidrar till målsättningar för horisontella mål och de globala målen.</p> <p><b>Slutsats 5.</b> I avsaknad av en strategisk ram (utomöver ambassadens strategiska planer) för att styra Finlands samarbete med Vietnam, fungerade Team Finland för att ge mer stöd och vägleda vissa partners i valet av samarbetspartners och mekanismer, men denna målsättning har inte uppfyllts helt.</p> <p><b>Slutsats 6.</b> Konsultationen om övergångsprocessen har ägt rum mellan Finland och Vietnam, men konsultationen har inte varit tillräckligt inkluderande vad gäller innehållet och konsekvenserna av det nya partnerskapet mellan de två länderna. Intressenter i Finland och Vietnam var inte tillräckligt involverade. Kommunikationen om förändringarna i samarbetet och partnerrelationen har inte varit tydlig och inkluderade inte heller relevanta intressentgrupper.</p>	<p><b>Rekommendation 7.</b> Förenkla och förtydliga strukturen för olika mekanismer för samarbete inom den privata sektorn, samt hanteringen av dessa stödformer i samarbete med Team Finland och Business Finland.</p> <p><b>Rekommendation 8.</b> Förbättra kommunikationen med alla relevanta intressenter i övergångs- och partnerskapsprocesser genom att ta fram en riktad och fasad kommunikationsplan med olika intressentkategorier och grupper.</p>
<p><b>Koherens och synergier</b></p>		
<p><b>Resultat 6.</b> Den sektorfokusen som tillämpades i Finlands utvecklingssamarbete med Vietnam har bidragit till koherensen och synligheten hos finska partners. Med de mer efterfrågestyrda mekanismerna för samarbete inom den privata sektorn har möjligheterna att påverka koherensen blivit färre, och de horisontella målen och globala målen är särskilt svåra att bedriva inom samarbetet mellan privata sektorns aktörer.</p> <p><b>Resultat 7.</b> Den politiska dialogen mellan Finland och Vietnam har inte skapat en övergripande struktur för att säkerställa koherensen mellan olika stödformer och metoder eller komplementaritet mellan bilaterala och internationella utvecklingspartners (EU, FN och andra bilaterala givare).</p>	<p><b>Slutsats 7.</b> Övergångsprocessen har i hög grad fokuserat på den privata sektorn. Kommersiella relationer, handel och investeringar har blivit viktiga medel för att uppnå utvecklingsmål och skapa ett ömsesidigt fördelaktigt partnerskap. Det har funnits en viss förväntan hos UM att den privata sektorn skulle bedriva de globala målen och Finlands horisontella mål, vilket inte alltid har varit fallet.</p> <p><b>Slutsats 8.</b> Finlands mekanismer för samarbete inom den privata sektorn (PSI) har hittills inte fått särskild stor vikt vid partnerskap med andra aktörer för att uppnå de globala målen (mål 17).</p>	<p><b>Rekommendation 6.</b> Skräddarsy och fokusera stödformer och mekanismer för specifika landssammanhang, prioriterade globala mål och viktiga ekonomiska sektorer samtidigt som koherensen mellan mekanismerna för samarbete inom den privata sektorn och andra stödformer säkerställs.</p>



Resultat	Slutsatser	Rekommendationer
<b>Hållbarhet</b>  <b>Resultat 8.</b> I slutet av övergångsprocessen finns det få institutionella mekanismer av strategisk karaktär för att styra och stödja den framtida partnerskapsprocessen. Internationella åtaganden som Agenda 2030 skulle kunna ge vägledning, men hänvisas till endast i begränsad utsträckning. I nuläget förverkligas partnerskap framförallt inom ramen för särskilda mekanismer, såsom inom ICI och HEI ICI, samt, möjigen, inom DevPlat.  <b>Resultat 9.</b> Det finns olika åsikter om det framtida partnerskapet mellan olika aktörer i Finland och Vietnam. På regeringsnivå finns det ett begränsat intresse av att formalisera en partnerskapsrelation i ett avtal. Samtidigt finns det en bred enighet om att kommersiella, handelsmässiga och mänskliga relationer kommer att fortsätta. Dessa kommer att kräva att diplomatiska representationer upprätthålls i båda länderna.  <b>Resultat 10.</b> Prioriterade behov och åtgärder för att stärka partnerskapet mellan Finland och Vietnam inkluderar fortsatt politisk dialog om finska horisontella mål och de globala målen, mer inkluderande partnerskap med flera olika intressenter och mer fokus på små och medelstora företags verksamhet i Vietnam.	<b>Slutsats 9.</b> Finlands multilaterala samarbete med FN, internationella finansiella institutioner och EU har ökat i betydelse under övergångsprocessen, vilket skapat plattformar för framtida samarbete, utöver bilateralt samarbete. Samtidigt har multilateralt stöd och dialog inte ersatt det bilaterala utbytet och samarbetet mellan Finland och Vietnam. Med undertecknandet av ett partnerskapsavtal och ett frihandelsavtal, fortsätter dialogen och samarbetet mellan EU och Vietnam, vilket ger Finland en möjlighet att delta i EU:s arbete.	<b>Rekommendation 4.</b> Utred eller analysera hur politisk dialog mellan Finland och Vietnam och Finlands offentliga utvecklingssamarbete och andra stöd kan komplettera och anpassas till EU-dialogen med Vietnam inom det nya frihandelsavtalet (EV-FTA).
<b>Läpileikkaavat tavoitteet</b>  <b>Resultat 11.</b> De horisontella målen är väl integrerade i Finlands bidragsbaserade former för utvecklingssamarbete, men i en mycket mindre utsträckning inom de mekanismer som finns för samarbete inom den privata sektorn. Det horisontellt mål som har förändrats över tid och ökad vikt har lagts vid miljö- och klimatperspektivet. Dialogen om mänskliga rättigheter mellan Finland och Vietnam har varit komplicerad under övergångsperioden.  <b>Resultat 12.</b> Horisontella målen i anslutning till klimatförändring och ekologisk hållbarhet har fått ökad betydelse i samarbetet mellan Finland och Vietnam. Däremot har fattigdom, social inklusion och jämställdhet beaktats (som perspektiv) i minskande grad, vilket särskilt gäller samarbetet inom den privata sektorn. Aktörer inom det civila samhället, som vanligtvis är kraftfulla förespråkare för perspektiven och de globala målen, har fått ett mer begränsat utrymme att verka och delta i partnerskap i Vietnam.  <b>Resultat 13.</b> God praxis vad gäller främjandet av horisontella mål har noterats inom partnerskapet inom IPP och EEP programmen och det institutionella utbytet inom ICI och HEI ICI. DevPlat kan i framtiden komma att utveckla god praxis vad gäller stöd till partnerskap för de globala målen.	<b>Slutsats 10.</b> Efter övergångsprocessen i 2021 och trots betydligt minskande offentligt utvecklingsbistånd har Finland och Vietnam ett fortsatt gott samarbete och en dynamisk relation.	<b>Rekommendation 3.</b> Upprätthåll den politiska dialogen med den vietnamesiska regeringen om mänskliga rättigheter och civilsamhällets och den privata sektorns demokratiska deltagande.
	<b>Slutsats 11.</b> Klimatmålet är det mål som tillämpats mest inom Finlands olika mekanismer, metoder och insatser. Andra mål – avskaffa fattigdom, social inklusion och jämställdhet – är väl integrerade i de bidragsbaserade formerna för utvecklingssamarbetet men i en mycket mindre grad inom den privata sektorns samarbete. Finlands rättighetsperspektiv och de andra horisontella målen har heller inte fått tillräcklig uppmerksamhet inom Team Finlands insatser med fokus på kommersiella relationer, handel och investeringar. Dialogen mellan Finland och Vietnam om mänskliga rättigheter har varit en prövning då synen skiljer sig avsevärt mellan de två länderna.	<b>Rekommendation 2.</b> Utforska och vidareutveckla Finlands ledarskap och expertis inom klimatförändringar och relaterade sektorer, såsom hållbar energi, smarta städer och teknisk innovation.



# Summary

**Introduction.** Viet Nam has been one of Finland's main development cooperation partner countries for almost four decades. Given the rapid economic growth in Viet Nam, a shift was seen in the Development Policy Programme of 2007 that recommended assessing the transition from long-term inter-governmental cooperation to other forms of collaboration. The Viet Nam Country Engagement Plan 2008–2012 introduced a shift to decrease the bilateral development cooperation while strengthening other partnerships. Bilateral development cooperation would end in 2015, but new types of collaboration with Viet Nam, e.g., institutional and private sector cooperation, would continue after that.

The Finnish Development Policy Programme of 2012 confirmed Finland's strategy to promote Viet Nam's gradual shift from a long-term development cooperation partner country to becoming a more diversified cooperation partner. The Viet Nam country strategy 2013–2016 stated: 'As a result, the traditional project-based development cooperation between Viet Nam and Finland will be gradually replaced by a more comprehensive partnership, responding to the changing needs of a middle-income Viet Nam.'

The 2016 government report on the Finnish development policy set 2018 as the final year for bilateral cooperation in Viet Nam. The last Viet Nam country strategy for 2016–2020 was called a transition strategy, aiming explicitly towards transition. The vision was that 'by 2020, ongoing, bilateral, grant-based development cooperation projects funded by Finland have been successfully closed with sustainable results, bilateral trade has grown substantially, and Finland is known in Viet Nam as a reliable partner providing economically and environmentally sustainable solutions that contribute to Viet Nam's development goal of becoming an innovative, knowledge-based economy.'

The overall objective of the transition strategy was to promote inclusive development in Viet Nam and increase trade and other mutually beneficial forms of cooperation between Finland and Viet Nam.

During the transition period, important instruments for cooperation were bilateral and multi-bilateral cooperation programmes, the Institutional Cooperation Instrument and Higher Education Institutions Institutional Cooperation Instrument, the Fund for Local Cooperation, and civil society organisation projects and programmes. To engage private sector actors in development cooperation, Private Sector Instruments were applied, including Finnpartnership, Business with Impact, followed up by Developing Markets Platform, and Concessional Credits that was recently followed up by the Public Sector Investment Facility.

During the 2008-2020 transition period, through these instruments, Finland has disbursed well over €163 million in Official Development Assistance (ODA) to Viet Nam. This amount is likely to be considerably higher as additional ODA was paid through other support channels, such as Finnfund, the Nordic Development Fund, multilateral cooperation and regional programmes, which were not included in the amount above. Furthermore, additional non-ODA support was provided through information and brokerage services courtesy of the Finnish Embassy and Consulate in Viet Nam and Business Finland (a merger of Tekes and Finnpro) as well as Finnvera export credits



and Sitra innovation fund support. The private sector has also channelled significant amounts of Foreign Direct Investment (FDI) to Viet Nam. Over the entire transition period, reported direct ODA streams had reduced significantly from over €23 million in 2010 to less than €3 million in 2020. However, development banks and private investments have maintained a steady flow of investments, applying a combination of ODA, non-ODA and blended funds. This illustrates that the policy objective of replacing traditional grant-based support to Viet Nam with other forms of cooperation has been successful.

**Purpose of the evaluation.** Given the long history of partnership and the transition process, there is a need to understand the successes, challenges, strengths and weaknesses of the transition process. The ultimate purpose of this evaluation is to facilitate the shift from grant-based development cooperation to increased trade and other mutually beneficial forms of cooperation in Viet Nam and to generate lessons for other transition processes.

**Objectives of the evaluation.** This evaluation aims to contribute to understanding how Finland's development cooperation has supported the transition and how it has contributed to building new partnerships. Furthermore, it intends to learn from peer countries, e.g., Denmark and the Netherlands. The evaluation is also expected to assist the Finnish Ministry for Foreign Affairs (MFA) to develop further synergies between development cooperation and Team Finland as well as between different development cooperation modalities and instruments. This should support transition as a process, not only in Viet Nam but also in other Finnish partner countries in transitioning away from traditional development relations.

The evaluation objectives have informed the **main evaluation questions**. They are as follows:

- How and to what extent has the transition process supported the development, political and economic interests and objectives of Finland and Viet Nam?
- How and to what extent have development and economic cooperation strategies and the choice of ODA and non-ODA instruments, modalities and delivery channels affected the transition process and contributed to building a new kind of partnership of Finland and Viet Nam?
- How and to what extent have development cooperation and private sector instruments, modalities and delivery mechanisms and actors achieved coherence, synergy and complementarity to contribute to transitioning and the building of a new kind of partnership of Finland and Viet Nam?
- To what extent is the new kind of partnership sustainable or are further actions needed to strengthen the partnership?
- How and to what extent have Finnish cross-cutting objectives (social inclusion and poverty reduction, gender equality and environmental sustainability) been supported throughout the transition process?

An additional question is what can the Finnish Ministry of Foreign Affairs (MFA) learn from peer countries engaged in Viet Nam and from its own experience in other partner countries on how transitioning and partnership development can be further refined.

**Scope of the evaluation.** This evaluation considers a period of 12 years of the transition process of the Finnish cooperation relationship with Viet Nam, from 2008 until 2020. This period covers three four-year Viet Nam country strategic plans. The evaluation has considered regional



developments relevant to Viet Nam. Studies have included Zambia (on Finnish transitioning) and Denmark and the Netherlands (on transitioning in Vietnam) in the peer countries.

**Approach and methodology.** This evaluation follows a theory-based approach. A Theory of Change (ToC) of the transition process was reconstructed to describe the process in Viet Nam and develop a more generic ToC to orient other transition processes in Finnish partner countries. The evaluation is forward-looking and utilisation-focused: extracting knowledge and lessons learned from the transition process in Viet Nam applicable for future strategies in this and other transition countries. Mixed methods and instruments were used in the data collection and analysis phase. This approach was adopted to ensure that the complexity of the transitioning process can be fully understood. A longitudinal analysis was conducted to understand the developments over time. Further, a comparative study was implemented to contextualise the transition process in Viet Nam within the broader context of Finland's changing partner relationship. The application of mixed methods included quantitative aspects of the transition process in terms of developments in ODA flows and trade volumes. Qualitative aspects were included by looking at 1) how partners have appreciated dialogue and cooperation and how they, together with stakeholders, have engaged in relationships and partnerships, and 2) how cross-cutting objectives of gender equality, social inclusion and poverty reduction, environmental sustainability and climate change have influenced transitioning and vice-versa.

To enhance participation of stakeholders, 110 interviews were conducted with 125 key informants. In addition, several workshops were realised on the evaluation approach, ToC development and discuss preliminary findings, conclusions and recommendations.

A team of five experts and a research assistant conducted the evaluation, balancing gender and Vietnamese and Finnish perspectives and covering the period of November 2020 to June 2021.

## Key findings

**Relevance:** The transition process in cooperation between Finland and Viet Nam has been based on a strong mutual recognition of mutual importance and a long history of cooperation. The process has been well in line with Viet Nam's achievements in reaching Middle-Income Country status and its future growth ambitions.

**Effectiveness:** During the transition process, Finnish ODA has decreased consistently. In parallel, commerce, trade and investment relations between the countries have grown. The transition process in Vietnam was planned for a long period of 12 years. It was prepared and facilitated by partnership facilities in the IPP and EEP programmes and further enabled with the introduction of new private-sector instruments. Centralised guidance to Finnish-Vietnamese cooperation has gradually decreased towards the end of the transition process. Consultation and communication on the transition process have occurred among both Finnish and Vietnamese stakeholders, though they have not been inclusive, particularly with respect to civil society organisations and academia.

**Coherence and synergy:** The sector focus applied in the Finnish development cooperation with Viet Nam has strongly supported the coherence and visibility of Finnish partners. With the more demand-driven private sector instruments, possibilities to steer for coherence have become less, and particularly the private sector instruments are less strongly aligned with cross-cutting objectives and SDGs. Policy dialogue between Finland and Viet Nam has not led to an overarching



framework to secure the coherence of specific instruments and modalities and complementarity of different bilateral and international development partners.

**Sustainability:** At the end of the transition process, there are limited institutional arrangements at the strategic level to guide and support the partnership process in the future. Frameworks such as the UN agenda 2030 could provide guidance, though they are referred to only to a limited extent. In the current situation, partnerships mostly materialise at the specific instrument level, such as the Institutional Cooperation Instrument and Higher Education Institutions - Institutional Cooperation Instrument and, possibly, Developing Markets Platform in the future. There are differences in viewpoints between different Finnish and Vietnamese stakeholder groups on the future partnership between Finland and Vietnam. At the Government level, there is a limited interest to formalise a partnership relation in an agreement. At the same time, there is a broad consensus that commercial, trade and human relations will continue. Those will require maintaining diplomatic representations in both countries.

**Cross-cutting objectives:** Though much less in the private sector instruments, cross-cutting objectives are firmly embedded in the Finnish grant-based development instruments. The Finnish cross-cutting objectives on climate change and environmental sustainability have increased in importance in the cooperation between Finland and Viet Nam. In contrast, poverty, social inclusion and gender equality have received less attention, particularly in the private sector instruments. Civil society actors that can be powerful advocates in advancing cross-cutting objectives and SDGs are experiencing more limited space to operate and participate in partnerships.

**Experiences and lessons learned from other transition contexts:** The transition experience from Zambia where, as in Viet Nam, no country strategy is in place anymore, underscore that a vision and strategy are required for a transition process. Decision-making and support mechanisms are needed, which includes a strong role for the Embassy and bilateral programming to prepare for the transition. Transition experiences from Denmark and The Netherlands show that partnership agreements are supportive of focusing partnerships in mutually beneficial economic sectors. SDG partnership support modalities have been important to secure the development impact of partnership initiatives. A clear institutional set-up of support mechanisms is beneficial to guide partners to suitable facilities, including specific facilities for small and medium-sized enterprises.

## Key conclusions

1. Viet Nam has been a long-term development partner of Finland and will remain a key country of interest in future years. Although the transition process has not resulted in a formal partnership arrangement, the mutual interdependency and importance of Viet Nam and Finland require mutual diplomatic and economic representations between the two countries.
2. The partnership facilities in some of the bilateral programmes and private sector instruments applied during the transition period have resulted in increased engagement and the presence of Finnish companies in Viet Nam, resulting in a significant increase in bilateral trade particularly in Vietnamese exports to Finland.
3. Transition in Viet Nam has been strategised to some extent, but despite strategising and planning, the implementation of the transition process has not been fully consistent.



4. Even with the completion of the phasing out of grant-based bilateral development cooperation with Viet Nam by Finland in 2018, ODA provided to the country in 2020 and beyond is still sizeable, though there is no framework in place to steer and coordinate the ‘new kind of partnership’ at a strategic policy level. The absence of a partnership agreement and framework with a corresponding strategy in Finnish-Vietnamese cooperation relations presents a risk of scattering thematic areas, sectors, instruments and institutions and poorly coordinated actions by different actors. Ultimately this can result in a more limited development impact, and ineffective contribution to cross-cutting objectives and SDGs of remaining ODA applied in Vietnam.
5. In the absence of a strategic framework (beyond the specific Embassy strategic plans) to guide Finland’s cooperation in Viet Nam, Team Finland has been functional in providing orientation and support and in guiding specific partners to the right support institutions or facilities but this ambition has not been fully met.
6. Consultations on the transformation of the cooperation between Finland and Viet Nam have taken place, but they have not been participatory and inclusive enough on the content and implications of the new partnership between the two countries. Stakeholders in Finland and Viet Nam were not sufficiently involved. Communication on the changes in the cooperation and partner relationship has not been strong and was also not inclusive of relevant stakeholder audiences.
7. In the transition process, the centre of attention and support modalities has moved noticeably in the direction of the private sector. Commerce, trade and investments have become important vehicles to achieve development objectives and create a mutually beneficial partnership. This ‘move’ has been accompanied by a certain degree of optimism by the MFA that the private sector would embrace SDGs and Finnish cross-cutting objectives, which has not always been the case.
8. Attention to multi-stakeholder ‘partnerships to achieve the SDGs (SDG 17) has thus far remained limited in Finnish PSIs.
9. Multilateral cooperation of Finland with the UN, International Finance Institutions (IFIs) and the EU has increased in importance during the transition process, providing platforms for cooperation that remain in the future, beyond bilateral cooperation. At the same time, multilateral support and dialogue have not replaced the bilateral exchange and cooperation between Finland and Viet Nam. With the signing of partnerships and the EU-Viet Nam Free Trade Agreement, the EU-Vietnam dialogue and cooperation is advancing, and this provides an opportunity for Finland to engage and work with the EU.
10. After a decade of the transition process, in 2021, relations between Finland and Viet Nam were still ongoing and vibrant despite a situation with significantly decreased ODA funding levels .
11. The cross-cutting objective on climate change has been most strongly applied in different Finnish instruments, modalities and actions. Other cross-cutting objectives on poverty reduction, social inclusion and gender equality were well embedded in the grant-based development cooperation instruments but much less in the private sector instruments. Finland’s Human-Rights-Based Approach and the cross-cutting objectives have also been underemphasised in Team Finland’s commerce-, trade- and investment-focused activities. Dialogue between Finland and Viet Nam on human rights has been challenging as viewpoints differ considerably between the two countries.



## **Recommendations to the MFA, including the Finnish Embassy in Vietnam**

1. Formally close the transition process in Viet Nam now that no new country strategy for Viet Nam is in place beyond 2020. This could be done by organising a meeting between the countries and look back at the process and ceremonially mark the end of transition process and start of a new phase.
2. Explore and further develop Finnish thematic and sector leadership and expertise in climate change and related sectors, such as sustainable energy, smart cities, and technological innovation.
3. Continue policy dialogue with the Vietnamese Government on human rights and democratic participation of civil society and the private sector.
4. Carry out a review or analysis of how Finland's bilateral political dialogue with the Vietnamese Government and the application of ODA and non-ODA instruments can continue to be complementary to and aligned with EU dialogue with Viet Nam in the new EU-Viet Nam Free Trade Agreement (EV-FTA) era.

## **Recommendations to the MFA, including Finnish Embassies in Vietnam and other Finnish partner countries**

1. Develop an approach to transitioning and consider it a strategy and not merely a process.
2. Tailor and focus aid modalities and instruments to specific country contexts, priority SDGs and key economic sectors while ensuring coherence between the private sector instruments and remaining other development support instruments.
3. Simplify and clarify the set-up of the support structure for private sector engagement and the management of private sector instruments in collaboration with Team Finland and Business Finland.
4. Improve communication with all relevant stakeholders in transition and partnership processes by developing a targeted and phased communication plan with different stakeholder categories and groups.



# Key Findings, Conclusions and Recommendations

FINDINGS	CONCLUSIONS	RECOMMENDATIONS
<b>Relevance</b> <p><b>F1.</b> The transition process in cooperation between Finland and Viet Nam has been based on a strong mutual recognition of mutual importance and a long history of cooperation. Continuing partner relationship on the ground, beyond 2020, is not oriented anymore by a vision and strategy on future partner relationship.</p> <p><b>F2.</b> The transition process has been well in line with Viet Nam's achievements in reaching Middle-Income status and its future growth ambitions. Stakeholders appreciate the economic, commercial and trade effects of transition efforts and instruments, though benefits are largely confined to the private sector.</p>	<p><b>C1.</b> Viet Nam has been a long-term development partner of Finland and will remain a key country of interest in future years. Although the transition process has not resulted in a formal partnership arrangement, the mutual interdependency and importance of Viet Nam and Finland require mutual diplomatic and economic representations between the two countries.</p> <p><b>C2.</b> The partnership facilities in some of the bilateral programmes and private sector instruments applied during the transition period have resulted in increased engagement and the presence of Finnish companies in Viet Nam, resulting in a significant increase in bilateral trade particularly in Vietnamese exports to Finland.</p>	<p><b>R1.</b> Formally close the transition process in Viet Nam now that no new country strategy for Viet Nam is in place beyond 2020. This could be done by organising a meeting between the countries and look back at the process and ceremonially mark the end of transition process and start of a new phase.</p> <p><b>R5:</b> Develop an approach to transitioning and consider it a strategy and not merely a process.</p>
<b>Effectiveness and Lessons Learned</b> <p><b>F14.</b> The transition experience from Zambia, where, as in Viet Nam, no country strategy is in place anymore, underscore that a vision and strategy are required for a successful transition process. Clear decision-making and support mechanisms for transitioning are needed, which include a strong role for the Embassy and bilateral programming (AGS in Zambia, as IPP and EEP in Vietnam) to prepare for the transition.</p> <p><b>F15.</b> Transition experiences from Denmark and The Netherlands show that partnership agreements are supportive of focusing partnerships in specific sectors of mutual benefit. SDG partnership support modalities have been important instruments to secure the development impact of partnership initiatives. A well-defined institutional set-up of support mechanisms is beneficial to guide partners to the right facilities, including specific facilities for SMEs.</p>	<p><b>C3.</b> Transition in Viet Nam has been strategised to some extent, but despite strategising and planning, the implementation of the transition process has not been fully consistent.</p> <p><b>C4.</b> Even with the completion of the phasing out of grant-based bilateral development cooperation with Viet Nam by Finland in 2018, ODA provided to the country in 2020 and beyond is still sizeable, though there is no framework in place to steer and coordinate the 'new kind of partnership' at a strategic policy level. The absence of a partnership agreement and framework with a corresponding strategy in Finnish-Vietnamese cooperation relations presents a risk of scattering thematic areas, sectors, instruments and institutions and poorly coordinated actions by different actors. Ultimately this can result in a more limited development impact, and ineffective contribution to cross-cutting objectives and SDGs of remaining ODA applied in Vietnam.</p>	



FINDINGS	CONCLUSIONS	RECOMMENDATIONS
<p><b>F3.</b> During the transition process, Finnish ODA has decreased consistently. And in parallel, commerce, trade and investment relations between the countries have grown, particularly at the level of Vietnamese exports to Finland. The exchange of persons and between institutions in the two countries has also remained vibrant.</p> <p><b>F4.</b> The transition process in Vietnam was planned over the long term. It was prepared and facilitated by partnership facilities in the IPP and EEP programmes and further enabled with the introduction of new private-sector instruments and new institutions such as Business Finland. Team Finland has supported building new partnerships.</p> <p><b>F4.</b> The transition process in Vietnam was planned over the long term. It was prepared and facilitated by partnership facilities in the IPP and EEP programmes and further enabled with the introduction of new private-sector instruments and new institutions such as Business Finland. Team Finland has supported building new partnerships.</p> <p><b>F5.</b> Consultation on the transition process has occurred among both Finnish and Vietnamese stakeholders. Communication around transitioning has not always been clear, causing different interpretations of transitioning as phasing out or scaling down. Consultation and communication have not been inclusive, particularly with respect to civil society organisations and academia.</p>	<p><b>C5.</b> In the absence of a strategic framework (beyond the specific Embassy strategic plans) to guide Finland's cooperation in Viet Nam, Team Finland has been functional in providing orientation and support and in guiding specific partners to the right support institutions or facilities, but this ambition has not been fully met.</p>	<p><b>R7.</b> Simplify and clarify the set-up of the support structure for private sector engagement and the management of private sector instruments in collaboration with Team Finland and Business Finland.</p>
	<p><b>C6.</b> Consultations on the transformation of the cooperation between Finland and Viet Nam have taken place, but they have not been participatory and inclusive enough on the content and implications of the new partnership between the two countries. Stakeholders in Finland and Viet Nam were not sufficiently involved. Communication on the changes in the cooperation and partner relationship has not been strong and was also not inclusive of relevant stakeholder audiences.</p>	<p><b>R8.</b> Improve communication with all relevant stakeholders in transition and partnership processes by developing a targeted and phased communication plan with different stakeholder categories and groups.</p>
<b>Coherence and synergy</b>		
<p><b>F6.</b> The sector focus applied in the Finnish development cooperation with Viet Nam has strongly supported coherence and visibility of Finnish partners. With the more demand-driven private sector instruments, possibilities to steer for coherence have become less, and particularly the private sector instruments are less strongly aligned with cross-cutting objectives and SDGs.</p> <p><b>F7.</b> Policy dialogue between Finland and Viet Nam has not led to an overarching framework to secure coherence of specific instruments and modalities and complementarity of different development partners (EU, UN and other bilateral partners) at the bilateral and multilateral level.</p>	<p><b>C7.</b> In the transition process, the centre of attention and support modalities has moved noticeably in the direction of the private sector. Commerce, trade and investments have become important vehicles to achieve development objectives and create a mutually beneficial partnership. This 'move' has been accompanied by a certain degree of optimism by the MFA that the private sector would embrace SDGs and Finnish cross-cutting objectives, which has not always been the case.</p> <p><b>C8.</b> Attention to multi-stakeholder 'partnerships to achieve the SDGs (SDG 17) has thus far remained limited in Finnish PSIs.</p>	<p><b>R6.</b> Tailor and focus aid modalities and instruments to specific country contexts, priority SDGs and key economic sectors while ensuring coherence between the private sector instruments and remaining other development support instruments.</p>



FINDINGS	CONCLUSIONS	RECOMMENDATIONS
<b>Sustainability</b> <p><b>F8.</b> At the end of the transition process, there are limited institutional arrangements at the strategic level to guide and support the partnership process in the future. Frameworks such as the UN agenda 2030 could provide guidance, though they are referred to only to a limited extent. In the current situation, partnerships mostly materialise at the specific instrument level, such as the ICI and HEI ICI and, in the future, possibly DevPlat.</p> <p><b>F9.</b> There are differences in viewpoints between different Finnish and Vietnamese stakeholder groups on the future partnership between Finland and Vietnam. At the Government level, there is limited appetite to formalise a partnership relation in an agreement. At the same time, there is a wide consensus that commercial, trade and human relations will continue, and those will require maintaining diplomatic representations in both countries.</p> <p><b>F10.</b> Priority needs and actions to consolidate the partnership between Finland and Viet Nam include continued policy dialogue on Finnish cross-cutting objectives and SDGs; more inclusive and multi-stakeholder partnership support; and more attention to SMEs in engaging in activities in Viet Nam.</p>	<p><b>C9.</b> Multilateral cooperation of Finland with the UN, International Finance Institutions (IFIs) and the EU has increased in importance during the transition process, providing platforms for cooperation that remain in the future, beyond bilateral cooperation. At the same time, multilateral support and dialogue have not replaced the bilateral exchange and cooperation between Finland and Viet Nam. With the signing of partnerships and the EU-Viet Nam Free Trade Agreement, the EU-Vietnam dialogue and cooperation is advancing, and this provides an opportunity for Finland to engage and work with the EU.</p> <p><b>C10.</b> After a decade of transition process, in 2021, relations between Finland and Viet Nam were still ongoing and vibrant despite a situation with significantly decreased ODA funding levels.</p>	<p><b>R4.</b> Carry out a review or analysis of how Finland's bilateral political dialogue with the Vietnamese Government and the application of ODA and non-ODA instruments can continue to be complementary to and aligned with EU dialogue with Viet Nam in the new EU-Viet Nam Free Trade Agreement (EV-FTA) era.</p> <p><b>R3.</b> Continue policy dialogue with the Vietnamese Government on human rights and democratic participation of civil society and the private sector.</p>
<b>Cross-cutting objectives</b> <p><b>F11.</b> Cross-cutting objectives are firmly embedded in the Finnish grant-based development instruments, though much less in the private sector instruments. Cross-cutting objectives have shifted over time, and particularly climate change has become more important. The human rights dialogue between Finland and Vietnam has been challenging during the transition period.</p> <p><b>F12.</b> The Finnish cross-cutting objectives on climate change and environmental sustainability have increased in importance in the cooperation between Finland and Viet Nam, while poverty, social inclusion and gender equality have received less attention, particularly in the private sector instruments. Civil society actors that can be powerful advocates in advancing cross-cutting objectives and SDGs are experiencing more limited space to operate and participate in partnerships in Viet Nam.</p> <p><b>F13.</b> Good practices in promoting the Finnish cross-cutting objectives in Vietnam have been observed in the partnership facilities in the IIP and EEP programmes and in the institutional exchange instruments ICI and HEI ICI. DevPlat might become a good practice in promoting SDG partnerships in the future.</p>	<p><b>C11.</b> The cross-cutting objectives on climate change has been most strongly applied in different Finnish instruments, modalities and actions. Other cross-cutting objectives on poverty reduction, social inclusion and gender equality were well embedded in the grant-based development cooperation instruments but much less in the private sector instruments. Finland's Human-Rights-Based Approach and the cross-cutting objectives have also been underemphasised in Team Finland's commerce-, trade- and investment-focused activities. Dialogue between Finland and Viet Nam on human rights has been challenging as viewpoints differ considerably between the two countries.</p>	<p><b>R2.</b> Explore and further develop Finnish thematic and sector leadership and expertise in climate change and related sectors, such as sustainable energy, smart cities, and technological innovation.</p>



# 1. Introduction

## 1.1. Purpose, objectives and scope of the evaluation

### 1.1.1. Purpose

Viet Nam has been one of Finland's main development cooperation partner countries for almost four decades. Considering Viet Nam's recent remarkable economic growth, the focus of cooperation relations between Finland and Viet Nam has shifted from bilateral grant-based development cooperation towards mutually beneficial cooperation reflecting a more comprehensive partnership. A gradual transition process was started in the Country Engagement Plan 2008–2012 to allow moving in a planned, long-term and effective way from aid to trade and other forms of mutual benefiting cooperation. This has been further developed in the two country strategies that followed (2013–2016 and 2017–2020). Finland's grant-based bilateral development cooperation came to an end in 2018, although cooperation through other modalities and instruments, e.g. Finnpartnership, the Public Sector Investment Facility (PIF), and the Institutional Cooperation Instrument (ICI) and the Higher Education Institutions Institutional Cooperation Instrument (HEI ICI), has continued and still remains quite substantial.

**Learn from transitioning and partnership development**

In view of the long history of partnership and the eventual transition process in the Viet Nam context, there is a need for a holistic understanding of the successes, challenges, strengths and weaknesses of the transition process. The ultimate purpose of this evaluation, as stated in the ToR (see Annex 1), is to help achieve the goals of the transition process. In other words, the aim is to switch from grant-based development cooperation to increasing trade and other mutually beneficial forms of cooperation in Viet Nam and elsewhere among Finland's partner countries. The evaluation is expected to shed meaningful light on the successes and challenges in the transition process in the case of Viet Nam. Thereby, it contributes to understanding how development cooperation can support the transition process and build new partnerships and cooperation. The evaluation also aims to assist the MFA in further developing synergies between development cooperation and Team Finland as well as between different development cooperation modalities and instruments to support transition as a process.

### 1.1.2. Objectives

The objective of this evaluation is to produce evidence and present well-justified conclusions on the following aspects:

- To what extent has the transition process achieved its goal to move from traditional bilateral development cooperation to more diversified cooperation;



- To assess the successes, challenges and possible limitations in the approach, modalities and resources to support the transition process and its goal of building new partnerships and a new type of cooperation;
- How Finland's development cooperation has supported the transition and how it has contributed to building new partnerships;
- How synergies between different cooperation modalities/instruments, between development cooperation and Team Finland as well as between different actors have been sought;
- What the MFA can learn from its peer organisations, e.g. Denmark and Netherlands;
- How to best support transition processes elsewhere in Finland's partner countries and continue support to post-transition phase, with remaining available resources.

While the evaluation focuses on the transition process of Finnish cooperation in Viet Nam, its findings can be relevant and complementary to other strategic processes and policy developments under MFA auspices. Since the transition experience in Viet Nam is considered to be the first of its kind guided by a country strategy involving many stakeholders in and around the MFA, this evaluation can be of considerable importance in providing relevant lessons and insights for instigating transition processes in other partner countries.

**Apply lessons learned in other transition contexts.**

### **1.1.3. Scope of the evaluation**

This evaluation covers the period of 2008–2020. It includes all forms of Finnish Government funding that have been applied in Viet Nam during this period: bilateral cooperation, multi-bi cooperation, Institutional Cooperation Instrument (ICI), the Higher Education Institutions Institutional Cooperation Instrument (HEI ICI), private-sector instruments (PSIs) and support mechanisms (concessional credits, Finnpartnership, Public Investment Facility - PIF, Business with Impact - BEAM, Developing Markets Platform - DevPlat, Finnfund, Finnpro, Finnvera, Tekes and Business Finland)<sup>1</sup>, cooperation through civil society as well as the Fund for Local Cooperation (FLC). Also, the regional Energy and Environment Partnership (EEP) Mekong is considered. None of these institutions and instruments has been subjected to in-depth review as these are all subject to specific, targeted evaluations.

**Transitioning in Vietnam covered 12 years (2008–2020).**

Therefore, this evaluation focuses on the process of changing relations and partnership development, as highlighted in the title and explained in the ToR of this evaluation (see Annex 1).

### **1.1.4. Intended users of this evaluation**

The main intended users of the evaluation are the MFA regional units and departments, the MFA policy departments, and the Embassy of Finland in Hanoi and other embassies, especially in those partner countries where similar transition processes are being planned. Other more directly interested users include Team Finland and its specific members. Public institutions, CSOs and private sector actors in Finland, in addition to the Vietnamese Government, public institutions and key Vietnamese partners in ongoing initiatives, are also important possible users.

<sup>1</sup> For a description of the Finnish key cooperation modalities and instruments, see Annex 17



## 1.2. Evaluation questions

The evaluation objectives have informed the main evaluation questions. They are as follows:

**EQ 1.** How and to what extent has the transition process supported the development, political and economic interests and objectives of Finland and Viet Nam?

**EQ 2.** How and to what extent have development and economic cooperation strategies and the choice of ODA and non-ODA instruments, modalities and delivery channels affected the transition process and contributed to the building of a new kind of partnership of Finland and Viet Nam?

**EQ 3.** How and to what extent have development cooperation and private sector instruments, modalities and delivery mechanisms and actors achieved coherence, synergy and complementarity to contribute to transitioning and the building of a new kind of partnership of Finland and Viet Nam?

**EQ 4.** To what extent is the new kind of partnership sustainable or are further actions needed to strengthen the partnership?

**EQ 5.** How and to what extent have Finnish cross-cutting objectives (social inclusion and poverty reduction, gender equality and environmental sustainability) been supported throughout the transition process?

**EQ 6.** What can the MFA learn from peer countries engaged in Viet Nam and from its own experience in other partner countries on how transitioning and the development of a new kind of partnership can be further refined?



The six evaluation questions were further elaborated into sub-questions and specific pointers and criteria that were included in the evaluation matrix, which is presented in Annex 2 of this report.

## 1.3. Structure of the report

This report consists of eight chapters. Following this introductory chapter, Chapter 2 explains how the evaluation was conducted: the evaluation approach, the methods used, and associated limitations. Chapter 3 describes the context of the Viet Nam transition process. Chapter 4 deals with the construction and reconstruction of the ToC in the context of the Viet Nam Transition process. Chapter 5 discusses the substantive findings from all the evaluation components and set against the main- and sub-evaluation questions. Chapter 6 sums up the evaluation results, and Chapter 7 addresses lessons learned and best practices on transitioning and developing of a new kind of partnership. Chapter 8 provides separate strategic and operational recommendations for process in Viet Nam, for similar and future processes in core partner countries, and for MFA coordination and coherence of instruments and coordination with other actors.



The second volume of this evaluation contains 18 Annexes that have informed the development of findings, conclusions and recommendations in Volume I of the evaluation report (see table of contents for all Annexes).



## 2. Approach, Methodology and Limitations

### 2.1. Approach

Vol. 2

This evaluation has included the following generic approach (for more details, see also Annex 5):

**Theory-Based Evaluation:** The transition strategy of the MFA is based on a ToC that has been subjected to detailed research leading to its progressive development throughout the evaluation process;

**Forward-looking and utilisation-focused:** This evaluation focuses on extracting knowledge and lessons learned from the transition process in Viet Nam applicable for future processes in this and other transition countries;

**Inclusion of a political economy analysis:** Transitioning in partner relationship is primarily a process of policy and political dialogue and not merely a technical process. This requires sufficient attention to the analysis of the political economy of development processes in Viet Nam and Finland's engagement and dialogue with its key Vietnamese partners at the government level and in civil society and the private sector.

**Participatory and iterative process:** Participation of all stakeholders is secured to allow for listening to a broad range of voices.

**Ensure ownership and participation of all relevant stakeholders:** Representatives of relevant key stakeholders have been engaged throughout all phases of the evaluation process through interviews, meetings and workshops, not only as providers of information but also as users and stakeholders in the evaluation results;

**Building on the knowledge that is already available:** This evaluation report has mined a wealth of reviews and evaluations conducted in the context of Finnish-Vietnamese cooperation and partnership development;

**Application of mixed methods:** To ensure that the complexity of the transitioning process can be grasped and to understand the effects of transitioning on the partnership relation, a mixed-methods approach is required. A longitudinal analysis is needed to understand the developments over time. A comparative analysis is needed to contextualise the transition process in Viet Nam within the broader context of changing partner relationship of Finland. The application of mixed methods included quantitative aspects of the transition process in terms of developments in ODA flows and trade volumes. Qualitative aspects were included by looking at how partners have appreciated dialogue and cooperation and how partners and stakeholders have engaged in relationships and partnerships, and how cross-cutting objectives of gender equality, social inclusion and poverty reduction and environmental sustainability have been applied.

Theory-based,  
forward looking  
and mixed method  
approaches were  
followed in the  
evaluation.



## 2.2. Methodology for data-collection and analysis

### 2.2.1. Methodology for data collection

The following key methods were used for data collection. Annex 5 to the evaluation report presents a detailed description of the methods and instruments that were used in applying the methodology:

- **Interviews with key respondents in Finland and Viet Nam:** Throughout the evaluation, 110 interviews were conducted with 125 key respondents, some of them in groups (See Annex 3 for the list of key respondents interviewed);
- **Review of documents and digital information sources:** See Annex 4 for all documents and websites consulted;
- **Theory of Change analysis and reconstruction:** The ToC has been used as a living document throughout the evaluation process and subjected to discussions with evaluation stakeholders in two workshops during the implementation phase. At the end of the implementation, the ToC was updated to a final (generation 4.0) version that is presented in Chapter 4 and Annex 6;

Stakeholder mapping and analysis: All relevant stakeholder groups in the Finnish-Vietnamese transition process were identified, and their mutual relations were mapped. See Annex 7;

- **Analysis of Finland's Policy, Peace and Security dialogue with Viet Nam:** See Annex 8;
- **Political economy analysis of Viet Nam** and its international policy dialogue and cooperation (see Annex 9);
- **Review of trade and economic development statistics:** See Annex 10 for details on the trade analysis for the period 2010-2019;
- **Analysis of ODA flows from Finland to Viet Nam:** See Annex 11, for details on the ODA flows from Finland to Viet Nam, from 2008-2020;
- **Coherence analysis of the cooperation modalities and instruments,** first for coherence in relation to relevance to selected SDGs and secondly for international coherence (synergy or contractions between modalities and instruments). See Annex 12;
- **Analysis of cross-cutting objectives** and their integration and effects on transitioning: See Annex 13;
- **Comprehensive survey among Finnish and Vietnamese stakeholders in transitioning.** A first survey was designed and distributed among organisations that were involved in planning, management and implementation of modalities and instruments during the transition process. A second survey focused on users of modalities and instruments. The survey was distributed in Finnish and Vietnamese. For the survey results, see Annex 14;



- **Analysis of exchange between educational institutes in Finland and Viet Nam.** This research activity was not planned in the inception phase, though during the research, it was discovered that, particularly within this sector, vibrant exchange occurred. Additional and targeted research was done on this and the supporting HEI ICI instrument. See Annex 15 for the results of this analysis;
- **Comparative study on the transition process in Zambia** to provide more insight into similarities and differences between transition processes in Finnish Partner countries. For the results of this analysis, see Annex 16;
- **Comparative study on transition processes in Viet Nam initiated by Denmark and The Netherlands,** to provide more insight in similarities and differences between transition processes of different countries. See Annex 17.

In the application of some of the research methodology, sampling of data sources was done. Where this has been the case, this is explained in Annex 5 of the evaluation report.

Vol. 2

### 2.2.2. Methodology for data processing and analysis

- Focus group meetings and online workshops to discuss methodology and approach during the inception phase, ToC development during the research phase, and preliminary findings, conclusions and recommendations at the end of the research phase. Some stakeholder interviews in Viet Nam were realised as focus-group discussions (to 4 participants), and some online interviews were conducted as group interviews;
- Cross-checking and triangulation of data from at least two different data sources on each of the specific evaluation questions/indicators in the evaluation matrix. Single source data has not been considered in responding to the evaluation matrix;
- Peer review of all sub-products and products within the evaluation team between at least two team members and with constant central oversight by the evaluation team leader;
- Aggregation and synthesis of findings: within the evaluation team, the members have discussed those findings that can be generalised and show systematic patterns. These findings were used for the development of the findings (Chapter 5), Conclusions (Chapter 6), Lessons Learned (Chapter 7) and Recommendations (Chapter 8).
- Other more specific findings feature in the annexes to the evaluation report in a separate second Volume for the audience interested in specific details.

Vol. 2

### 2.3. Risks, limitations, and mitigation

During the evaluation process, the evaluation team has encountered a number of risks and limitations. The table below explains how these have been mitigated throughout the evaluation process.



**Table 1 Risks, limitations encountered in the evaluation and mitigating actions**

LIMITATIONS AND RISKS	MITIGATING ACTIONS AND REMAINING LIMITATIONS
Related to the long-term process considered in this evaluation (2008-2020), some of the key respondents with rich knowledge on the transition process cannot be traced anymore.	A long list of key respondent interviews was developed to manage this risk. This list permitted the selection of alternative key respondents if the first selected respondents were not available. In total, 110 interviews were conducted, though a number of them were conducted as group interviews, thus having achieved the originally planned 125 persons to be interviewed, with good coverage of all stakeholder categories
Transition in Viet Nam covered an extensive period (different policy and strategy frameworks). Staffing changed throughout the process. Strategy and process of transitioning were not specified at the central level. This led to a diverse understanding of concepts related to transition.	This risk was managed through the implementation of a ToC reconstruction process involving a number of key Finnish and Vietnamese stakeholders. Two workshops were carried out, and these have contributed to a more common understanding of the key principles of the transition and partnership development process. As the process was looking backwards, the common understanding was built using a respective (backward looking) lens. Although in the end, the ToC was redesigned to have forward-looking perspective so that it can be used as a reference for future transition processes.
Under-representation of women, ethnic groups and persons with disabilities in specific respondent groups occurred. This limits the specific perspectives of these stakeholder groups on transitioning.	Gender, poverty and inclusion, and human rights priorities (and other cross-cutting objectives, including environmental sustainability) are duly considered in evaluation questions and data collection instruments. Specific tools are included in the data collection and analysis, and the evaluation team is gender-balanced and includes experts on gender equality. Gender balance in interviews and the survey was achieved in both Finland and Viet Nam.
This evaluation was implemented phase from February to April 2021. To what extent the evaluation could consider consolidated data on 2020 was not evident at the start of the implementation phase.	This challenge was mitigated partially. With respect to ODA, data include 2020, and the evaluators have used documents that were published and made available until March 2021 and thus were able to consider recent developments such as the signing of the EVFTA in 2020 and the PIF in 2021. On other statistics, only data until 2019 were also considered to avoid distortions posed by the Covid-19 crisis.
Covid-19 restricted travel to Viet Nam. Availability of respondents to interviews, surveys, etc., was restricted due to Covid-19 and the Viet Nam traditional New Year holidays (February 10-16, 2021). New leadership and related staffing changes after the 13th National Congress of the Communist Party (25/1-2/2, 2021) also caused challenges in availability. Similarly, Covid-19 restricted travel to Finland and the possibility of carrying out face-to-face discussions in the country.	The limited international exposure to Viet Nam was mitigated by the recruitment of two senior evaluators in Viet Nam, who worked together as a team in conducting national level research activities. Additional Vietnamese research assistance was made available to the team. The evaluation team utilised a variety of online platforms to work as a team, and a number of workshops were facilitated as online workshops. One trip was realised in Viet Nam to allow face-to-face interviews in Ho Chi Minh City, and the national team did several of the high-level interviews in Hanoi face-to-face. A survey was conducted to enable the participation and inputs of a larger group of stakeholders interested in this evaluation.
The survey that was developed to reach a large number of additional stakeholder groups. It was shared only with the evaluation's direct stakeholders that limited its reach to some extent.	In spite of the limited reach and relatively low response rate of the survey, the survey combined qualitative and quantitative questions. While it was not possible to run a statistical analysis of the survey results, quantitative results were analysed in combination with respondents' text-string inputs. This enabled the team to conduct a comprehensive analysis of the survey results.



## 3. Context

### 3.1. The Vietnamese perspective on international cooperation and partnership with Finland

#### Viet Nam's rapid socio-economic development

Viet Nam has undergone rapid socio-economic development over the last three decades. The government launched far-reaching political and economic reforms (Doi Moi) in 1986 with three main elements: (i) shifting from a planned centralised economy based on public ownership to a multi-sector market-based economy; (ii) building a state based on the rule of law; and (iii) strengthening external cooperation with other countries. The reforms have spurred rapid economic growth and transformed the country from one of the poorest to a lower-middle-income country (MIC) with one of the fastest-growing economies worldwide. Viet Nam has been successful in the fight against extreme poverty and hunger, leading to a sharp reduction in poverty from over 70% to below 6% (US\$3.2 per person/per day) (World Bank, 2021b). In 2018, McKinsey research identified Viet Nam as one of 11 recent global outperformers, thanks to its GDP-per-capita growth of more than 5% annually for 20 years, in addition to its successful effort to lift a significant proportion of its people out of poverty (Das et al., 2018).

**Viet Nam has achieved rapid economic development.**

Together with economic growth, Viet Nam has made progress in health services and the provision of basic services. Before the implementation of the 2030 Agenda for Sustainable Development, Viet Nam was ranked in the top quarter of Millennium Development Goals (MDGs) performance across emerging market economies for the majority of indicators. Vietnam achieved encouraging results, especially in eradicating extreme poverty and hunger. The country managed to achieve universal primary education, promote gender equality, reduce maternal and child mortality ratios. It also reached universal access to reproductive health services, improving maternal health (Baum, 2020). From 1990 to 2019, the country's Human Development Index (HDI) value increased by almost 46%, among the highest HDI growth rates globally. Viet Nam has also advanced considerably in gender equality, being ranked 65<sup>th</sup> out of 162 countries in the 2019 Gender Development Index (UNDP, 2020).

A recent World Bank report indicates the importance of three key policy actions on the rapid socio-economic development of Viet Nam (Eckhardt et al., 2018). Firstly, Viet Nam has embraced trade liberalisation with gusto. Over the past 25 years, the government has signed 59 free trade agreements such as the agreement on the Association of Southeast Asian Nations (ASEAN) free trade area in 1995; a free trade agreement with the United States in 2000; membership status to the World Trade Organisation in 2007; a number of further agreements with ASEAN as well as China, India, Japan and Korea, the new Comprehensive and Progressive Agreement for Trans-Pacific



Partnership (CTPPP) in early 2019, and the approval of the EVFTA in early 2020. Secondly, Viet Nam has complemented external liberalisation with domestic reforms through deregulation and lowering the cost of doing business. In the World Economic Forum's Global Competitiveness Report, the country climbed from 77<sup>th</sup> place in 2006 to 55<sup>th</sup> in 2017. Thirdly, the government has invested heavily in human and physical capital. The Education for All (EFA) strategies and follow-up action plans and the Government of Viet Nam (GoV)'s budget now earmark 20% for education and training each year. Health outcomes have improved, and now approximately 73% of Viet Nam's population has access to essential health services, and health insurance coverage was 86.4% in 2017 (Baum, 2020).

### **Viet Nam seeking to achieve the 2030 Agenda, aiming at higher middle-income status by 2045**

Viet Nam has made a strong commitment to the realisation of the United Nations (UN) 2030 Agenda for sustainable development goals (SDGs). The UN 2030 Agenda was nationalised in the National Action Plan to implement the 2030 Agenda for SDGs in May 2017, with 17 SDGs and 115 specific targets that fit national conditions and development priorities in Viet Nam (SRV Government, 2017). Many SDGs are integrated into the national development policy system, including laws, socio-economic development strategies and plans, as well as action plans of ministries, agencies and provinces. Resources have been invested in poverty reduction programmes and projects supporting socio-economic development in healthcare, education, labour and employment, together with other aspects for poor, vulnerable groups and disadvantaged areas.

At the implementation level, the GoV has developed an implementation roadmap for Viet Nam SDGs by 2030 with three milestones 2020, 2025 and 2030 (SRV Government, 2019). The roadmap specifies the target to obtain each milestone for each SDG and the government agency responsible for these milestones. A statistical indicator system with 158 indicators for measuring SDGs and mechanisms for data collection for monitoring and evaluation of implementation was developed.

Furthermore, the GoV has mainstreamed SDGs into its social-economic development strategy (SEDS) for 2021-2030, the social-economic development plan (SEDP) for 2021-2025, as well as sectoral, local development master plans for 2021-2025. Most notably, the recent Resolution of the 13<sup>th</sup> Congress of the Communist Party of Viet Nam (January 25 to February 1, 2021) maps out a pathway to becoming a developed nation with a modern industrial base. This progress would allow leaving the ranks of lower-middle-income countries by 2025, reaching upper-middle-income status by 2030 and aiming at high-income status by 2045, the 100<sup>th</sup> anniversary of the establishment of the Socialist Republic of Viet Nam (SRV Government, 2021b).

Development and climate have become increasingly interlinked. During 2008 – 2020 there has been the development of the environment focus towards climate action in the international level, as the Millennium Development Goal (MDG) 8 'Ensure environmental sustainability' has shifted to SDG 13: Climate action, SDG 7: Affordable and clean energy and SDG 12: Responsible consumption and production. At the national policy level, Vietnam has been part of the global climate efforts. In 2011 it launched the National Climate Change Strategy, with a National Action Plan to respond to climate change in the following year. In agreement with the Paris Agreement on Climate Change (2015), Vietnam published a national plan for its implementation in 2016. Currently, Vietnam is participating in the mitigation through the Nationally Determined Contributions (NDC; updated in 2020) and adaptation through the National Adaptation Plan (NAP; 2021-2030), which are the two main national processes under the Paris Agreement on Climate Change.

**Viet Nam has high growth ambitions.**



## Viet Nam faces challenges in achieving its declared ambitions

Making its transition to a higher value economy, Viet Nam is facing a myriad of ongoing challenges. The favourable tailwinds may now turn into headwinds, warns a World Bank report (World Bank, 2020). These challenges include :

Viet Nam has been undergoing a profound demographic transition. People aged 60 and over account for 12.7% of the total population (Vietnam Central Population and Housing Census Steering Committee 2019, 2019). It is estimated that 20% of the entire population will be made up of the elderly by 2038. This ratio will increase to 25% by 2049. The current social protection system, with limited coverage, will have to be massively expanded to deal with these demographic pressures (UNFPA, 2019).

Another challenge is that the vast majority of Vietnamese workers (74%) are employed in low-skill jobs, and youth unemployment is high. The skills level of the labour force is not yet sufficiently compatible with labour market demands, which affects overall productivity levels. In the face of the Fourth Industrial Revolution, low-skill, elementary jobs are generally those at the highest risk of displacement through automation (The Asia Foundation & Microsoft, 2020).

With its high population density in lowland river deltas as well as its long coastline and geographic position in relation to cyclones, Viet Nam has become one of the most vulnerable countries worldwide to climate change. The combined forces of industrialisation, urbanisation, and agricultural encroachment have reduced forest cover. Also, a decline in terrestrial and aquatic biodiversity has undermined national climate resilience. Climate change impact and a highly carbon-intensive economy will jeopardise the sustainability of development progress and may even reverse achievements (Asian Development Bank, 2013).

Viet Nam has shown a deep commitment towards international trade and integration. As a result, the country ranks fifth in the world, with a trade-to-GDP ratio of 210% in 2019. However, greater openness and deeper integration into the world economy have resulted in a decline in trade revenues. Average applied tariff rates decreased from 19.2% in 1999 and 15.3% in 2001 to 2.7% in 2017. As a result, the share of import and export tax in total government revenue reduced from 28% to 11.8% (SRV Government, 2021a). The downward trend in the tax-to-GDP ratio may counteract government efforts to provide quality social services for inclusive growth and further poverty reduction.

Furthermore, the continuation of the current growth model will be increasingly difficult. Despite the country's integration into global value chains, the local value-added of trade activities is limited. Viet Nam mainly serves as the final point of assembly, with a large part of supplies and equipment being imported, assembled domestically, and exported again. While FDI is concentrated in few export-oriented sectors, the linkages to the domestic economy are weak (Cattaneo et al., 2019).

Viet Nam has embraced economic and sustainability related human rights and gender equality principles in its economic policies and social-economic development plans. It speaks of leaving no-one behind in Viet Nam's growth process, stressing that different population groups should share in the benefits of economic growth.

**Viet Nam also  
faces development  
challenges.**



*The Innovation and Partnership Development Programme supported with great success the development of Vietnamese innovation system. Photo: Marja-Leena Kultanen*

### Inequalities remain in Viet Nam.

In spite of Viet Nam's efforts, existing inequalities remain, and Viet Nam still faces multiple dimensions of inequality. In terms of economic benefits, Viet Nam's expenditure-based Gini coefficient stood at 0.356 while China's was 0.47 by 2012. However, inequality in Viet Nam entails a much more complex set of phenomena and is not captured fully by trends in the Gini data. The population in the middle of the income distribution experienced the fastest relative income growth from 2010 - 2018, while the top 20% of the income range have garnered the greatest gains in absolute incomes (World Bank, 2018). Moreover, sustainable poverty reduction deems complex and multifaceted. Poverty is increasingly concentrated in rural areas and among ethnic minorities, making poverty synonymous with remoteness (World Bank, 2018). Close to 45% of ethnic minorities who reside mainly in the 'hard-core' poverty areas of the North West and the Central Highlands still live in poverty. A lack of social capital, limited educational attainment and language barriers have prevented minorities from accessing various socio-economic opportunities (MDRI, 2020). Welfare indicators for minorities continue to lag far behind.

Viet Nam has made progress on gender equality in many socio-economic fields. However, the country faces new challenges for gender equality due to the impact of the global economy, the strong development of the 4.0 technology revolution and natural hazards and climate change. All these developments have gender-specific impacts and also have specific effect on demographic changes (UNFPA & MOLISA, 2020): women and girls have differential access to education and technological means; technological development influence patterns of labour use, of which women and youth benefit differently than adult men. Women, particularly among poor population groups, experience more strongly the adverse effects of climate change, as access to safe and secure water and WASH services becomes threatened. Both economic and ecological developments cause new migration patterns, where women and youth usually end up in more challenging environments than before.



## Viet Nam's changing international development relations

Following the Reforms in the late 1980s, Viet Nam enjoyed access to official development assistance (ODA). During the last two decades, Viet Nam has attracted significant external funding flows in the form of both FDI and ODA. It has been estimated that some USD 4.3 billion of aid has been provided to Viet Nam via more than 1,000 international non-governmental organisations (NGOs). Of these, the 500 most active have supported over 3,000 programmes and projects focusing on gender, health, education, ethnic minority poverty reduction, and environmental protection (Oxfam, 2019).

In the Viet Nam's funding landscape, World Bank and the ADB stand out as the two leading multilateral providers of development funding, which have provided substantial concessional loans to Viet Nam for many decades and also started to provide substantial non-concessional loans to Viet Nam since 2009. Though not a multilateral development bank, the EU also has significant ongoing aid programmes (in grant form) in Viet Nam worth about USD 480 million under its Multi-annual Indicative Program 2014 - 2020 (Oxfam, 2019). Japan is Viet Nam's largest bilateral donor, reaching an all-time high of 72.5% of the total bilateral aid flows in 2000, though it still averaged 55% from 2010 to 2016. There is one crucial difference between Japanese bilateral aid and aid provided by most other Development Assistance Committee (DAC) donors; Japan (also South Korea) provides most of its aid via concessional loans. The other DAC donors provide their aid mainly via grants (Oxfam, 2019). For most of the years, France was Viet Nam's second-largest bilateral donor. However, since 2012, South Korea has replaced France as Viet Nam's second-largest bilateral DAC donor. Some of Viet Nam's traditional bilateral development partners, particularly European donors, have already decided to transition away from bilateral assistance. However, they continue to provide aid through multilateral channels or via global or regional programmes. For instance, The Netherlands stopped its bilateral support in 2012, Sweden in 2013, Denmark in 2015, the United Kingdom in 2016 (Oxfam, 2019).

**ODA volumes to  
Viet Nam decrease  
though remain  
important.**

With the country's graduation from the International Development Association (IDA) in 2017, volumes of ODA have started to decrease (OECD, 2020). Total net ODA to Viet Nam increased steadily from 1990 to 2014 (reaching a high of 4.2 billion USD in 2014) but then declined relatively sharply to USD 2.9 billion in 2016 and 1.633 billion USD in 2018 (World Bank, 2021a). The ratio of ODA to GDP has declined during the last two decades from 5.4% in 2000 to only 1.4% in 2016, which is mainly due to Viet Nam's rapid GDP growth (OECD, 2021). While the net ODA-to-GDP ratio is small, the ODA and concessional loans from foreign donors have supported Viet Nam in socio-economic infrastructural development and reduction of poverty in a sustainable way (Oxfam, 2019).

## Viet Nam after IDA graduation

Viet Nam is moving from ODA and tapping into alternative sources (OECD, 2020). Government spending now is mainly financed by taxes, fees and renting out public land to the private sector. According to the financial statement of the government of Viet Nam in 2020, about 80% of government revenue comes from taxes (MOF, 2020). An increase in domestic borrowing also compensated for the recent decline in ODA. However, Viet Nam's public financial sector management is relatively weak, and Viet Nam's banking sector is vulnerable. This will make it difficult to further mobilise domestic resources for development (Oxfam, 2019).

**Viet Nam now  
focuses on trade  
and investment.**

Furthermore, Viet Nam's strategy is to focus on the private sector, especially foreign investment through various types of Public-Private Partnership (PPP). Viet Nam prospects for further FDI look good in the near term (OECD, 2020).



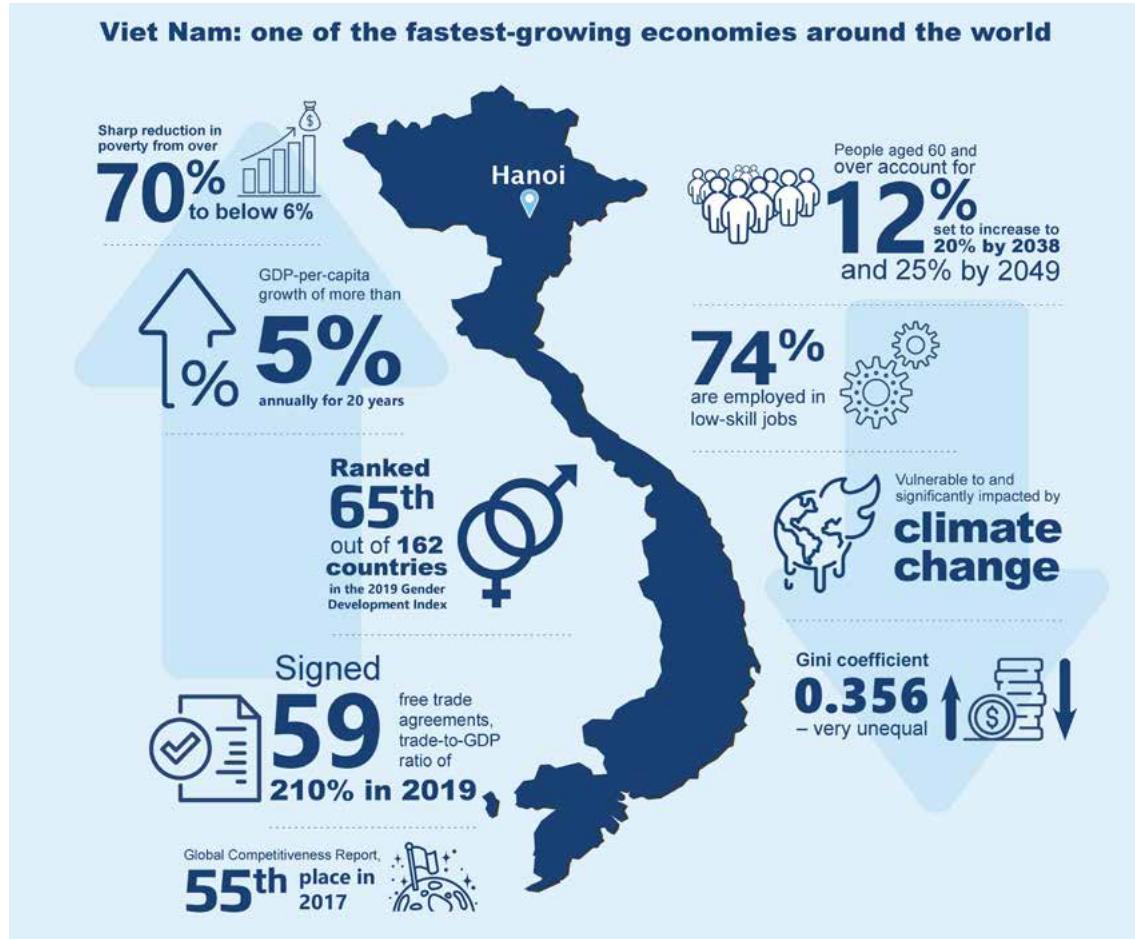
FDI has become an increasingly important source of GDP growth for Viet Nam. The country has emerged as a favoured investment destination in the Asia-Pacific region. The top three highest investment countries to Viet Nam in 2019 included Korea, Japan and Taiwan. Key sectors attracting investment are manufacturing and processing industries, construction and technical activities, and scientific and technology activities. The latest 2019 Law on Public Investment has helped pave the way for public-private partnerships in infrastructure development and social services. Yet, the lack of clear risk-sharing mechanisms is another factor that may hamper the take-off of PPPs (Cattaneo et al., 2019).

To meet the new challenge of a decline in ODA flows, Viet Nam's international cooperation strategies in the period 2011-2020 set priorities to expand economic relations, widen and diversify markets and take advantage of capital, managerial experience and advanced technology. For example, Viet Nam has entered new FTAs with Chile (2012), the Customs Union of Russia-Belarus-Kazakhstan (2014), Korea (2015), the Eurasian Economic Union (EAU) (2015), the Trans-Pacific Partnership (TPP) (2018), and most recently the Regional Comprehensive Economic Partnership Agreement (RCEP) (ASEAN+6) (2020). Trade reforms have gradually removed import tariff barriers, progressive deregulation of trade regimes and relaxation of restrictions on entry to trading activities. The realisation of FTAs has expanded the volume and value of trade as well as the inflows of FDI. The recently signed EU-Viet Nam FTA in 2020 is expected to further contribute to this. (See also Annex 9 for a more extended political economy analysis of Viet Nam).

Vol. 2

Figure 3.1 summarises some of the main developments in Vietnam in the past decades.

**Figure 3.1** Viet Nam: one of the fastest growing economies around the world





## 3.2. Transition in the cooperation between Finland and Viet Nam

### 2008-2012 start of the transition and building of new types of relations

Viet Nam has been one of Finland's main development cooperation partner countries for almost four decades. Given the rapid economic growth in Viet Nam, a shift was seen in the Development Policy Programme (DPP) of 2007 that recommended an assessment on the transition from long-term inter-governmental cooperation to other forms of cooperation. **The Country Engagement Plan 2008–2012 (CEP)** introduced a gradual shift in order to decrease the bilateral development cooperation sustainably while strengthening other partnerships at the same time. The main sectors for bilateral development cooperation were forestry, water and sanitation, and rural development. However, by the end of the strategy period, the cooperation would concentrate on information and innovation policy as well as environmental and climate change. Synergies with cooperation in the Mekong sub-region were also sought. The disbursements were planned to increase to €22.9 million in 2008 but then gradually decline to €10.8 million in 2012. Bilateral development cooperation would end in 2015, but new types of cooperation with Viet Nam, e.g., institutional and private sector cooperation, would continue after 2015.

Partnership-building programmes, twinning types of cooperation and business partnerships were promoted in the CEP. The first projects under the Institutional Cooperation Instrument (ICI) were initiated, and the Fund for Local Cooperation (FLC) was utilised to engage in dialogue on human rights and good governance. Already during the implementation of the CEP, Viet Nam was one of the most prominent target countries for Finnpartnership-supported Finnish private company endeavours. The Concessional Credits portfolio was also substantial, and Finland supported the Mekong Private Sector Development Facility, a Trust Fund administered by the International Finance Corporation (IFC).

### 2013-2016 deepening the transition process and bringing in new instruments and modalities

The Development Policy Programme (DPP) of 2012 further confirmed Finland's strategy to promote Viet Nam's gradual shift from a long-term development cooperation partner country to a more diversified cooperation partner. **The country strategy 2013–2016 stated:** '*As a result, the traditional project-based development cooperation between Viet Nam and Finland will be gradually replaced by a more comprehensive partnership, responding to the changing needs of a middle-income Viet Nam.*' The objectives were (1) increased openness and access to information, knowledge, and innovation for all, (2) enhanced green economy that creates entrepreneurial activity and decent jobs, (3) improved sustainability, inclusiveness, equality and climate sustainability of the use and management of forest resources and (4) sustainable and equal access to improved water supply and sanitation services. The strategy outlined a gradual decline of bilateral grant-based programmes from €11.5 million in 2012 to €4.5 million in 2016.

The country strategy 2013–2016 underlined the strengthening of partnerships between Finnish and Vietnamese authorities, institutions, private sector and civil societies. Bilateral development programmes were still the primary modality. However, there was an emphasis to support the transition by using all available cooperation instruments comprehensively, like FLC, ICI, FinnFund and Finnpartnership. Finpro (in 2018, Finpro and Tekes merged into Business Finland) was also expected to play a role with its growth programmes in the transition.

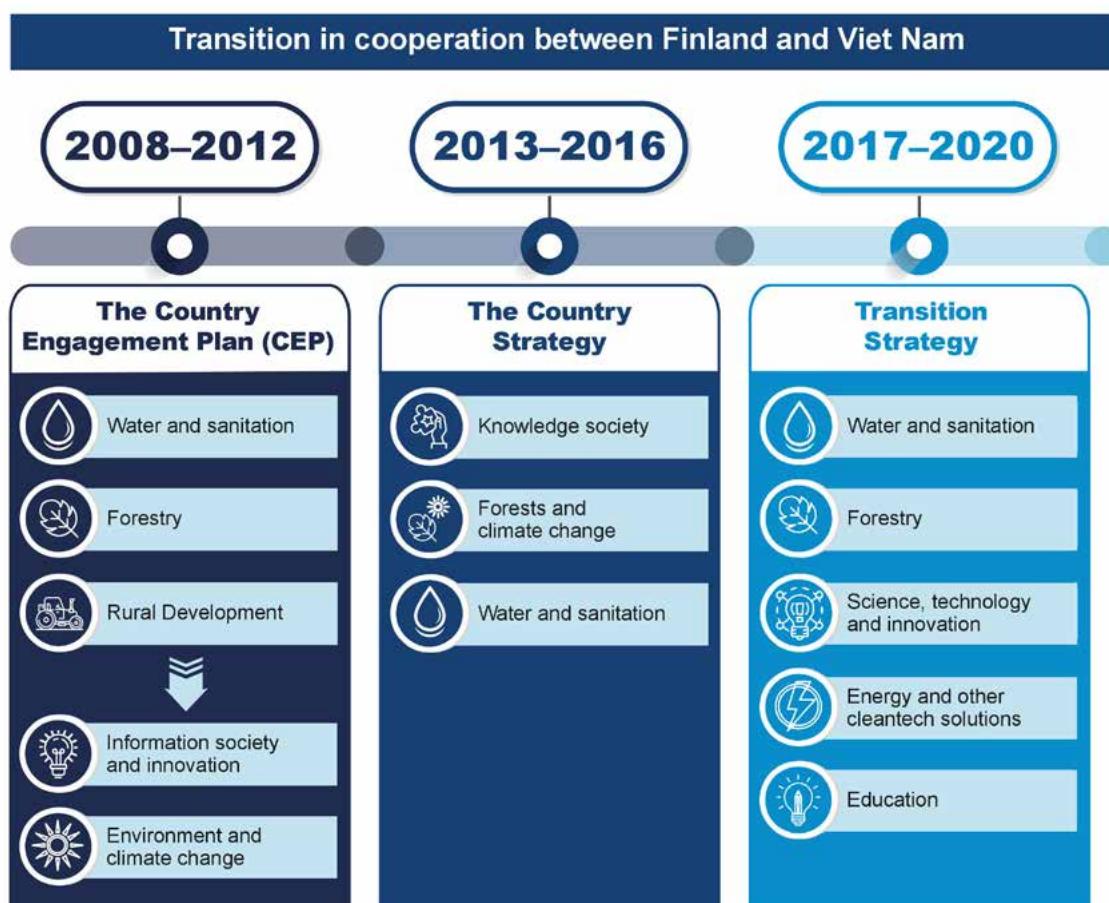


## 2017-2020 end of bilateral programming

The 2016 government report to parliament on Finnish development policy set the year 2018 as the final year for bilateral cooperation in Viet Nam. The next country strategy **2016–2020 was called transition strategy 2016–2020** and based on this development policy aimed explicitly towards transition. The vision was that *'by 2020, ongoing, bilateral, grant-based development cooperation projects funded by Finland have been successfully closed with sustainable results, bilateral trade has grown substantially, and Finland is known in Viet Nam as a reliable partner providing economically and environmentally sustainable solutions that contribute to Viet Nam's development goal of becoming an innovative, knowledge-based economy.'*

A summary of the main phases of transition is illustrated in Figure 3.2.

**Figure 3.2 Main phases in the transition in cooperation between Finland and Viet Nam**



## Transition goals, Finland's sectoral focus, tools and instruments

The overall objective of the transition strategy was to promote inclusive development in Viet Nam and increase trade and other mutually beneficial forms of cooperation between Finland and Viet Nam. Two priority areas of Finland's development policy were emphasised: (1) developing the economy in order to generate jobs, livelihood opportunities and well-being, and (2) improving access to water and sanitation while promoting the sustainable use of natural resources. The priority sectors of the transition strategy were: (1) water, (2) forestry, (3) science, technology and innovation, (4) energy and other cleantech solutions and (5) education.



Key elements of the transition were 1) financing for development cooperation projects in order to support Viet Nam's transition towards an open civil society and a competitive economy, with an emphasis on environmental sustainability; 2) promoting Finland as a well-functioning, clean, high-tech country offering state of the art technology, world-class know-how and innovative solutions to Viet Nam; and 3) promoting Viet Nam's business opportunities in Finland.

Development cooperation programmes, modalities and funding instruments were aligned with transition targets, and the programmes were steered towards contributing to the transition.

Unlike earlier country strategies, the transition strategy was formulated in broad cooperation with Finnish stakeholders within and outside the MFA: The Ministry of Economic Affairs and Employment (MEAE), Tekes (former Finnish Funding Agency for Innovation, currently Business Finland), Finpro (former Finnish trade promotion organisation, now Business Finland), Ministry for Education and Culture, Natural Resource Institute Finland, Finnish Meteorological Institute, Finnish Environment Agency, Finnish Water Forum (FWF), Finnfund and Finnpartnership. These organisations were also invited to the Viet Nam group, an informal governmental group on Viet Nam that has gathered biannually during the implementation of the transition process. During this evaluation, no evidence was found of active Vietnamese influence in setting objectives and the course and direction of the transition process, though regular consultations have taken place in the bilateral dialogue and at the programme level. This is possibly due to some miscommunication as there was no mention of the transition in the bilateral consultations between Viet Nam and Finland in 2009; as Finland was even committed to increasing its ODA level to 0.58% of the GNI by 2011 (Government of Finland & Government of Viet Nam, 2009). It should be noted that Viet Nam was formally informed of the transition process that the MFA would cut its aid flows globally, including Viet Nam since April 2012 (MOFA, 2012).

**Finnish stakeholders  
were consulted on  
transition process.**

The main instruments for cooperation during the transition period have been bilateral cooperation, Institutional Cooperation Instrument (ICI), multi-bilateral cooperation, Fund for Local Cooperation (FLC), civil society organisations (CSO) cooperation, Finnpartnership, Business with Impact (BEAM, Currently Developing Markets Platform – DevPlat – under Business Finland), concessional credits (CC), the Public Sector Investment Facility (PIF), and Finnfund. See Annex 18 for a description of these instruments.

Vol. 2

Key sectors of cooperation in different country strategy periods have been:

**2008-2012:** Water and sanitation; forestry; rural development; information society and innovation; environment and climate change;

**2013-2016:** Knowledge society; forest and climate change; water and sanitation;

**2017-2020:** Water and sanitation; forestry; science, technology and innovation; energy and other clean tech solutions; education.

While some of the Finnish cross-cutting objectives<sup>2</sup>, particularly gender equality, have remained more or less unchanged through the period of 2008 – 2020, the international trend from the focus of environmental sustainability towards climate action has also happened with the Finnish

<sup>2</sup> Throughout this report the wording of cross-cutting objectives or CCOs is applied. However, it should be noted that these objectives have undergone changes over time. The cross-cutting objectives are analysed in detail in Annex



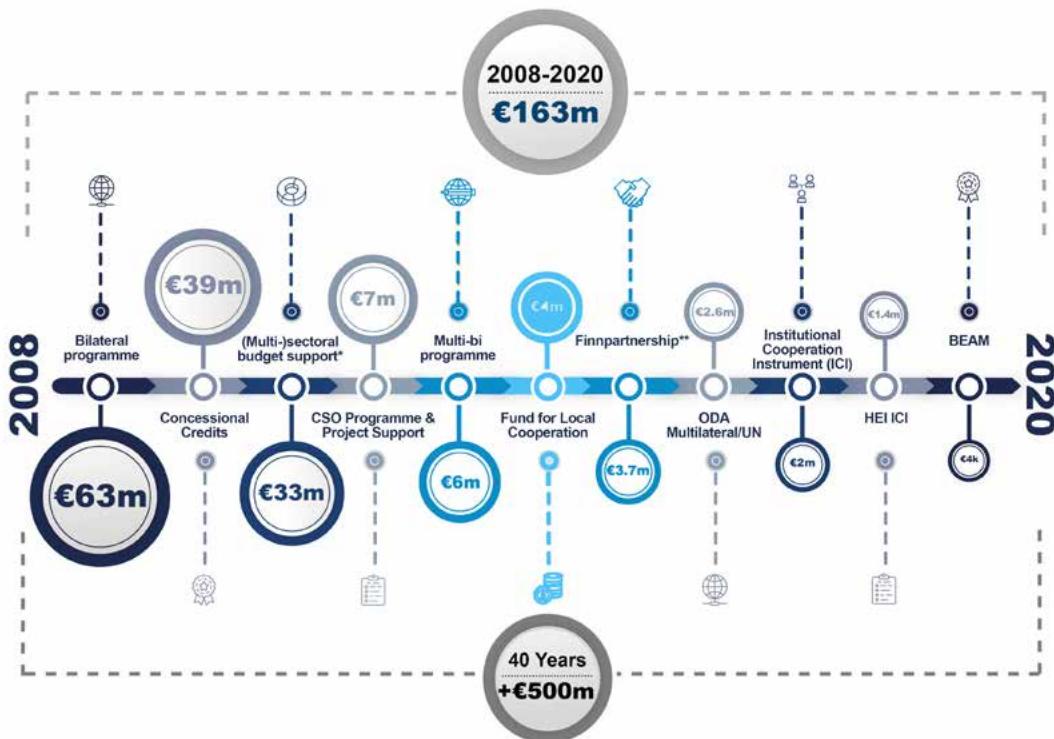
cross-cutting objectives. Currently, they focus on both mitigation and adaptation sides. Climate action has been present in the transition as both targeted action and its cross-cutting nature.

**Finland disbursed well over €163 million in ODA to Viet Nam during the transition period from 2008 to 2020.**

During the transition period from 2008 to 2020, Finland has disbursed well over €163 million in ODA to Viet Nam, as reported by the Statistics Team at the Department for Development Policy of the MFA. However, as ODA was not only disbursed through direct ODA but also other support channels (such as FinnFund, multilateral organisations, and regional programmes). This amount is likely to be substantially higher, although it is impossible to establish in detail. According to figures published by the Organisation of Economic Cooperation and Development (OECD), Finland's aid to Vietnam between 1973 and 2015 amounted to approximately 470 million euros (Government of Finland, 2021a).

Therefore, it is safe to assume that Finland's support for Vietnam has exceeded 500 million euros over the decades. Annex 11 provides a detailed overview of the reported ODA flows by the MFA's financial systems, and Annex 12 (Coherence Analysis) includes an analysis of the key programmes, projects and more specific actions that have been supported throughout the 12-year transition period (see Figure 3.3).

**Figure 3.3** Approximate volumes and modalities of Finland's development cooperation with Vietnam since 2008



In the economic sphere of cooperation between Finland and Viet Nam, Team Finland has been an important network, and its members have contributed to strengthening the economic relations between the two countries. The Finnish Embassy in Viet Nam prepares country strategic plans for each of the Ambassador's postings mandates, and Team Finland country teams prepare annual plans. It is noteworthy that there will be no new country strategy for Viet Nam, but the Finnish Embassy and Team Finland plans will guide future support in sectors identified based on commercial interests

13. In that annex and also in Annex 2 (Evaluation Matrix) reference is made to cross-cutting priorities when discussing policy objectives applied in previous strategic and policy plans.



from Finland. In Viet Nam, the Finnish Embassy and Business Finland's office in Ho Chi Minh City (HCMC) form the core group of Team Finland in Viet Nam.

Finland and Viet Nam have conducted bilateral consultations concentrating on development policy and cooperation issues biannually and separate bilateral consultations on political and economic issues. In the meetings, the countries follow up on the implementation of the programmes and agree on future cooperation. During the evaluation period, bilateral consultations were held in 2009, 2012, 2014, 2016 and 2018. The consultations in 2020 had to be cancelled due to the Covid-19 pandemic. The latest talks included both political and development co-operation. Annex 8 of this report consists of a detailed analysis of the progress in developing the Finnish policy and diplomatic dialogue.

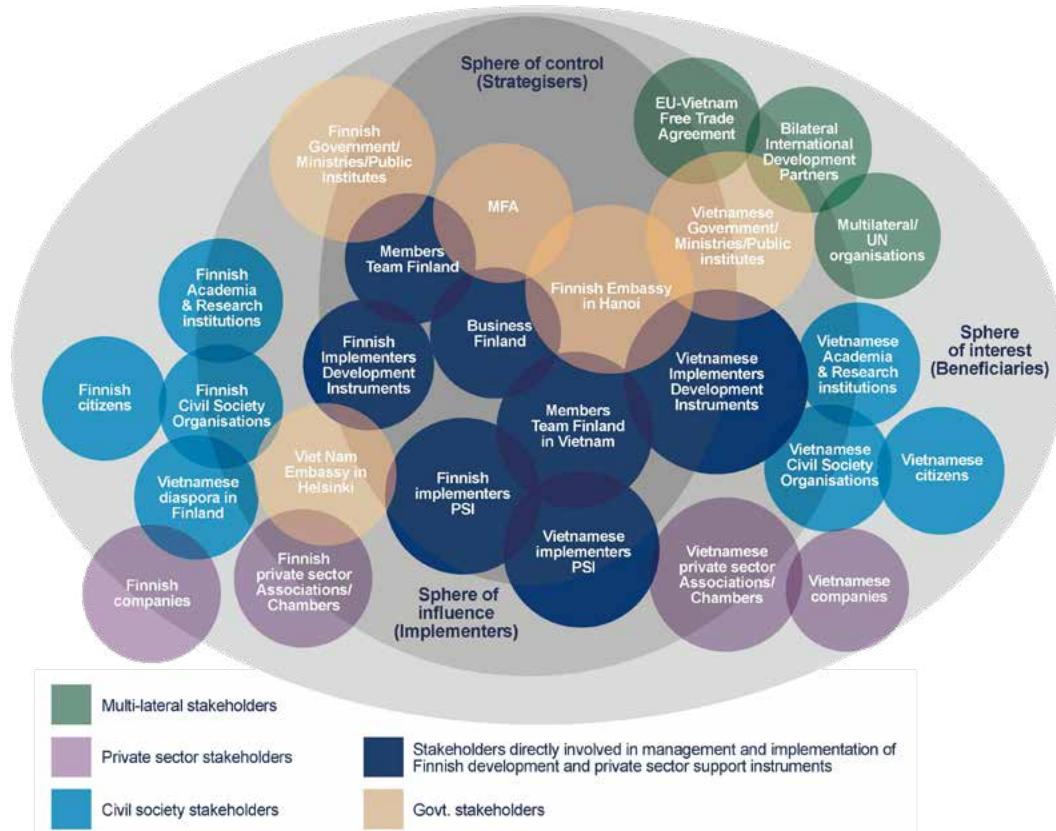
**Team Finland  
has supported  
economic relations  
in transitioning.**

Vol. 2

### 3.3. Stakeholders in the transition process

Based on interviews, desk-review and lists of stakeholders, the evaluation team developed a stakeholder map of key stakeholder groups involved in the transition process and the development of a new kind of partnership between Finland and Viet Nam. These stakeholder groups are depicted in Figure 3.3 below.

**Figure 3.4 Stakeholders of the transition process**



Source: Evaluation team



**Multiple stakeholder groups were involved in the transition process.**

The Figure presents an overview of key stakeholder groups in the transition process in Viet Nam. These stakeholder groups are organised in three concentric circles, indicating the degree of control and influence that they have on the planning and implementation of the process. The smallest circle of control contains those stakeholders that have been involved in planning and strategizing of Viet Nam country strategies and support modalities and instruments.

The second circle presents the sphere of influence that mainly contains stakeholders that have been involved in the implementation of the support modalities and actions, reaching out to beneficiary stakeholders in the outside circle of the sphere of interest. These stakeholders are affected by the transition process but do not directly influence the process.

Different stakeholder groups are represented in different coloured circles. In the light brown circles, the reader can see the core strategizing partners in the transition process, composed of Finnish Government level stakeholders. Other Finnish government institutions and the Vietnamese Government are presented on the borders of the circle of control, indicating that their level of engagement and influence on the transition process has been less than stakeholders within the MFA and Embassy in Viet Nam.

The dark blue circles represent the key implementing partners of the Finnish development cooperation and private sector instruments. These partners are mirrored in both Finland at the left-hand side of the diagram and the Vietnamese partners on the right-hand side. Their influence has been considerable; thus, most of these stakeholders are at least partially situated in the middle circle of control.

Particularly Team Finland in Finland and Viet Nam are indicated within the circle of control as these partners. Although they are not decision-making partners, they have a considerable degree of influence. One of the members of Team Finland (Business Finland) is also represented separately in the picture, as this is a key institution during the transition process in establishing and strengthening partnerships.

In the purple circles, private sector stakeholders that benefit from support instruments and modalities are presented, while the bright blue circles represent civil society organisations. These stakeholder groups are mirrored on both the Finnish and Vietnamese sides.

And finally, on the Vietnamese side, an additional stakeholder category is represented in the green circles. These stakeholders are bilateral and multilateral partners engaged in dialogue and cooperation with Viet Nam and in a Trade Agreement.

**Vol. 2**

For more information on the role of different stakeholders in the transition process, see Annex 7.



## 4. Theory of Change of Transitioning and Partnership Development

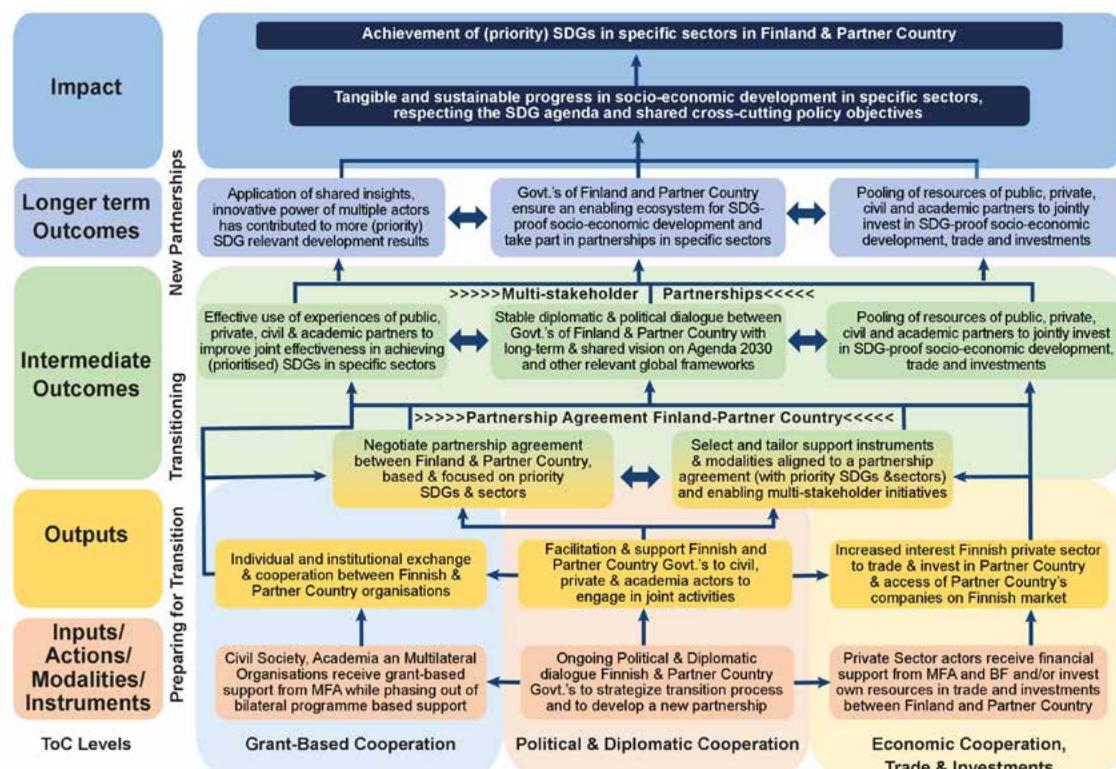
Over the evaluation process, the team has developed and updated a generic ToC of transitioning and partnership development (Figure 4.1). This was done in a participatory series of meetings with Finnish and Vietnamese stakeholders involved in the transition process. Two workshops were organised to discuss different versions of the ToC, and feedback was received from stakeholders on papers presenting different versions. In four different versions, the ToC was used as a living document to guide the research process, which served as an input to the reconstruction process of the ToC until its current iteration (generation 4.0) presented in this chapter. This chapter summarises a detailed paper on the ToC, presented in Annex 6 of this evaluation report.

Vol. 2

Theory of Change  
for transition as a  
reference for future  
transition processes

The ToC below presents a typical transition process from the moment prior to the start of the process, starting at the bottom part of the ToC diagram to the end point, at the top of the diagram, where a partnership relation is contributing to development impact on the longer term. The overall period described in this change process is based on practical experiences in the Finnish-Vietnamese transition process that, in total, had a 12-year time span, which is likely a reasonable timeframe for a complex process of transitioning in other countries.

**Figure 4.1** ToC of transitioning towards a new kind of partnership between Finland and partner-countries



Source: developed by the evaluation team in consultation with evaluation stakeholders. Version 4.0, April 2021



The ToC has incorporated several elements of the transition in Viet Nam . It also includes other elements, such as inputs from Zambia transition stakeholders (see Annex 16) and other countries (Denmark and The Netherlands) that have passed through a transition process similar to that of Viet Nam (see Annex 17). Therefore, this ToC does not describe the specific transition process in Viet Nam but is instead a generic ToC to inspire and inform future transition processes in cooperation relations and partnership development with other Finnish partner countries. After the presentation of this generic ToC, this chapter will conclude with statements on the extent to which this ToC is applicable to the specific context of Viet Nam.

The ToC diagram presents a generic transition process that is initially composed of three different tracks. The first track (in the blue shaded area) represents ‘traditional’ and mainly grant-based development cooperation with its specific aid modalities and instruments that are typical to Finland’s development cooperation relation with partner countries. The second track (in pink) represents political and diplomatic relations between Finland and its partner countries that, in most cases, go back for a long time (in the case of Viet Nam since 25 January 1973) and are usually still

strong and ongoing. Within this track, different ministries, as well as respective diplomatic representations of both countries, have an essential role in strengthening ties and facilitating relations between different actors. The third track (in yellow) represents economic and trade relations between the two countries that are also historic. However, in more recent years, particularly in partner countries moving towards a higher income status, economic and trade relations have received more attention by the respective governments in supporting and facilitating private sector actors in establishing and strengthening relations. Under the international Aid for Trade agenda and with the PSIs, the Finnish Government, in recent years, has put increased emphasis on economic relations with many of its partner countries and stressed the role of private sector actors in partner relationship.

**During transition process traditional development and private sector instruments are increasingly combined.**

The ToC suggests that the first two tracks represent mostly the traditional development relations from the past. The governments, ministries (with the MFA at the core) and the Finnish Embassy in the partner country have been facilitating and supporting both tracks with separate portfolios of instruments and support modalities. In the latest Finnish Development Policy (see section 3.2), these tracks have gradually become more intertwined. At the same time, the balance of financial support from the Finnish Government has shifted from ODA grants to mainly government and civil society actors to ODA and non-ODA (loans, equity, guarantees) support to the private sector. This shift in balance increases the potential of ODA in leveraging other resources originating from the private sector. The focus of attention in the cooperation between Finland and countries in transition processes (aka ‘developing towards the MIC status’) is gradually moving more to the right-hand side of the ToC diagram (the pathway of economic cooperation, trade and investments).

**Role of private sector becomes increasingly important.**

When we look at the longer-term vision and policy intentions of the Finnish Government in its relations with historic partner countries, its ambition is to develop a new kind of partnership that is not confined merely to commerce and trade. Also, in the light of the framework of the SDGs (Agenda 2030), the approach focusing on ‘developing a new kind of partnership’ in the longer term points to the need for increased cooperation between different actors in a broader partnership approach. This ideal of a more comprehensive partnership is also expressed in the SDG 17: ‘multi-stakeholder



partnerships are helpful to establish a comprehensive strategy and approach to address the current big development challenges as expressed in the Agenda 2030’.

Two actions at this level (in the mixed orange and green boxes at the centre of the diagram) are needed to arrive at a partnership approach. First, in an inclusive process of consultation, both Governments of Finland and the partner country should identify areas of focus (priority economic sectors of mutual interest) and key objectives and SDGs for the new partnership, with a potential for multiple stakeholders’ contributions. Second, available Finnish development cooperation, including the PSIs, must be selected and tailored to fit priorities in the new partnership. This requires a focus on priority SDGs and key economic sectors and relevant multi-stakeholder partnerships in these sectors.

Multi-stakeholder partnerships are still not common in the Finland-partner country cooperation experience, although at programme and project level, specific examples exist (such as in IPP and EEP, Finnpartnership and concessional credits). A key message of the ToC diagram is that still more strategic and systematic attention is needed on partnership development to ensure that development will not remain limited to specific economic or sectoral interests, favouring specific stakeholder groups and not always contributing to a more sustainable environment. Instead, partnerships are key to achieving more inclusive and sustainable development as expressed in the Agenda 2030 and the Paris Agreement (with Finnish cross-cutting objectives aligned to these global frameworks).

**Partnership  
and SDG focus  
remain limited.**

In the green (intermediate outcomes) area of the ToC diagram, it is illustrated that actions in three domains are needed to ensure that the partnership can contribute to sustainable development and achievement of SDGs: a) Sharing and exchange of experiences of public, private, civil & academic partners to improve joint effectiveness in achieving (shared and priority) SDGs in specific sectors; b) Governments (and their embassies) of Finland and the partner-country ensure an enabling and supportive ecosystem for SDG-proof socio-economic development and take an active part in partnerships in specific sectors; and c) Pooling of resources of public, private, civil and academic partners to jointly invest in SDG-proof socio-economic development, trade and investments. In the ToC, this is a necessary step to achieve longer-term development outcomes and ultimately impact in achieving SDGs and in nurturing a long-term new form of a partnership arrangement between two partner countries.

This course towards partnership development in tackling development challenges and achievement of SDGs has not yet clearly been identified in the Finnish vision on transitioning its development relation with partner countries (like Viet Nam) and in specific support modalities and instruments used. The focus of the Finnish policy and strategy instruments in a transition process has been rather instrumental and directed mostly to the private sector as a key actor, though without a further description of its future role and also without specifying how the private sector and other actors, in the public sector, civil society and education sectors, mirrored in both countries, can act together in more comprehensive and more inclusive partnership relation.

**Multi-stakeholder  
partnerships can  
produce sustainable  
development impact**

The longer-term outcomes presented at the top of the ToC diagram indicate three areas (in blue) where more comprehensive multi-stakeholder partner relationship can produce tangible results. The first area of outcomes focuses on sharing and pooling knowledge and expertise of different partners to increase innovative power to tackle development goals and priority SDGs in both the



partner country and Finland. A second area is focusing on the Government's role to ensure an enabling a supportive ecosystem for SDG-proof socio-economic development and their active participation in partnerships in specific sectors. The third area refers to stable two-way trade and investment relations and increased trade volumes between Finland and the partner country, with a recognisable contribution to (shared) SDGs. The domains of partnership at this level are not confined anymore to specific sectors and stakeholder groups, as was the case in previous traditional 'compartmentalised' development cooperation.<sup>3</sup>

## **Applicability of this ToC for the transition process of Finnish relations with Viet Nam**

The ToC description is 'idealistic' in the sense that the different transition processes upon which Finland has embarked in the past and present years have to a considerable extent, deviated from this ToC. And thus, transitioning might have been sub-optimal in achieving 'a new kind of partnership' between Finland and Viet Nam. Key differences with the ToC described above, encountered in the analysis of the transition process between Finland and Viet Nam are briefly described below and will be further discussed in the next chapter 4, 'Findings':

- The transition process in Viet Nam was designed with a certain notion of a 'new mutually benefiting partnership' though this was not further described, and no strategy was designed to steer the transition process towards a new kind of partnership. The process was mainly steered by financial goals of scaling down ODA, and no concrete targets were set for widening the mutually beneficial relations in a new partnership setting;
- The transition process in Viet Nam preceded the development of some key PSIs and changing institutional setups (such as Team Finland, Business Finland and new modalities of PIF and DevPlat), and therefore these instruments could not be used strategically in the design and planning of the process. They were gradually phased into the process as they emerged;
- The transition process in Viet Nam also preceded Agenda 2030 and the Paris Agreement. Therefore, new frameworks on sustainable development and partnership approaches could not be used in the design of a transition strategy. Common commitments of both countries to these frameworks could not be used to lay the foundations for a new kind of partnership;
- While the bilateral development programmes in the past had a focus on key economic sectors in which Finland had accumulated experience in Viet Nam, this focus was diluted to some extent in the demand-driven orientation of most of PSIs modalities and instruments;

The above features of the transition process in Viet Nam have likely contributed to a somewhat limited appetite of both partners (see also chapter 5) to engage in a formalised new partnership relation beyond the cooperation that was governed by the country strategies until 2020. However, de-facto at the specific modality and instrument level, strong partner relationship between specific partners are still ongoing and will likely continue in the future.

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<sup>3</sup> A ToC diagram also includes assumptions at the generic and specific pathway level. These are omitted in this Chapter, though in Annex 6, specific assumptions applicable to Viet Nam are presented.



## 5. Findings

This chapter on findings responds to all questions and sub-questions included in the evaluation matrix of this evaluation (See Annex 2). The 16 key findings include 42 more specific findings. All findings are numbered to allow for easier cross-referencing of findings conclusions and recommendations in Chapters 6 and 8.

Further evidence for these findings is provided in the annexes to this evaluation report, included in a separate Volume II to this evaluation report.

Vol. 2

### 5.1. On the relevance of transitioning to mutual political, developmental and economic interests

Relevance (EQ 1): How and to what extent has the transition process supported the development, political and economic interests and objectives of Finland and Viet Nam?



#### Summary key findings

**The transition process in cooperation between Finland and Viet Nam has been based on a strong mutual recognition of mutual importance and a long history of cooperation. Continuing partner relationship on the ground, beyond 2020, is not oriented anymore by a vision and strategy on future partner relationship. (based on findings 1a-c)**

The transition process in Finnish-Vietnamese cooperation was built on a strong mutual recognition of the historic partnership and shared geo-political and economic importance by both countries. This recognition and the sharing of interests has not been translated into a long-term vision on the nature and quality of the new kind of partnership beyond the transition process. Dialogue, consultation and communication on the transition process have not been optimal to produce a widely embraced vision and shared ownership of continued partner relationship between the two countries. Beyond 2020, no objectives and targets are set for the post-transition era to orient a new strategic partnership between the two countries, although stakeholders in the public, private, civil, and academia sector continue to be engaged in multiple partner relationship on the ground.



**The transition process has been well in line with Viet Nam's achievements in reaching Middle-Income Country status and its future growth ambitions. Stakeholders appreciate the economic, commercial and trade effects of transition efforts and instruments, though benefits are largely confined to the private sector. (based on findings 2a-b)**

From the Vietnamese perspective, the transition process and scaling down of ODA by Finland was not perceived as shocking. It has not affected Vietnamese growth and development aspirations, which have remained strong throughout the entire transition period. On the contrary, the transition process is seen as recognition of Viet Nam's successful efforts in reaching the Middle-Income Country status. There have been no conflicts or disagreements on the transition, though some challenges have persisted in mutual human rights dialogue between the two countries. Partners in Viet Nam and Finland have experienced economic advancement and benefited from increased trade, thanks to increased application of PSIs in Vietnam, though these benefits were largely confined to the private sector. Fewer benefits have materialised for other stakeholder groups, particularly civil society.

### **5.1.1. Vision and strategy behind the transition process**

*Sub-EQ 1.1. How and to what extent have the objectives of the transition process been established, updated, revised and agreed upon (shared ownership) between Finnish and Vietnamese stakeholders?*

**Finding 1a: There is strong mutual recognition of the historic partnership and geo-political and economic importance by Finland and Viet Nam. (Based on Annex 3, 4, 8, 9)**

**There is strong mutual recognition of the historic partnership.**

In 2018, Finland and Viet Nam celebrated 45 years of diplomatic relations, and the international development cooperation between the two countries has been long-term, rich, and diverse. Over the past decades, the total amount of ODA likely has surpassed half a billion euros. In the period 2008-2020 alone, around €163 million were reported as direct bilateral support. However, this amount does not include all ODA provided to Viet Nam (EU, UN, regional programmes, capital endowments, and admin costs). In celebrating these relations, Viet Nam expresses a great appreciation to Finland as a key partner with whom it desires to continue relations.

Stakeholders in this evaluation confirmed this appreciation, and many references were made to cooperation and support in specific sectors, particularly water and sanitation, forestry innovation, and education. The IPP is often referred to as the flagship of Finnish cooperation with Viet Nam in the past period. Vietnamese stakeholders recognised the added value and comparative advantages of Finnish public and private sectors in this area. In addition, in the area of education, there is broad recognition of the valuable exchange between academic institutes between the two countries (see Annex 15). The exchange of scholars and researchers between the countries is still regular, also in the more recent years, after scaling down the ODA during the transition process.

Also, Finnish stakeholders confirm the strategic importance of Viet Nam, as a large country in the Southeast Asian region that 'breathes entrepreneurship' and has an excellent track record in economic growth and integration in the world economy. This view was confirmed by the accession of Viet Nam to the MIC group in 2010. Viet Nam is seen as an important trade and investment



partner within the region, an alternative to China. For Finland, it is essential to have diversified options for trade and investment in this area.

Stakeholders expressed that with the recently signed EVFTA, bilateral trade and investment relations are likely to increase further. This justifies maintaining strong institutions for diplomatic (ministries, embassies, and consulates) and economic (such as Team Finland, Business Finland, and Finnvera) relations. The changing development relationship between the two countries, with less ODA, is unlikely to affect this strong mutual recognition of mutual importance. This is also reflected, to some extent, in Viet Nam's current foreign policy that shows pragmatism in the GoV leadership and a desire to integrate Viet Nam internationally.

**Finding 1b: Although Finland and Viet Nam recognised and shared interests in strengthening bilateral trade and investment relations , there has not been a shared and explicit long-term vision on the nature and quality of the new kind of partnership beyond the transition process. As a result, no objectives and targets beyond the Ambassador's Strategic Plan and the Embassy's rolling Action Plan<sup>4</sup> were set for the post-transition era. (Based on Annex 3, 4, 5, 8, 14)**

**Finland and Vietnam had shared interests in trade and investment relations although there was no strong vision on partnership beyond transitioning.**

The subsequent country strategic plans of Finland for Viet Nam have been consistent and clear in stating the Finnish intention to phase out traditional bilateral programmatic cooperation, based mainly on ODA. The final country strategy of 2016-2020 indicated that the process of phasing out was to be completed in 2020. Subsequently, it was no longer intended to prepare a country strategy for Viet Nam beyond the Ambassador's Strategic Plan and the Embassy's rolling Action Plan. The current Ambassador's strategic plan ends mid-2021.

The motive for transitioning was also specified and referred to the fact that Viet Nam had gained its lower MIC status. Viet Nam's growth process is impressive, and it has longer-term growth ambitions towards achieving upper MIC status by 2035, as indicated in Section 3.2 of this report. As a result of this growth, traditional grant-based development cooperation is becoming less relevant, while the importance of bilateral trade and investment is increasing.

Finland and Viet Nam recognised and shared this interest in strengthening bilateral trade and investment relations and some of the bilateral and regional programmes, most notably the IPP and EEP Mekong. These programmes have included important facilities for the development of new partner relationship and private sector involvement. This is reflected in the survey findings on the participation of a wide range of non-public institutions and CSOs in projects, modalities or instruments of Finnish cooperation with Viet Nam (see Annex 14).

Based on the MFA's internal documents and interviews conducted for this evaluation, there was a vision in the early days of the transition period (2008-2012) that there had to be a transition from development cooperation to other types of strong relations, though without specifying what these should be. At the time, planning of the IPP started, and the programme was developed to serve as a key instrument in forging new ties. At a later stage, the most concrete notion of the new quality of the relationship is stated in the Viet Nam cooperation plan of 2016-2020: *'Our vision is that by 2020, ongoing, bilateral, grant-based development cooperation projects funded by Finland have been successfully closed with sustainable results, bilateral trade has grown substantially, and Finland is known in Viet Nam as a reliable partner providing economically and environmentally sustainable solutions that contribute to Viet Nam's development goal of becoming an*

4 In Finnish: Toiminta- ja taloussuunnitelma, i.e. annual work plan



*innovative, knowledge-based economy*' (MFA, 2016 b. Cooperation between Finland and Viet Nam 2016–2020. MFA.; p.8). In terms of sectors to focus on, based on the MFA's internal documents, these have somewhat varied over the years, but innovation, clean tech, and education emerge as the most prominent.

Finland, instead of relying on a formalised partnership vision and strategy, relies on the bilateral trade relations between Finland and Viet Nam to produce a reliable partnership in sustainable economic growth on the ground. Partnership is further strengthened by a recognition of both countries of mutual ambitions to become and remain innovative, knowledge-based economies. This translates into initiatives of specific organisations, mainly among private sector actors, though not in broader and more strategic partnership of multiple actors, including the Governments. Most of the remaining instruments (except for FLC and CSO support) and particularly the PSIs are demand-driven and usually lack a specific sectoral or thematic focus. Without a central and comprehensive framework or policy, steering towards partnership goals at the strategic level becomes quite difficult.

Not having a comprehensive strategy raises the question of whether Finland still aspires to have a partnership relation with Viet Nam. Such an aspiration is not communicated in documents available in the public domain beyond the statement quoted above. Based on the MFA's internal documents as well as during interviews and surveys with key respondents in this evaluation, most stakeholders indicate that there is an interest in maintaining a partnership relation and that such a partnership should also go beyond mere private sector-driven trade and investment. It is also mentioned that partner relationship can continue under other multi-lateral cooperation channels and through the EU-Viet Nam dialogue and cooperation.

**Box 1 The transitioning process in relations between Finland and Vietnam has brought changes though mutual interest has remained strong**



Finnish ODA disbursements to Viet Nam in the period 2008-2020 were 163 Million Euros. It is clear, however, that the actual disbursement amounts of ODA in Viet Nam are even higher, as this number does not include disbursements to the regional Energy and Environment Partnership Mekong (EEP programme), ODA components in the capital provision of FinnFund and the Nordic Development Fund, nor the amounts that were allocated and disbursed through multilateral organisations at the regional and national level in Viet Nam.

The trend of ODA has been declining, while the trend in trade relations has been rising. It is in Finnish imports and Vietnamese exports where the Finnish-Vietnamese trade relations have produced the most benefits; when compared with imports from the world, Finnish imports from Viet Nam have increased six times more than imports from other countries. Finnish exports to Viet Nam have lagged behind world exports to Viet Nam (it is only about half of Viet Nam's increase in access to other world export markets), and thus it seems that Finland has not benefited in the process to the same extend, particularly when looking at Viet Nam's integration in the world economy as an export market.



*More information in Annex 10.*



**Finding 1c: Dialogue, consultation and communication on the transition process have not been optimal to achieve a widely shared ownership of the transition process by the Finnish and Vietnamese counterparts and stakeholders. (Based on Annex 3, 4, 8, 14)**

While the process of preparing and formulating country strategies generally includes consultation with stakeholders both in Finland and Viet Nam, it does not include a joint process of strategizing and decision-making on shared priorities. At the same time, specific interests were considered and have influenced, to a certain extent, the country strategies. Finnish partners did this in the ‘Viet Nam group’ that was actively consulted to inform the transition process in the country strategy of 2016-2020. Based on the MFA documentation and interviews, in addition to the MFA, at least the following organisations have participated in the Vietnam Group’s meetings: Ministry of Economic Affairs and Employment, Business Finland, Finnvera, Geological Survey of Finland, Finnish Institute for Health and Welfare, VTT (Finnish state research centre), Finnish Information Security Cluster, Finnish Water Forum, Kepa (currently Fingo), Finland-ASEAN Chamber of Commerce, Finnish Vietnam association, Finnish Institute for Health and Welfare, Natural Resources Institute Finland, and Finnish Meteorological Institute. The involvement of broader stakeholder groups, including Vietnamese actors, was less systematic in dialogue and joint decision making on transitioning. Documents were also not signed off by the different partners involved but were a product of the MFA, including the Embassy.

Decisions that were made on transition principles, such as phasing out traditional bilateral programme-based ODA cooperation and phasing in more instruments for private sector involvement, were made via consultation. However, these were conducted without an inclusive and shared strategizing process of developing a vision on the nature and quality of the new partnership between the two countries.

The Vietnamese partners and key stakeholders were also consulted but were not co-signing partners to the country strategy and transition process and thus not co-owners of the strategy and transition process. They were co-signing partners at the level of specific instruments, such as the concessional credits and PIF facilities.

**Consultation and communication on transitioning show room for improvement.**

While there is a general understanding and agreement among the different Finnish and Vietnamese partners and stakeholders of the transition process, there is no strong feeling of shared responsibility for it or the development of a new partnership. Vietnamese partners have not raised this at the dialogue table and have accepted developments. Stakeholders also indicated that the Finnish process was not unique and other countries had taken similar steps. However, what was lost to some extent was the multi-stranded partnership relation between the governments of both countries, where also aspects of cooperation beyond economic cooperation were considered.

While equality in the partnership was increased, the quality and intensity of the partnership decreased, particularly concerning the inclusion of multiple stakeholders in civil society, education and cultural sectors. This development was not intentional, though to be expected, because of the lack of the above-mentioned vision on the quality of a new kind of partnership: as a new phase in the relationships between the two countries, recognising the multi-stranded ties between the two countries. In short, the relationship between Viet Nam and Finland can be described as being more equal, but at the same time, a poorer, more one-dimensional partnership than was the case in previous years. And ongoing cooperation and relations increasingly happened in separate confined environments of specific partners, with less guidance and facilitation by the respective governments, ministries of foreign affairs, and diplomatic representations in each other’s countries.



## 5.1.2. Stakeholder appreciation of transition and partnership development

*Sub-EQ 1.2. What is the current appreciation of different Finnish and Vietnamese stakeholders of transition effects on their developmental, political and economic interests and objectives?*

**Finding 2a: From the Vietnamese perspective, the transition process and scaling down of ODA has not been perceived as shocking, and it has not affected the Vietnamese growth and development aspirations. There have been no conflicts or disagreements on the transition, though some challenges have persisted in mutual human rights dialogue.** (Based on Annex 3, 8, 9, 10, 14)

Finland was not among the first countries taking the initiative to change its development relations with Viet Nam, scaling down its traditional grant-based bilateral development cooperation. Finland was preceded by its Nordic neighbours and The Netherlands (see also Annex 17, with the comparative study on Denmark and The Netherlands). Interviews and the survey results in this

evaluation confirm that the transition process did not surprise Viet Nam, and Vietnamese partners were already prepared for new types of engagement with less ODA involved.

At the same time, and maybe more importantly, Viet Nam's graduation to the MIC status has been empowering for the country and created the basis for policy dialogue and cooperation on a more equal footing. Viet Nam has used its socio-economic development strategy for 2011- 2020 and its 5-year development plans for implementing its economic growth strategy and achievement of SDGs. It has engaged with its development partners to acquire strategic contributions.

This means that a shift in mindset that was already initiated in the previous decade has further developed during the transition process, where Viet Nam has become more confident and also been more able to attract other sources of funding and investments, internationally, regionally and domestically. Funding, though important, has not been key to the relationship between the countries. Partners and their specific competencies are.

**Both countries appreciated good economic growth and increased trade, though benefits were largely confined to private sector.**

With more confident partners in political dialogue, it can be observed that it is easier to reach agreements on certain policy objectives than on others. While there is a good basis for partnership in shared visions on sustainable poverty reduction and social inclusion, climate change mitigation and sustainability, and gender equality, dialogue has been more challenging in the area of human rights and democratic space and the role of civil society. Viet Nam has insisted that the terms 'civil society' or 'civil society organizations' do not appear in the text of the EVFTA. The Trade and Sustainable Development (TSD) Chapter of the EVFTA has so far provided little more than just an aspiration for change in Viet Nam when it comes to civil society space (Schweisshelm & Mai Thu Ha, 2020). Stakeholders in this evaluation informed that there are considerable differences in vision and a continued in-depth dialogue remains needed. As the regular policy dialogue based on development cooperation has decreased, new mechanisms are needed to secure that policy objectives are sufficiently considered in the partnership relation. In Viet Nam, human rights dialogue through the EU Delegation (EUD) is gaining in importance. Some MFA key respondents to this evaluation also proposed, in the context of Finland's new Africa Strategy, that broad partner relationship with national, regional and international partners based on mutually benefiting commercial interests can provide at least as much, if not more, political leverage than aid. If this cannot be sufficiently secured through bilateral and the EUD's policy dialogue, there are other levels to complement, most notably in the framework of the UN Agenda 2030 SDGs and the Paris Agreement and in the recently signed EVFTA.



**Finding 2b: Partners in Viet Nam and Finland recognised and appreciate economic advancement and increased trade, though the benefits were largely confined to the private sector. Fewer benefits have materialised for other stakeholder groups. (Based on Annex 3, 9, 12, 14)**

Finnish and Vietnamese partner institutions involved in trade and investment promotion and the individual companies consulted in this evaluation confirmed they experience benefits from PSIs support. Effects on business initiatives and trade are noticeable, though smaller companies (SMEs) indicate that some of the support instruments are not fully appropriate for them because of practical limitations (See also under 4.2). Viet Nam attaches high value particularly to increased international investments and is stimulating international partners, including Finland, to increase FDI in the country.

Thanks to the increased trade and investment and Viet Nam's economic integration at the global level, poverty has decreased substantially in the past decade, and the quality of public services has improved. However, exclusion of specific groups from economic growth still occurs in specific regions and among ethnic minorities and other groups. The specific consideration of these groups has decreased with the phasing out of bilateral support and also with decreased CSO activities. This is a reason for concern, as the countervailing power of civil society and the inclusion of poorer and disadvantaged groups is no longer prominent in Finnish cooperation with Viet Nam.

**Both countries appreciated good economic growth and increased trade, though benefits were largely confined to private sector.**

## 5.2. On the effectiveness of transitioning and partnership development

**Effectiveness (EQ 2): How and to what extent have development and economic cooperation strategies and the choice of ODA and non-ODA instruments, modalities and delivery channels affected the transition process and contributed to the building of a new kind of partnership of Finland and Viet Nam?**



### Summary key findings

**Centralised guidance to the transition process in Finnish-Vietnamese cooperation has not been strong and gradually decreased towards the end of the process. At the same time, other mechanisms and platforms for dialogue and coordination have come into place at the level of sectoral partners and line ministries. (based on findings 3a-c)**

The MFA, due to its structural compartmentalised set up cannot centrally coordinate all modalities and instruments available to Viet Nam during the transition process. Central oversight has further decreased while advancing in the transition process. At the Finnish Embassy level, a good overview of different partners and activities exists, though the embassy has only limited steering power over most of the support instruments. With lower levels of ODA, relations in policy dialogue and partnerships are shifting from central government level to sectoral line ministries. With the signing of the EVFTA in 2020, further shifts in dialogue at the bilateral and multilateral may occur, which can influence future relations between Finland and Vietnam.



**During the transition process, Finnish ODA has decreased consistently. And in parallel, commerce, trade and investment relations between the countries have grown, particularly at the level of Vietnamese exports to Finland. The exchange of persons and between institutions in the two countries has also remained vibrant.** *(based on findings 4a-c)*

ODA flows from Finland to Viet Nam have steadily decreased over the past decade, though at the end of the transition process, substantial ODA support is still provided to Viet Nam, and this is also likely to remain the case in the near future particularly through PSIs. During the same period, bilateral trade and investment relations between the two countries have developed consistently, particularly in terms of Finnish imports from Viet Nam, while Finland has lost some of its competitiveness in exports to Viet Nam. Until abruptly interrupted by the global Covid-19 crisis in 2020, exchange in education, travel, and diaspora had consistently grown, largely independent of ODA support.

**The transition process in Vietnam was planned over the long term. It was prepared and facilitated by partnership facilities in the IPP and EEP programmes and further enabled with the introduction of new private-sector instruments and new institutions such as Business Finland. Team Finland has supported building new partnerships.** *(based on findings 5a-c)*

Transition in Viet Nam was a planned process in the subsequent country strategies and in the Finnish development policy with an established time-frame for the process. The transition process in Viet Nam has benefited from the IPP and EEP bilateral and multi-bi programmes introducing new partnership facilities; the introduction of new and revised instruments mostly geared towards Private Sector Development; and a new institutional set-up of some of the support facilities (Business Finland) that included a vision on new partnerships, though mostly confined to the private sector or public-private partnerships. The initiative of the MFA and partners to set up Team Finland's at global and country levels has been important to improve coordination and coherence of different initiatives and instruments in the Finnish cooperation with Viet Nam. Due to its loose network structure, it has not fully succeeded in this task. Team Finland has also not sufficiently embraced the Finnish cross-cutting objectives and the Human Rights-Based Approach to ensure that these are sufficiently considered in the private sector support, where it is engaged as a facilitator or broker.

**Consultation on the transition process has occurred among both Finnish and Vietnamese stakeholders. Communication around transitioning has not always been clear, causing different interpretations of transitioning as phasing out or scaling down. Consultation and communication have not been inclusive, particularly with respect to civil society organisations and academia.** *(based on findings 6a-c)*

Within the context of the subsequent Vietnam country strategies, consultation was done on the transition process with stakeholder groups in Finland and Vietnam. Limitations in communication to stakeholders were encountered that has caused confusion in interpreting the transition as a process of 'phasing out' or 'scaling down'. Team Finland as an inclusive network of actors has served to ensure participation and coordination, though its focus has been firmly on the private sector and less on other actors or multi-stakeholder partnerships, including civil society and academia. Over time, during the transition process, CSO support to Viet Nam was significantly reduced, while at the same time, space for civil society has been shrinking worldwide and also



in Viet Nam. This is a worrying development as CSOs are important as a countervailing power in society to ensure that human rights and democratic principles are respected and SDGs are advanced in economic development initiatives.

### 5.2.1. Key changes and milestones in Finnish-Vietnamese cooperation and partnership

*Sub-EQ 2.1. How and to what extent have Finnish-Vietnamese cooperation and partner relationship changed over time, and can key milestones be reported?*

**Finding 3a: In the changing relationship between the two countries, the Finnish Embassy Vietnam still strategizes and coordinates systematically, though at the specific country level. At the level of the MFA as a whole, there is no more strategy beyond 2020. Although the MFA, due to its structural set-up, has never centrally coordinated all modalities and instruments available to Viet Nam, central oversight has further decreased while advancing in the transition process. (Based on Annex 3, 4, 8)**

A key result of the transition process is that, beyond the Ambassador's Strategic Plans, no further country strategies are being developed for Finnish-Vietnamese cooperation. This means that the different instruments and facilities that remain available for Viet Nam, most likely for still a considerable time, are not guided and coordinated anymore by the MFA centrally. While the Finnish Embassy in Viet Nam has a generally good overview of how different support channels are implemented in Viet Nam, the authority to decide and steer lies with the MFA Head Quarters (HQ), except for the embassy's own FLC funds. At the level of the MFA HQ, a structural feature of its set-up causes compartmentalisation of different support modalities from which Vietnam can benefit. MFA's regional department can only programme-specific support modalities (bilateral, multi-bi, INGO and country-earmarked UN/IFI projects. CSO, private sector and core funding to UN/IFI support is managed by the Department for Development Policy. This compartmentalisation creates challenges in country programming, especially in a transition context, when alignment and coordination are even more important.

**Central oversight on transitioning decreased over time.**

At the level of the MFA HQ, the possibilities to guide and coordinate instruments have also decreased during the transition process, and there is no central level at the MFA where a complete overview of what is supported in Viet Nam exists. This is not only in terms of the contents of specific actions but also finance. The financial analysis of ODA flows in this evaluation showed that specific support channels and instruments are not included in country-level overviews. This is particularly the case with PSIs, regional cooperation, and UN and EU support provided to Viet Nam.

The coherence analysis of all ODA and PSIs applied in Viet Nam during the transition period (see Annex 12) has shown that the coherence and synergy of different instruments are limited, and it has decreased with the phasing out of ODA. The traditional grant-based cooperation instruments, in many cases, were aligned and complemented each other. They also prepared for and served as a springboard for private engagement and partnerships, particularly IPP and EEP. IPP also directly collaborated with Business Finland in the Viet Nam Market Access and Partnership (VMAP) programme, which aimed to speed up the market access of Finnish companies in Viet Nam and was part of the IPP. With only a few exceptions, most notably visible in the alignment of Finnpartnership



and DevPlat, PSIs generally do not complement each other. On a positive note, the coherence analysis has not shown contradictions between instruments. Some companies that are building their business linked to the traditional grant-based development cooperation programmes have become clients to or are involved in the process evolving around the PSIs. The most critical finding in this analysis is the fact that UN support is less aligned with other instruments. Vietnamese stakeholders have expressed concern that UN support might not be strengthening the role and presence of local civil society as international CSOs and consulting companies often dominate the scene in UN project and programme implementation.

While other line ministries and actors are involved in Team Finland, there is no robust mechanism to coordinate and steer actions at the inter-ministerial and government level. As Team Finland is a network and not an institution, its mandate for formal coordination is limited, though it has proven to be an important mechanism for the exchange of information and referral. In Viet Nam, Team Finland regularly meets to this purpose, and it also conducts annual steering meetings to coordinate the actions of its members. As a network, Team Finland has a good overview of the diversity of at least all private sector instruments and actors active in Viet Nam. With this overview, it can serve as an effective referral mechanism. The focus of Team Finland on private sector relations and actions limits its capacity to identify possibilities for broader partnerships that go beyond the private sector only.

**Central level policy dialogue continues, though with lower intensity.**

**Finding 3b: With decreasing importance of ODA, remaining and ongoing relations in policy dialogue and partnerships at the central level remain, although with lower intensity. Dialogue at the policy and technical level with line ministries operating in the area of trade and investments keeps ongoing. (Based on Annex 3, 8, 9)**

The Ministry of Planning and Investments (MPI) is also responsible for the coordination and planning of incoming ODA. Key informants on the Vietnamese side highlighted the importance of MPI as the focal point of state management over planning and investment. Regardless of which line ministries would be engaged in international relations, the MPI continues its role of ‘the captain who steers the economic ship to the sea’ (Nhan Dan Newspaper, 2020).

Now that ODA is reduced significantly, it is possible that the intensity of policy dialogue between Finland and Vietnam might further decrease, though at present, dialogue and consultations continue in the biennial consultation rounds, only interrupted due to Covid-19 in 2020. In addition to the central level policy dialogue in specific sectors and programmes, Finland has had and still continues a strong policy and technical dialogue with different line ministries, which is in line with Viet Nam’s administrative reform principles that delegate more power to line ministries. This dialogue has been very much appreciated by the representatives of these line ministries, most notably the Ministries of Science and Technology (on IPP), Agriculture and Rural Development (on Forestry), and Construction (on Water and Sanitation). While the memory of good and intensive dialogue and cooperation within these ministries is still vivid, stakeholders indicate that this dialogue may not continue as there are no ongoing initiatives in these sectors. Through ICI, relations are maintained with some Ministries, such as Agriculture and Rural Development (MARD) and Natural Resources and Environment (MONRE), particularly in the context of ICI supported cooperation and exchange between the Finnish Meteorological Institute (FMI) with the National Hydro-Meteorological Service of Viet Nam (NHMS) and the Viet Nam Environment Agency (VEA).



**Finding 3c: In the context of the Finnish-Vietnamese partnership and cooperation, the EVFTA is an important development that will impact the future relations between the two countries. (Based on Annex 3, 4, 9, 14, 17)**

Stakeholders in Finland and Viet Nam and the stakeholders in the peer country study agree that the EVFTA, which was signed in 2020, is a very important development for Viet Nam's integration process in the world economy and its relation with the EU and its member states.

**EU – Viet Nam  
FTA will influence  
bilateral relations.**

The EVFTA provides an opportunity for Viet Nam to diversify and balance its economic relations beyond the East- and Southeast Asian region and the USA markets, which historically have been important. More easy access to EU markets with decreased (almost elimination) tariffs will strengthen the perspectives for global trade, even while the EU markets are generally considered demanding in terms of quality requirements and compliance to social and sustainability principles.

The trade analysis (see Section 5.2.2 and Annex 10) has already shown that, particularly in terms of exports, Viet Nam's trade integration in the EU in general and especially in Finland has significantly increased. It is expected that this increase will further accelerate with the EVFTA. Stakeholders agree that there are specific bilateral interests of the private sector in specific countries in the competitive of commerce, trade and investments. Defending these bilateral interests and improving Finland's competitiveness as an export destination and trade partner of Viet Nam will require a continued strong presence of Finland in Viet Nam through its Embassy and consular post and Business Finland. And at the same time, it is recognised that due to Viet Nam's political economy's specific cultural and structural characteristics, close presence and support on the ground to facilitate contacts and for trouble-shooting is very important, particularly for the predominantly SME-populated Finnish private sector.

EVFTA presents an imminent perspective in trade and the need to maintain and, possibly, even create a more substantial presence and support in Finnish priority economic sectors in Viet Nam. Stakeholders also identify possibilities to delegate and/or transfer relations from the specific EU member-state level to the EU and its delegation in Viet Nam, in the EU-Viet Nam Partnership Agreement framework, now the EV-EVFTA. This also includes the substantial development cooperation envelopes of the EU for regional and bilateral cooperation in Viet Nam and Southeast Asia.

## **5.2.2. Development of ODA and trade flows between Finland and Viet Nam**

*Sub-EQ 2.2. How and to what extent have non-ODA support and trade relations replaced ODA support?*

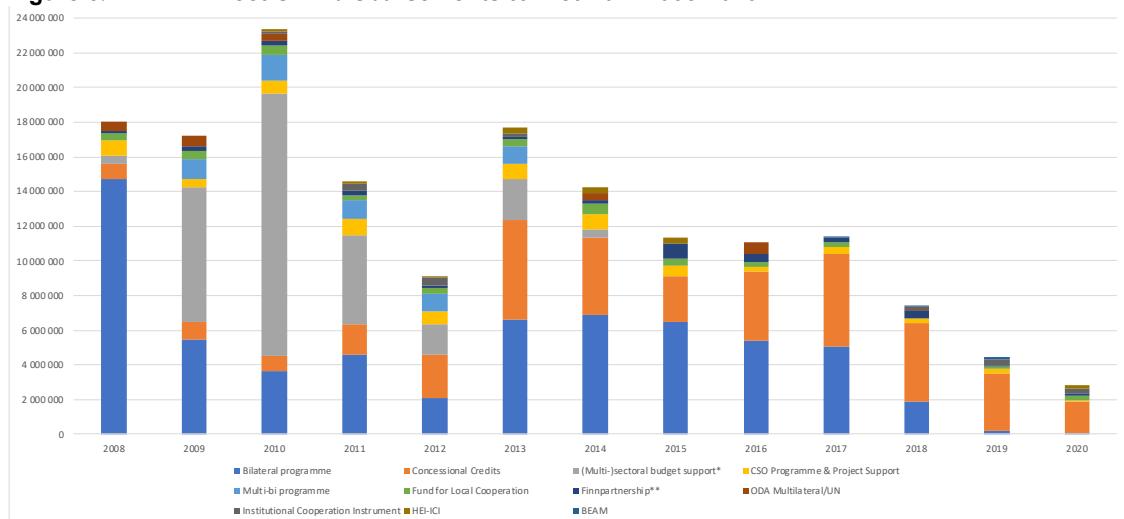
**Finding 4a: ODA flows have steadily decreased over the past decade, though substantial ODA support is still provided to Viet Nam, and this is also likely to remain the case, particularly through PSIs. (Based on Annex 11)**

**Vol. 2**

Figure 5.1 below presents the direct flow of Finnish ODA financial resources to Viet Nam in the period of 2008-2020, coinciding with the three strategic country plans during the transition process.



**Figure 5.1** Direct ODA disbursements to Viet Nam 2008-2020



Source: Data provided and authorised by EVA 11/MFA, obtained from the Statistics Team at the Department for Development Policy and other internal MFA sources, April 2021

Note: All data in the figure above refer to annual disbursements under different instruments and facilities in Euro, except for HEI ICI, where no data on disbursements could be provided. The HEI ICI data provide average annual commitments to Viet Nam.

The Figure above does not include all Finnish ODA resources that have been allocated to Viet Nam and disbursed in Viet Nam. This is because some instruments do not present specific allocations and disbursements at the specific country level, and also, costs of administration and project preparation by the Finnish Embassy in Viet Nam are not included.

Some instruments and facilities have been very important in the cooperation with Viet Nam:

- EEP implemented from 2010 (December 2009) in five Mekong countries. Viet Nam was one of the recipient countries within this regional programme, with a total disbursement amount of more than €13.5 million until the end of 2020. Possibly there have been other regional projects or programmes in Southeast Asia, but these have remained outside the scope of our analysis;
- Finnish ODA provided to Finnfund for capitalisation and administration, and technical assistance costs are not included. Finnfund has been investing in two large projects, and there is a significant amount of ODA involved, although specific actual costs cannot be calculated;
- The Nordic Development Fund, of which Finland is one of the five owners, has invested ODA capital in four climate action related projects in Viet Nam;
- As Finnish support to multilateral (UN and IFI) organisations and contributions to the EU's development assistance budget are not earmarked for countries, it is impossible to calculate Finnish ODA amounts channelled through these institutions to actions in Viet Nam;
- Furthermore, management and administration costs of some of the demand-driven facilities (such as Finnpartnership, BEAM and DevPlat; the latter two in cost-sharing with non-ODA Business Finland) could be partially allocated to Viet Nam. However, this ODA has not been transferred to national-level partners.

The Figure above shows that Viet Nam historically has been one of the most important Finnish ODA recipient countries. In the entire period (2008-2020) under review, Viet Nam has received around €163 million, and considering the additional ODA not included in the overview, the amount



is even significantly higher. During the initial years of the transition process, annual disbursement amounts reached over €23 million per year. Particularly, since 2013 the ODA disbursements to Viet Nam have shown a steady decline, until 2020 where this amounted to less than €3 million, although some additional ODA support still was provided in this final year (particularly through CC, FinnFund and the Nordic Development Fund).

This information shows that the strategic intentions in the Viet Nam country strategy to phase out direct bilateral ODA gradually have been realised with the complete phasing out of sector- and multi-sector budget support and multi-bi programmes already by 2015 and the bilateral programme support by 2020. The remaining ODA in 2020 is mainly destined for CCs, which were phased out in 2016 but replaced by a new PIF CC facility that started operation in Viet Nam in 2021. In 2020, CC transfers amounted to over €1.8 million, corresponding to 64% of the total ODA disbursements in that year. Other significant ODA disbursements were still provided in 2020 through ICI (€0.31 million, 11%), HEI ICI (€0.24 million, 8%), and the FLC (€0.27 million, 9%). Smaller instruments in 2020 included Finnpartnership (€100,697, 3 %) and CSO funding (€44,550, 2%). And substantial additional amounts were provided through the EEP and FinnFund, and Nordic Development Fund investments.

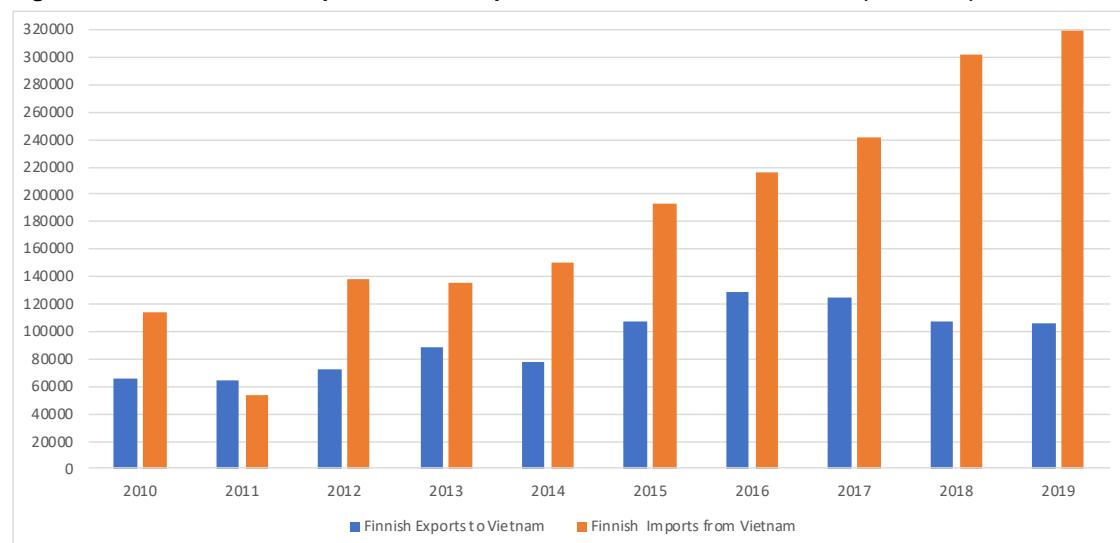
**Trade relations have intensified.**

The above developments also show that the portfolio of instruments and facilities has shifted mainly toward demand-driven PSIs (FinnFund, Nordic Development Fund, Finnpartnership) and the CC (followed up by PIF) that focus on public sector lending with the involvement of the private sector to provide the investments.

**Finding 4b: Bilateral trade and investment relations have developed consistently, particularly in terms of Finnish imports from Viet Nam. Though, it appears that, despite the growth, Finland might have lost some of its competitiveness in exports to Viet Nam. (Based on Annex 10)**

The Finnish private sector relations with Viet Nam have steadily increased over the past decade. This can be seen in increased trade between the two countries, as illustrated in Figure 5.2 below.

**Figure 5.2 Finnish Exports to and Imports from Viet Nam, 2010- 2019 (in 1000 €)**



Source: [www.trademap.org](http://www.trademap.org) (February 2021), data processed by the evaluation team



The Figure above shows a steady and consistent increase in Finnish imports from Viet Nam, particularly since 2013. Finnish imports from Viet Nam increased by 181% in 2019 compared to 2010. Finnish exports have shown a less consistent pattern, with oscillations over the years and a decreasing trend in the final three years of this analysis. Still, exports to Viet Nam in 2019 were 62% higher compared to 2010.

**Particularly, imports from Viet Nam have increased.**

Companies with interest in trading and investing have been facilitated by Finnish institutions such as Business Finland (previously Finnpro and Tekes), Finnpartnership, the Finnish Embassy and the Honorary Consulate in Ho Chi Minh City. In addition to the facilitation and brokerage services offered by these institutions, Finnish companies have applied for funding to explore and prepare for investments and trade under the PSIs. Finnpartnership and DevPlat (previously BEAM) are involved in CCs (and from 2021 onwards in PIF, where the support is to the GoV for public investments but with the implementation support by at least partially Finnish companies). The survey and interviews conducted in this evaluation show that these services were appreciated and have been useful in strengthening business relations. Not only is funding important, but services and information provision have also been essential to understand the business climate and culture in Viet Nam and establish contacts and networks. Specific to Viet Nam (and two other countries), the MFA has, over recent years, also piloted support to Finnish companies in getting deals from IFI/UN procurement. Currently, also mainly financed by Finland, there is a Finnish staff member at the Asian Development Bank's offices in Viet Nam who, in addition to other duties, is trying to facilitate this in Viet Nam. In addition, the ADB Ventures (est. 2020) for climate start-ups provides funding to local Southeast Asian companies. The MFA (Ambassador Trade and Development), Finland's Embassy in Hanoi, and Business Finland's office in Singapore are actively building cases where Finnish companies partner with support-receiving Southeast Asian start-ups.

Finnish businesses also have their drivers and support mechanisms in the form of platforms and networks. Business Finland is an important platform supported by the Finnish Government, which manages joint-MFA instruments (BEAM, DevPlat) but also has its support and brokerage services. The Nordic Chamber of Commerce in Viet Nam (NordCham) and EuroCham are critical private-sector networks that are relevant in establishing tighter trade relations.

**Focus in PSIs is mainly on Finnish exports.**

Export credit is an important service provided to enable trade. Provided by Finnvera, export credit is fundamental to enable companies to engage in trade effectively. The Finnvera (non-ODA) services are probably the most important enabler of the growth of trade volumes from Viet Nam to Finland. Having passed the EU's pillar assessment, Finnvera can now channel EU funding too. Sitra is an additional (non-ODA) service. The Finnish Innovation Fund is a facility that companies can use to invest in innovation. Though the focus of Sitra is mainly on Finland and nearby markets, occasionally, activities in countries like Viet Nam may be supported.

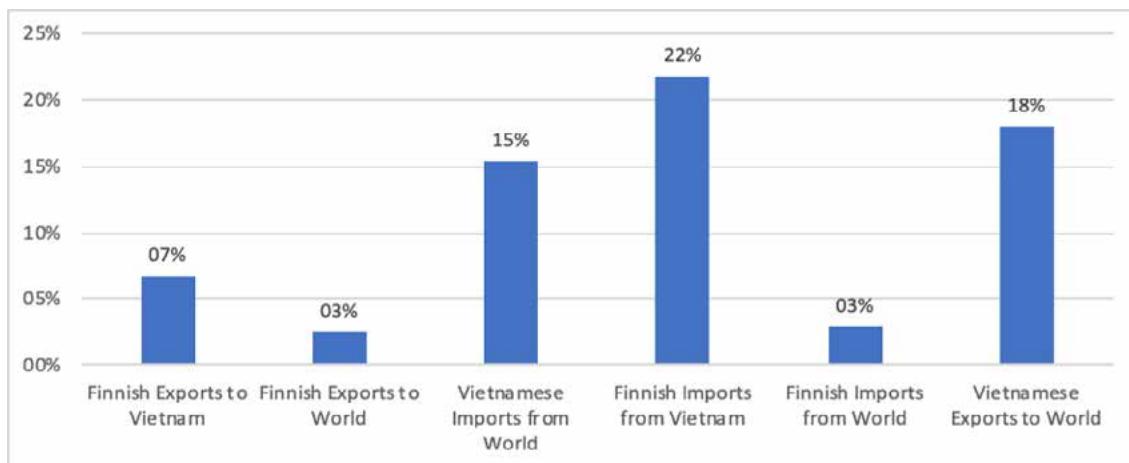
Within the whole portfolio of available services, it can be seen that most services and facilities are targeting support to Finnish companies looking for markets and investment opportunities abroad and much less to Vietnamese companies in entering Finnish markets. Only Finnpartnership and Business Finland are providing brokerage services to Vietnamese companies, and the Embassy and Consulate in Viet Nam provide information services. Finnpartnership's Business Partnership Support – financial support – is also available for import projects from Viet Nam (and any Finnpartnership eligible country) to Finland. By and large, the focus of PSIs support and programming thus have very much been on Finnish companies to help generate imports and exports.



It is remarkable that imports from Viet Nam have grown more significantly than exports to Vietnam. The PSI effects on Finnish companies' exports to Viet Nam are more direct, though at the same time less pronounced. It should also be noted that export amounts in more recent years are declining. This might indicate that despite PSI support, Finnish companies struggle to export to Viet Nam.

It is essential to place the Finnish performance in a comparative perspective to assess if Finland has done better than average in generating growth in imports from and exports to Viet Nam. This comparative perspective is presented in Figure 5.3 below.

**Figure 5.3      Average growth rates of trade between Finland and Viet Nam vis-à-vis with the world, 2010-2019**



Source: [www.trademap.org](http://www.trademap.org) (February 2021), data processed by the evaluation team

Figure 5.4 shows that in terms of the development of exports to Viet Nam, Finland's performance over the past ten years has been better than exports to the rest of the world, though at the same time Viet Nam has imported a larger share of its growing imports from other countries. This means that as an exporting trading partner of Viet Nam, Finland has lost some of its competitiveness against other countries. However, this should be seen in the light of the fact that the growth rate of Finnish exports to the world being less than half of the growth rates in global trade with Viet Nam. This proves that the MFA's PSI efforts have had a positive contribution to the development of exports from Finland to Viet Nam.

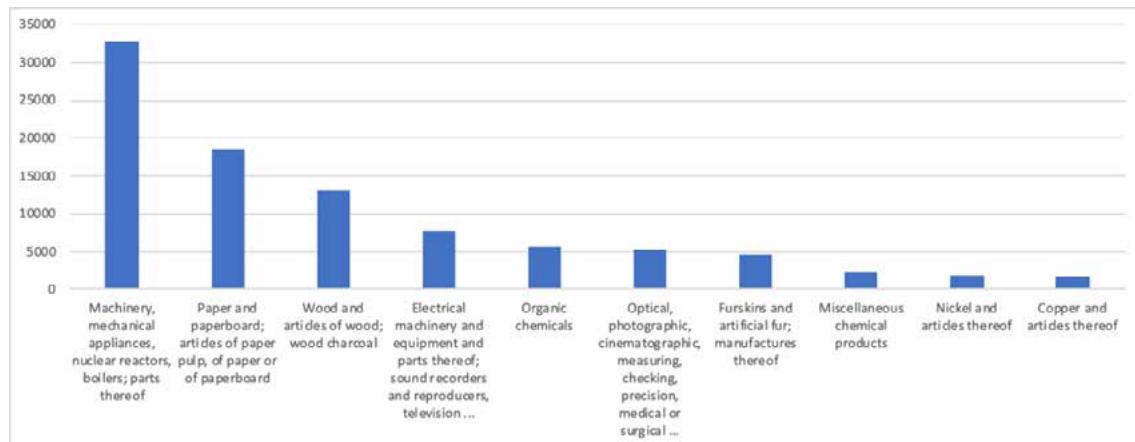
Concerning imports, the figure shows that in relative terms, Finland has been developing more quickly than other countries as an export market for Viet Nam and particularly compared with imports from the world, Finland, with an average annual growth rate of 22%, is looking at Viet Nam as a more important trade partner.

This trade analysis shows that Vietnamese competitiveness as a trade partner for Finnish imports has improved above average, while Finland has become less competitive in exporting to Viet Nam compared to other countries. Stakeholder interviews have indicated that Finland has lost its competitiveness, particularly against East Asian investors (i.e., Japan, South Korea, Taiwan, and China) due to cost-related barriers, limited local presence, and a different entrepreneurial mindset. These changes in competitiveness have occurred in a context of strong and consistent integration of Viet Nam in the world economy.

A final step in this analysis is needed to confirm if any PSI direct support has generated more imports and exports in critical sectors targeted in the Finnish-Vietnamese cooperation. The following figures present the main product categories in bilateral trade between Finland and Viet Nam.



**Figure 5.4 Key Finnish Export sectors to Viet Nam in 2019 (in 1000's €)**

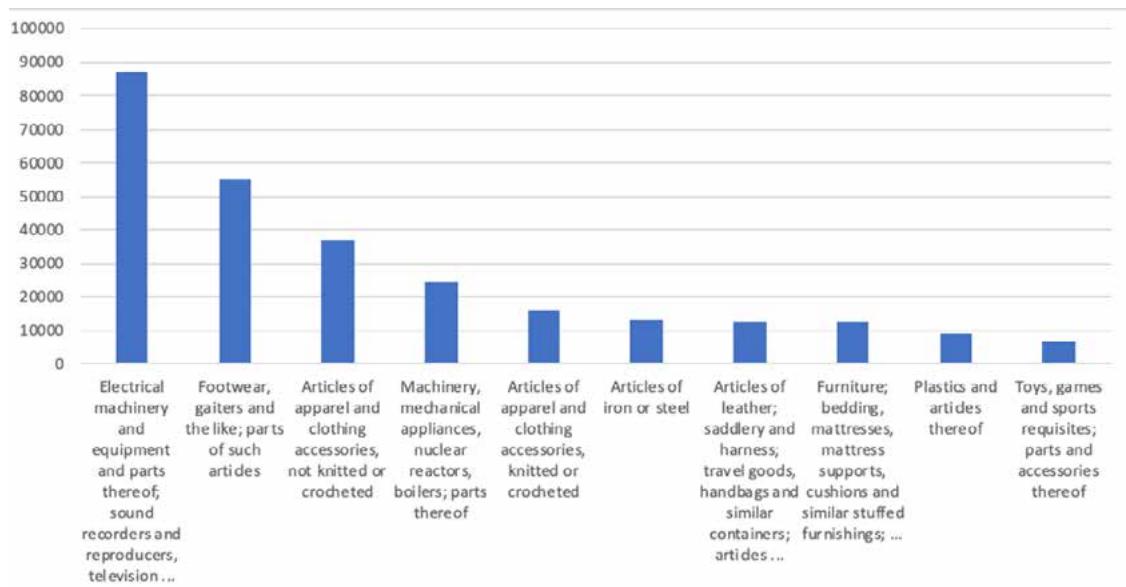


Source: [www.trademap.org](http://www.trademap.org) (February 2021), data processed by the evaluation team

The key export groups of Finland to Viet Nam show that some of the sectors in the cooperation relationship are quite prominent, namely, forestry and technology. These data indicate that there are possible connections between the export activities of Finnish companies and the instruments and programmes that have been implemented in these sectors. These include, amongst others, IPP and the Forest Management Innovation System (FORMIS) project in Viet Nam and possibly also EEP at the regional level.

Vietnamese imports to Finland are dominated mainly by consumer goods, mainly in electronics, footwear, clothing and household utensils (Figure 5.5). These sectors have limited direct relations with the priority sectors of cooperation with Viet Nam. While PSI support has likely helped companies to increase their trade activities between Finland and Viet Nam, these data show that exports of Viet Nam to Finland are also, and maybe primarily, driven by Viet Nam's own economic drivers and competitiveness in global markets.

**Figure 5.5 Key export sectors from Viet Nam to Finland in 2019 (in 1000's €)**



Source: [www.trademap.org](http://www.trademap.org) (February 2021), data processed by the evaluation team



From this analysis, it can be concluded that Finland's positioning in trade and investments in Viet Nam has improved. Notwithstanding these advances, there are challenges compared to other trade and investment partners in terms of competitiveness in Vietnamese markets. This can also be observed when we look at the ranking of Finland as a trade and investment partner of Viet Nam. According to the Vietnamese trade promotion agency, Finland is number 27 on the list of FDI partners, with an amount of USD 329 million registered investments at the end of 2018 of an FDI total in that year of USD 35.5 billion. This is less than 1% of the total FDI. The top ten investors are primarily dominated by other Asian countries, led by Korea, Japan and Singapore. Within Europe, The Netherlands is the only country in the top ten, in 10<sup>th</sup> place. In trade partners ranking, Viet Nam is ranked 33 among the top importing countries in Finland, while it is ranked 56 among export destinations of Finland.

In summary, these data show that Finland, as a small country, has remained a relatively small trade and investment partner of Viet Nam. However, trade between the two countries is growing steadily, despite the recent stagnation of Finnish exports to Viet Nam. While imports from Viet Nam are not closely related to Finnish key economic sectors and cooperation priorities, there is an apparent connection of exports to these sectors and priorities.

**Finding 4c: Until abruptly interrupted by the global Covid-19 crisis in 2020, exchange in education, travel, and diaspora had consistently grown and still remains strong, largely independent of ODA support.**

(Based on Annex 3, 4, 15, 17)

In the peer country study (see Annex 17), a comparative analysis was made of different forms of travel and migration between Finland, Denmark and The Netherlands. This comparative analysis showed that all three countries have a long-term and very vibrant human exchange with Viet Nam that started already in the 1970s during and after the Viet Nam war when they welcomed Vietnamese refugees.

**Exchange in education, travel, and diaspora remains strong.**

Particularly in Finland, the Vietnamese are a prominent diaspora group visible in entrepreneurial activities. Although the Vietnamese diaspora might be small in absolute numbers, they constitute a significant and solid bridge between the two countries. Stakeholders interviewed in this evaluation and a recent study of the Finnish Ministry of Economic Affairs and Employment – 'Nordic Vietnamese, Our Community in Finland' (Ministry of Economic Affairs and Employment, 2019) – confirm this vital dimension of ties between the two countries.

The Vietnamese diaspora, particularly the younger generations in Finland, is also an important resource to strengthen mutual relations and cooperation between the two countries. Vietnamese entrepreneurs contribute to Finland's economic development, and labour migration can strengthen this, for example, in the health sector. Interviews in this evaluation have shown that although the Vietnamese diaspora's contribution to Finland is well recognised, their involvement in Finnish grant-based development instruments and PSIs have been somewhat limited and could be used more strategically in facilities, particularly in the area of cultural aspects of communication between Finnish and Vietnamese entrepreneurs involved in trade and investments. The younger generations of the Vietnamese diaspora may provide a large talent pool for employers and investors in Viet Nam as they may also be viewed with less suspicion by the Vietnamese Government politically. Vietnamese stakeholders in this evaluation have indicated that the conservative factions (i.e., the anti-communist sentiment among Vietnamese boat refugees in Finland) are getting older, and the younger generation is Western educated and more practical. It should be noted that official policy (i.e., Resolution No. 36-NQ/TW 2004) and attitudes, especially towards war-related overseas



migrants (*Việt kiều*) have changed dramatically in recent years with the Vietnamese government welcoming and incorporating *Việt kiều* back to contribute to their motherland's development. The younger generations of the Vietnamese diaspora in Finland may provide a large talent pool for employers and investors in Viet Nam as they may also be viewed with less suspicion by the Vietnamese Government politically.

- a) A review of statistics on migration and travel in the peer country study (See Annex 17) shows that international travel between the countries is increasing, and this travel goes both ways;
- b) The tourism industry in Viet Nam has become an important economic sector, and Finnish tourism to Viet Nam is growing steadily. This sector is largely driven by economic interests within the sector itself and has shown significant development potential, at least until the Covid-19 crisis. And it has done so without specific attention and support from PSIs;

The higher education sector has been a significant sector of exchange and travel of (young) Vietnamese to Finland. In the framework of bilateral programmes, such as IPP and under HEI ICI, educational development, exchange and partnerships have been supported. The cooperation between education institutes in Finland and Viet Nam has remained stable despite decreased support (see Annex 15 for an analysis of HEI ICI exchange). Also, experiences from Denmark and The Netherlands show that education is an important mechanism for exchange and cooperation. This particularly applies to Finland, which is considered a desired partner in education because of its students' success in international learning rankings. Education is also essential to consider as an economic sector that can generate income and employment in both countries.

#### **Box 2 Rich exchange of expertise in innovation between Finland and Viet Nam**



Exchange of persons and institutions between Finland and Vietnam has remained vibrant and this is also relevant in education, which is part of the transition. This sector, and particularly higher education, has considerable further potential to contribute to the flow of ideas, expertise and innovation between the two countries in a mutually beneficial exchange.

Cross-linking of education, academia and research with technology and innovation provide key opportunities in key sectors such as climate, water and energy. Education has gone to Viet Nam markets at times in clusters, which works well in volumes for the PSIs. The BEAM consortia on piloting Finland Pathway is a good and functional example of this. This sector can also pave way to a diamond approach, which involves the cooperation of public, private and academia, enabling many forms of cooperation, complementary approach and a big picture future perspective with innovations. In addition, the civil society involvement might bring further expertise in combining the cross-cutting objectives, with which the universities are also often well aligned with, in addition to their positive approach to SDGs; many universities reported already having guidance in place to support human rights and cross-cutting objectives – some even report making the entire geographical selection based on ethical considerations and value-based approaches.

Research Development and Innovation can be powerful in generating trade flows. There is no entity yet that bridged the Finnish and Vietnamese start-ups, hubs and overall innovation ecosystems now, and Viet Nam's other partner countries have filled the space. Many actors and results indicated that rather than benefitting from MOUs, building relationships to focus on student and staff/research exchange, delegation visits, talent boost, start-up collaboration, will be beneficial in the RDI partnerships. Stakeholders indicate that funding instruments, such as ICI and HEI ICI, might work better for more multi-stakeholder



cooperation within sectors and in multi-partner innovation cooperation, if they contain specific mechanisms and funds to bring partners together in innovation initiatives and not only focus on specific categories of partners or specific sectors.

*More information in: Annex 15.*

Vol. 2

### 5.2.3. Strategizing the transition process and related factors

*Sub-EQ 2.3. How and to what extent has the transition process followed intentional choice, design and planning, and what have been other key (external and non-planned) factors and actors that have influenced the direction and speed of the transition process?*

**Finding 5a: Transition in Viet Nam was planned in different country strategies and the Finnish development policy, and there has been a clear time for the transition process. Viet Nam has been a good example of a generally successful transition process that coincided well with its planning and ambitions. (Based on Annex 3, 4, 8, 14)**

The key aspects of this finding should be seen in the light of Finding 2. There, a critical statement was made on the lack of a clear end-goal of the transition in terms of describing the nature and quality of a new kind of partnership relation between Finland and Viet Nam. While a vision on the longer-term future partnership was not described, it has been implicit in the transition process as the process did not include a phasing out of all instruments, and Finland expressed the desire to continue to contribute as a partner to Viet Nam's growth ambitions in the future. In addition, there has not been a reflection on whether or not to phase out the presence of a Finnish Embassy in this country. Instead, there has been a desire to build new strong partnerships to replace those based on development cooperation. Thus, the transition process has always had a component of continuation of relations, though different in kinds and intensity.

Transition process corresponded to Viet Nam's plans and ambitions.

Despite the end goal of the process in terms of the nature and quality of the relationship, defined targets and timeframes were set to phase out traditional grant-based bilateral programme cooperation.

The three subsequent country strategic documents included a focus on the transition process and, to a large extent, the phasing out of the bilateral programme relations was successfully achieved at the end of 2020. The process showed that, while sectoral and multi-bi support was phased out rather quickly, it took considerably more time to phase out the bilateral programmes and the old CC schemes. Both modalities still showed disbursements in 2020, and CCs might even take more time to phase out completely.

Other instruments, such as FLC, ICI, HEI ICI, and CSO support persist and will likely continue doing so in the near future. It has not been the intention to fully phase out these grant-based support instruments, though this was less evident in the policy intentions. This was not well explained in communications with external stakeholders, as many respondents in this evaluation indicated. Many stakeholders have interpreted the transition process as a process of a complete phasing out rather than scaling down of ODA to much lower levels and focusing remaining ODA on private sector instruments.



Strategizing the process of phasing in and strengthening PSIs and increasing attention on trade and investments was done well in advance, and, already in 2008, the potential of Viet Nam as an entrepreneurial country and important trade partner was recognised. Many PSIs include Viet Nam as a priority country because of its high trade potential. This was also recognised by maintaining the consular post and Business Finland office in Ho Chi Minh City. CC (and its follow-up facility PIF) also includes the private sector as providers of investment goods and services in these schemes, particularly in Viet Nam.

The timing of the transition process in Viet Nam has coincided very well with Viet Nam's economic growth process and ambitions as expressed in its development plans and achievement of MIC country status. Viet Nam is a nation with an entrepreneurial culture in a region with vibrant economic relations and other strong economic actors and investors. This was a close-to-ideal mix of conditions for a successful transition process, which is unlikely to repeat itself in many other Finnish partner countries. This is an important disclaimer to be made when moving towards transitioning to other partner countries.

**IPP and EEP and new PSIs were important for transitioning and partnership development.**

**Finding 5b: The transition process in Viet Nam has benefited from the IPP and EEP programmes introducing new partnership facilities and from the introduction of new and revised modalities and instruments mostly geared towards Private Sector Development. The process has also benefited from a new institutional set-up of some support structures and instruments (e.g. Business Finland and DevPlat) that included a vision on new partnerships, though mostly confined to the private sector or public-private partnerships. (Based on Annex 3, 4, 11, 12)**

Important factors that have contributed to a successful transition in Viet Nam towards commerce, trade and investment-focused relation with strong involvement of the private sector are related to the MFA's efforts to establish new and strengthen existing support instruments and facilities. This was already started in bilateral programmes such as the IPP and EEP that had developed partnership facilities to involve and expand relations with multiple partners, including from the private sector.

This has happened independently from the specific transition process in Viet Nam, although it has coincided very well with the transition process, and as a result, some of the instruments have been quite successful in the Vietnamese context.

CC schemes have been successful in Viet Nam, and after phasing out the bilateral, multi-bi and sector support programmes, they have remained by far the most important support instrument. CCs have been effective in engaging the private sector in investments. Negotiations for the follow-up of CC (the PIF) have taken quite some time, but now that the agreement is signed, there is also good potential for private sector involvement in PIF concessional loans.

As a new facility, DevPlat is promising, and it focuses on Viet Nam as one of the priority countries in the coming years. DevPlat has established linkages with Finnpartnership and, therefore, can continue the pipeline established by previous Finnpartnership-supported initiatives. These instruments recognise the entrepreneurial potential of Viet Nam in specific sectors for innovation and technology, although they have no specific sectoral focus and are primarily driven by demands. Finnpartnership, alone and now with DevPlat, is also able to support multi-stakeholder projects.



As a merger of Finnpro and Tekes, Business Finland is an important new institution particularly focused on Viet Nam as a priority country with great potential for continued development of trade and investments.

The well-timed development of the new instruments and institutions in the context of the transition process in Viet Nam has contributed to the success of involving the private sector in trade and investments. This alignment and synergy are likely to be stronger in Viet Nam than in many other countries where Finland has transitioned or is planning to transition.

**Finding 5c: The initiative of the MFA and partners to set up Team Finland at global and country levels has been important to improve coordination and coherence of different initiatives and instruments in the Finnish cooperation with Viet Nam. However, due to its loose network structure, it has not fully succeeded in this task. Team Finland has also not sufficiently embraced the cross-cutting objectives to ensure that these are sufficiently considered in the private sector support instruments, where it is engaged as a facilitator or broker.**

(Based on Annex 3, 4, 13)

**Team Finland supported economic relations, though with limited attention to cross-cutting objectives.**

According to many stakeholders consulted in this evaluation, the development and establishment of new support modalities for private sector engagement has caused considerable confusion. There are quite a few institutions that appear to overlap their efforts. For example, there are duplications between Team Finland as the network and its members, notably Business Finland and Finnpartnership. Consequently, it is not always clear for private sector actors where to turn for support as there is no single one-stop-shop for private sector actors, even though Team Finland and Business Finland aspire to such a concept. Available specific support and investment instruments (Beam, DevPlat, Finnpartnership, CC, PIF, Sitra, Nordic Development Fund, Finnfund, and Finnvera) have been managed by different institutions and phased in and out in time. The ultimate clients miss a complete overview of what is available to them under which conditions. This institutional set-up of the support instrument portfolio constrains the coherence and complementarity of these instruments (see also under section 4.3: coherence). It can also act as a barrier for companies that wish to graduate from specific support instruments to a larger scale of operations and more complex partnerships, particularly in the middle-range of small and medium enterprises (SMEs) and scaling up of initiatives.

#### **5.2.4. Participation of stakeholders in the transition process and new partnerships**

*Sub-EQ 2.4. How and to what extent have the private sector, civil society and academia stakeholders in Finland and Viet Nam participated in the transition and used new partnership cooperation and aid modalities?*

**Finding 6a: Within the context of country strategies, consultation was done on the transition process with stakeholder groups. However, there were limitations in communication to stakeholders, causing confusion between ‘phasing out’ and ‘scaling down’.** (Based on Annex 3, 4, 8, 14)

Key respondents confirm that country strategies for Viet Nam were done in processes of consultation with key stakeholders in Finland and in Viet Nam. Furthermore, biannual policy dialogue and consultations take place between

**Confusion between ‘phasing out’ and ‘scaling down’**



the Finnish Embassy and Vietnamese key ministries that have fed into policy and strategy development. The consultation was mainly done on the country strategies and plans, or on specific facilities or activities and to a lesser extent on the transition process as such. Transitioning, in terms of phasing out from the transitional grant-based bilateral cooperation and moving the focus to the private sector, was included in the Finnish Development Policy and was more or less a given in the Viet Nam country strategies. This transition took place in the context of many other countries that had already completed or were in a similar process of phasing out. Therefore, stakeholders did not question the transition, and this is not part of the evaluation survey results (see Annex 14). However, stakeholders did indicate they were not fully aware of the transition process.

Particular stakeholder groups have had and still have concerns with some aspects of the transition process. While they raised these concerns in consultations, they have not influenced or changed the process. It is important to note that there were no big or open conflicts in the transition process.

On the Finnish side, the following concerns were raised by stakeholder groups:

- The intention of ‘handing over’ cooperation and partnership to a large extent to the private sector was met with some concern that businesses and their representatives would not always or automatically adhere to sustainable and inclusive development principles, SDGs, human rights and the Finnish cross-cutting objectives;
- Civil society stakeholders expressed concerns that the space for civil society in Viet Nam (also globally) has been shrinking and that human rights, participation and inclusion concerns could no longer be properly addressed in a more commerce and trade-oriented relationship.

On the Vietnamese side, key partners have expressed some concern that traditional ODA was phasing out, but in general, they have accepted this as a fact, interpreted in the broader context of graduation to MIC status and the transition actions of other countries. As the process of phasing out was gradual, it has not caused immediate challenges to the partners.

On both sides, MFA’s communication related to the transition process was considered somewhat confusing. Many stakeholders had the impression that Finnish development cooperation and ODA provision would phase out completely, that only non-ODA would remain available to Viet Nam, and relations would shift entirely to trade and investments. The actual process was different as ODA to Viet Nam remained considerable (in private sector support, FLC, ICI and HEI ICI and, to a smaller extent, CSO support). The use of these remaining ODA channels has been sub-optimal, as stakeholders were not fully aware of all the remaining possibilities for support.

When discussing ‘phasing out’, many stakeholders explicitly referred to ‘traditional grant-based bilateral programme cooperation’, thus a total phasing out of ODA. In hindsight, using the wording ‘scaling down’ of ODA would have been more accurate. And with that process of ‘scaling down’, it would also have been obvious that at the end of the transition, there would still be a multi-stranded ODA and non-ODA cooperation and partnership relation between Finland and Viet Nam. This relates to an earlier observed fact that the notion of a new kind of partnership between the two countries was vague and not clearly described. This continues to confuse stakeholders as to whether and to what extent a partnership exists between Finland and Viet Nam beyond and above the level of specific cooperation instruments and focusing on trade and investments.



**Finding 6b: During the transition process, CSO support to Viet Nam was significantly reduced, while at the same time, space for civil society has been shrinking worldwide and also in Viet Nam. This is a worrying development as CSOs are important as a countervailing power in society to ensure that human rights and democratic principles are respected and SDGs are advanced. (Based on Annex 3, 4, 9, 11, 12, 13)**

**Space of civil society in Viet Nam is limited.**

Analysis of changes in ODA flows (see Annex 11 and 5.2.2) during the transition process shows that apart from phasing out the bilateral support channels, CSO support has been most drastically reduced over time. According to key respondents in this evaluation, the key reasons for this are multiple:

- a) With the shift in focus in the instruments towards the private sector, attention on and involvement of civil society actors have decreased. CSOs are not sufficiently considered as partners in Finland's PSIs, both in the design of instruments by the MFA and in the practical implementation of actions by the private sector actors;
- b) The MFA in the SCO programme and project support modalities emphasise Lower Income Developing Countries, and this has limited possibilities for CSOs to continue to access MFA funds for initiatives in Viet Nam, as a MIC;
- c) Activities of Finnish CSOs in Viet Nam have decreased, and several CSOs have internationalised and decentralised, establishing themselves as CSOs in Viet Nam, such as was done by Action Aid, Care, Save the Children, Oxfam. Fundraising actions have shifted focus to national, regional and multinational level. Only a handful of Finnish CSOs remain active in Viet Nam;
- d) Space for civil society in Viet Nam (as elsewhere in the world) is shrinking, and CSOs face difficulties in establishing and strengthening themselves as actors in development. Some key respondents indicated that national CSOs are sometimes ignored by international and UN organisations that prefer to work with larger international partners.

These developments are worrying because space for civil society to take up its role as a countervailing power in lobbying and advocating for inclusion and human rights becomes more restricted. This also limits the role of civil society as a partner in a broader partnership to contribute to the on (Finnish and others') cross-cutting policy priorities on gender equality, social inclusion, poverty reduction and environmental. Within the transition process and the design and development of the PSIs, these concerns and CSO actors have been largely ignored. The effect of this is double: a) support to civil society has become very small, compared to that of other actors; and b) CSOs are not enabled to take part in broader partnerships.

With decreased international support for CSOs in Viet Nam, the risk is that their role in partnerships and sustainable and inclusive development will be further marginalised. This is not an issue of concern only to Finland; it is also relevant for the multilateral support channels available to Viet Nam through the EU and UN organisations. These multi-lateral support channels do not always recognise sufficiently the role of local civil society and tend to work with international CSO's or consulting firms for the implementation of their programmes and projects.



A specific civil society group, the Vietnamese diaspora, plays a significant role in the Vietnamese Entrepreneurship Society (VietES) in Finland (its mandate recently expanded to other diaspora groups). Its potential to support a partnership relation between Finnish and Vietnamese organisations has not yet been tapped. Having a foot in both Finnish and Vietnamese cultures makes the diaspora a potentially powerful instrument to strengthen partner relationship and promote trade and investments.

### **5.3. Coherence and synergy in policy dialogue and development and private sector support instruments and modalities applied**

**Coherence (E.Q.3): How and to what extent have development cooperation and private sector instruments, modalities and delivery mechanisms and actors achieved coherence, synergy and complementarity to contribute to transitioning and the building of a new kind of partnership between Finland and Viet Nam**



#### **Summary key findings**

**The sector focus applied in the Finnish development cooperation with Viet Nam has strongly supported coherence and visibility of Finnish partners. With the more demand-driven PSIs, possibilities to steer for coherence have become less, and particularly the PSIs are less strongly aligned with cross-cutting objectives and SDGs. (based on findings 7a-c)**

A specific sector focus historically was applied in the grant-based cooperation instruments, guided by sector priority setting in the country strategic documents. These sector focuses have led to greater visibility of Finland in terms of tangible results and impact on the ground, particularly in the sectors of technology and innovation, forestry, education, water and sanitation and climate-change-related sectors. Opportunities for continued sector focus have become less in the demand-driven PSIs, with a corresponding risk of reduced visibility and impact of Finland. There is less complementarity and synergy of PSIs compared to the grant-based cooperation instruments used in the past, although at the same time, there is also no evidence of contradicting effects of these instruments. The grant-based development instruments are generally more strongly aligned to SDGs and the Finnish cross-cutting objectives than is the case in the PSIs. Generally, both the traditional grant-based development instruments and the PSIs pay limited attention to establishing and strengthening multi-stakeholder partnerships that can better ensure development and SDG-relevant impact.

**Policy dialogue between Finland and Viet Nam has not led to an overarching framework to secure coherence of specific instruments and modalities and complementarity of different development partners (EU, UN and other bilateral partners) at the bilateral and multilateral level. (based on findings 8a-c)**

Bilateral dialogue and consultations on the transition process and partnership development have taken place between Finnish and Vietnamese partners, though these have not resulted in a comprehensive framework at a strategic level to ensure coherence of modalities and instruments in ongoing partnership relation. Towards the end of the transition process, the multilateral and



EU-level dialogue, as well as the Finnish bilateral dialogue on commerce, trade, and investments, have increased in importance. There has generally been limited exchange and coordination between different international development partners of Viet Nam who have gone through a similar transition process in parallel or before Finland. This has limited the opportunity for greater alignment and coherence and also for learning from good practices from other development partners.

### 5.3.1. Coherence of modalities and instruments in the Finnish support portfolio

*Sub-EQ 3.1. How and to what extent has the combined application of ODA/non-ODA support and development and private sector aid modalities and instruments resulted in coherence and synergy in transitioning towards a new kind of partnership?*

**Finding 7a: Specific sector focus was applied in the grant-based cooperation instruments, guided by sector priority setting in the country strategic documents. This sector focus has led to broad visibility of Finland in tangible results and impact on the ground. Opportunities for continued sector focus are less in the demand-driven PSIs, with a corresponding risk of reduced visibility and impact. (Based on Annex 3, 12)**

**Sector focus is challenged in demand driven private sector instruments.**

The strategic country documents for Viet Nam included priority sectors selected based on the identification and recognition of their specific strengths and competitiveness of Finnish organisations and possibilities for creating added value in Viet Nam. It was also important to ensure continuity in the established relationships with particular sectors, thus contributing to the development of long-term partner relations in these sectors. Over the entire transition period, the key sectors have been: water and sanitation, education, innovation and technology, and forestry, with a focus on environmental sustainability and climate change as a cross-cutting issue. Energy (through the regional programming) was also of key importance.

In all the above sectors, there is a recognition among Vietnamese partners of the added value of Finnish contributions, and, in some cases, this recognition and visibility continue after projects have ended. For example, the IPP is considered a flagship of the Finnish cooperation with Viet Nam during the entire transition period.

From 2020 onwards, there is no longer any country strategy with a specific sector focus, although such a focus can still be included in the Embassy plans. To some extent, the past long-term relationships in specific sectors still drive partners to develop new initiatives, and thus there is some historical continuity. However, over time this continuity will likely decrease, and possibilities for complementarity and synergy will decrease.

The study on peer countries in transitioning (see Annex 17) show that Denmark and The Netherlands have identified key economic sectors to focus their efforts in support modalities and activities going forward. The choice of these sectors is strongly driven by the economic interests in the home countries and possibilities for private sector partners and educational institutes to engage in economic activities and trade and investments. There is explicit attention to the ecosystem of these entrepreneurial activities of the private sector in these sector-focused approaches, and other actors are also involved.



**Finding 7b: There is less complementarity and synergy between PSIs compared to the grant-based cooperation instruments, although at the same time, there is no evidence of contradicting effects of these instruments. (Based on Annex 3, 12)**

**Synergies between private sector instruments are limited.**

In the coherence analysis of the specific instruments, the evaluation team has looked at complementarity and synergy between the different specific instruments and between grant-based cooperation instruments and the PSIs. A notable difference emerges when looking at synergy among the different grant-based cooperation instruments, the PSIs and also between the grant-based instruments and the PSIs.

The sectoral choices have enabled and supported alignment between different grant-based instruments. Under other instruments, complementary projects were funded under bilateral, regional and sectoral support programmes with CSOs (FLC and CSO support), educational institutes (HEI ICI) and public institutes (ICI).

Complementarity and synergy between the PSIs are less as these instruments are demand and private sector-driven without a specific sector focus. Coherence between PSIs and grant-based development instruments exists to some extent in the CCs (and probably in the future in PIF) as some of the investment projects support other interventions, particularly in sustainable energy, innovation and climate change. Complementarity also existed between IPP and Business Finland in the form of the joint effort called the Viet Nam Market Access and Partnership (VMAP) programme, which aimed to speed up the market access of Finnish companies in Viet Nam. The IPP was also cooperating with the Finnish innovation funding agency, Tekes, and the Vietnamese Ministry of Science and Technology (MOST) to fund Finnish-Vietnamese innovation projects through a Joint Call in March 2016. BEAM was the main funding source to support Finnish companies participating in the joint calls for proposals. Unfortunately, the calls had limited results.

Finnpartnership welcomes broader cooperation with CSOs and education institutes, though in the projects supported on the ground, this only occasionally occurs. DevPlat has a more explicit partnership approach and thus might create stronger possibilities for synergy with other instruments, particularly ICI, HEI-ICO and CSO support, including through and in collaboration with Finnpartnership.

**Grant-based development more strongly aligned to cross-cutting objectives and SDGs**

**Finding 7c: The grant-based development instruments are generally more strongly aligned to SDGs (and related Finnish cross-cutting objectives) than the PSIs . Partnerships to achieve the SDGs (SDG17), both grant-based development and PSIs instruments, only provide marginal attention to support the development of partnerships. (Based on Annex 12, 13)**

The coherence analysis also includes an analysis of the coherence of different support modalities and instrument in relation to their contribution to the achievement of selected SDGs. Those SDGs that are most relevant for the Finnish Development policy and cross-cutting objectives were considered in this analysis: No Poverty (SDG 1); Quality Education (SDG 4); Gender Equality (SDG 5); Clean Water and Sanitation (SDG 6); Climate Action (SDG 13); and Partnerships for the goals (SDG 17).

The traditional grant-based development instruments (bilateral, sectoral, multi-bi, ICI, HEI ICI, FLC and CSO support) generally include more emphasis on SDGs and cross-cutting objectives than



the PSIs and modalities. This is particularly the case in the integration of ‘poverty’ and ‘gender equality’ as cross-cutting objectives and ‘education’ as a sectoral priority. In ‘environmental sustainability’ (and later as ‘climate action’ under the cross-cutting objectives) and ‘clean water and sanitation’, attention is provided to these SDGs in both traditional grant-based instrument and PSIs.

Only limited attention is paid to ‘partnerships for the goals’ in all instruments, which indicates that SDGs have not yet been incorporated systematically in most of the instruments. There are some notable exceptions; IPP and EEP had explicit partnership approaches and facilities, and in HEI ICI, more encompassing partnerships were considered. In the PSIs portfolio, only DevPlat has focused on SDG 1. The CCs, PIF and Finnpartnership facilities also have partnership approaches. However, these are less directly linked to the SDGs and more connected to the Finnish Development Policy, which has an indirect link to SDGs, albeit not very pronounced.

In most instruments, perhaps except for DevPlat and Finnpartnership, the partnership approaches neither go beyond specific partnerships between specific institutions (e.g. ICI) or public-private partnerships (e.g. in CCs and PIF) nor consider wider multi-stakeholder partnerships between public, private, civil sector partners and academia.

On the other hand, none of the instruments in the entire portfolio presents a conflict or contractions in contributing to the achievement of SDGs. Nevertheless, in some cases, the lack of attention and focus to specific SDGs, particularly SDG 17, risks the development of blind spots in these instruments and even adverse effects i.e., in relation to social exclusions/leave no one behind.

### **Box 3 Coherence of support instruments and sector focus contributes to SDGs and development impact**



The SDG coherence analysis (Annex 12) shows that the grant-based development cooperation has enabled achievements in almost all the selected SDGs: 1. No Poverty, 4. Quality Education, 5. Gender Equality, 6. Clean Water and Sanitation, 13. Climate action. The Private sector funding instruments and support mechanisms (ODA and non-ODA) have enabled achievement particularly to two SDGs: 6. Clean Water and Sanitation, and 13. Climate action. In clean water and sanitation, as an example, there is continuity, coherence and sustainability; in the bilateral cooperation Finnish contribution has been highly appreciated and CSO cooperation is an important area in it bringing the focus on vulnerable groups. Clean water and sanitation have been highly appreciated also by the PSI: Concessional credit concludes that it is an important area of investment and that there is strong innovation focus of Sitra. In Finnpartnership projects clean water and sanitation show sustainability of operations and BEAM had focus is on clean technology and specific investment in water.

Apart from the sectoral focus, it is good to recognise that sustainable development is a form of systemic risk management and climate resilience, combining cross-cutting objectives to SDGs. Renewable energy solutions, sustainable agriculture and forestry, responsible water supply services and advancing the position of women can also be a source of profitable business and productive investment activities. These sectors are strong in enabling the climate-focused CCOs, and specific attention can be considered in their development. The overall guideline for cross-cutting objectives in the Finnish Development Policy and Cooperation states that Finland’s development policy is based on the Agenda 2030 and the Paris Agreement on climate. The extend of sustainability of a transition is closely connected also to the level of alignment.

*More information in Annex 12; Annex 13.*

**Vol. 2**



### 5.3.2. Coherence in policy dialogue between Finland and Viet Nam.

*Sub-EQ 3.2. How and to what extent have institutional dialogue and coordination arrangements within the Finnish MFA and other government institutes and private and civil sector in Finland and Viet Nam contributed to the coherence of international political, economic and development dialogue and cooperation with Viet Nam?*

**Finding 8a: Bilateral dialogue and consultations on the transition process and partnership development have taken place but have not resulted in a comprehensive framework ensuring coherence of modalities and instruments in the ongoing partnership relation, focusing on economic cooperation and trade and investment promotion.** (Based on Annex 3, 4, 8)

Comprehensive framework for partnership is missing.

Key respondents in Finland and Viet Nam confirm that high-level efforts towards achieving coherence, synergy and complementarity have been made. However, while accounts on the consultations indicate viewing the relation in many and nearly all areas of interest in a rather similar way, these have not resulted in tangible, concrete manifestations of a joint strategy.

There was a dialogue with the MoFA of Viet Nam on a possible ‘strategic partnership’. The talks were halted due to hesitations on both sides. Finland assumed that Viet Nam was no longer interested in such a partnership due to changed perspectives at the Finnish Embassy in the dialogue on Viet Nam’s human rights compliance. On the other hand, Viet Nam became increasingly focused on a limited number of strategic partnerships and did not prioritise Finland in spite of interest among Vietnamese line ministries. As the formal counterpart of the talks, the Vietnamese MoFA was not driving the process as it was not in its interest. Any ‘strategic partnership’ would most likely have been sector-based; Finland would have probably gone for education, innovation, ICT, and cleantech. While having such a partnership would not have enabled the MFA to control the demand-driven actions of the private sector, it would likely have focused the efforts and resources in the Finland-Viet Nam collaboration, providing a better framework for coherence and synergy.

It is relevant to mention, in this respect, the development of Finland’s new Africa Strategy, in which high-level authorities and multiple stakeholders in mixed groups have participated in the conceptualisation of a partnership relation between Finland and the continent. In this process, it is planned to continue with a partnership development approach with Finnish partner countries.

Multi-lateral policy dialogue increasingly important.

**Finding 8b: Policy dialogue with Viet Nam takes place at different levels. Towards the end of the transition process, the multilateral and EU-level dialogue and the Finnish bilateral dialogue on commerce, trade, and investments have increased in importance.** (Based on Annex 3, 4, 8)

While Finland is involved in its bilateral policy dialogue with Viet Nam, in the past years, the EU’s policy dialogue with Viet Nam has been important in preparing for the EVFTA. At this level, bilateral interests of different EU member states come together to establish a free trade agreement that is beneficial for all EU members. However, at the same time, the individual member states of the EU compete with each other in terms of commerce, trade and investment. Key respondents in this evaluation indicated that the EVFTA would increase the need and level of effort in promoting and supporting specific bilateral interests. This will require Finland’s continued and strong presence in Viet Nam to ensure it can maintain its comparative advantages in particular sectors. Within the Embassy in



Viet Nam, this is visible as the competencies and tasks of Embassy and Consular staff are now more focussed on commerce and trade. This increased focus on business and trade has been enabled by phasing out bilateral development programmes and corresponding international staff at the Embassy. Locally recruited personnel, who formerly focussed on development cooperation, have had their assignments adjusted to support the trade and commercial relations.

The EVFTA might enable the EU and its delegation in Viet Nam to step up dialogue with the Vietnamese Government on commerce, trade, and investments and sustainable social-economic development. This would allow promoting the SDG and Paris Agreement agendas, including human rights and democratic institutions and peace and security. There is likely considerable agreement among the different EU member states on these subjects that might allow for a stronger synergy and delegation of dialogue and corresponding cooperation modalities and instruments shifting from the bilateral to the EU level. Such a delegation process can increase the coherence of policy dialogue with Viet Nam at the EU level and strengthen the political leverage with the EVFTA and more substantial EU funding envelopes available for EU-Viet Nam cooperation.

It is too early to assess concrete possibilities for these shifts in political and policy dialogue, as the EVFTA was only signed in 2020, though it is likely that the EVFTA and EU dialogue and cooperation will become more relevant in the mutual relations in the coming years.

The UN is relevant for international policy dialogue. Cooperation with Viet Nam and Finland also supports UN organisations with core and soft-earmarked funding that gives Finland some leverage at this level. In the past decade, Finland has been supporting the UN, acting as one voice in Viet Nam, and is thus well-positioned in relation to the UN.

Viet Nam has embraced important UN resolutions and agreements, including Agenda 2030 and the Paris Agreement, and Finland has done the same. These frameworks provide important guiding principles to develop partnerships to achieve SDGs and climate action, and there is a mutual commitment. In some of the sectors where Finland has developed and nurtured its previous partnership with Viet Nam, there are excellent opportunities to provide concrete contributions to specific SDGs goals and more specific targets. This is particularly the case in areas where the current Finnish cross-cutting objectives coincide with the SDGs in gender equality, non-discrimination and climate action.

**Finding 8c: There has been limited exchange and coordination between different international development partners of Viet Nam who have gone through a similar transition process. This limits the opportunity for greater alignment and coherence and also for learning from good practices. (Based on Annex 3, 16, 17)**

The international development partners coordinate and exchange with each other in policy dialogue and cooperation at the policy and technical level. Nevertheless, key respondents to this evaluation indicate that there have not been systematic efforts to coordinate transition processes in development cooperation and creation of new partnerships while also collectively learning from these processes beyond the exchange of information. There have been occasional efforts to do so, such as a joint evaluation between Sweden, Denmark, Norway and The Netherlands on their transition processes and strategies (Slob & Jerve, 2008).

**Limited exchange on transition between international development partners.**

While the different development partners have a general knowledge of the key features and processes, the knowledge on specific strategies, modalities, and instruments is much more limited, which also restricts possibilities for joint and coordinated initiatives.



Against this background, it should be noted that all Nordic countries have a shared strong focus on environmental sustainability, climate change, energy and water. These have also been shared sectors of activities in Viet Nam. Some task division and specific focuses have been applied in these sectors, and the Nordic countries, and Iceland in the Nordic Development Fund, have pooled capital for investments in climate action.

Initiatives for coordination in transition processes and actions in the same sectors of cooperation have remained limited, resulting in different countries developing their own specific instruments and approaches. This can lead to contradicting approaches and also possible competition in the same sectors, although this has not occurred in Viet Nam. It can also lead to suboptimal utilisation of time and resources by not looking at other countries' experience and good practices. In this respect, the ToR of this evaluation presents a good initiative to learn from other experiences as an inspiration for the transition process in Viet Nam, though particularly in future upcoming transition processes in other partner countries.

Among the Nordic countries, there are possibilities for more coordinated efforts in cooperation and shared leadership in climate action, such as can be seen in the Partnering for Green Growth (P4G) partnership of the Danish, Dutch and Vietnamese Governments (and other partners). Some countries seem to embrace more concerted and joint actions to create a stronger country-branding in climate-related actions in specific priority sectors, such as water, energy, agriculture, science and technology. This can be seen in the Netherland's branding in the water and agriculture sector and Danish branding in climate and energy. Finland, with the same strong expertise, has not yet done so with equal emphasis and confidence, though increased efforts are more recently made in the energy and education sectors.

#### **5.4. Sustainability of Finnish-Viet Nam partnership after finalisation of the transition process**

*Sustainability (E.Q.4): To what extent is the new kind of partnership is sustainable, or are further actions needed to strengthen the partnership?*



##### **Summary key findings**

**At the end of the transition process, there are limited Institutional arrangements at the strategic level to guide and support the partnership process in the future. Frameworks such as the UN agenda 2030 could provide guidance, though they are referred to only to a limited extent. In the current situation, partnerships mostly materialise at the specific instrument level, such as the ICI and HEI ICI and, in the future, possibly DevPlat. (based on findings 9a-c)**

In 2021, after finalising the latest Viet Nam country strategy, there are no longer any shared institutional arrangements at the strategic level to guide and steer partner relationship between the two countries. However, signed agreements exist at specific modality level, such as PIF. At



the modality and instrument level, Institutional collaboration has proven to be a powerful instrument to sustain bilateral relations in specific sectors. This collaboration was enabled by ICI and HEI ICI, though the focus of these instruments has been on partnerships mostly between homologue partner institutions. Finland and Viet Nam have both subscribed to the UN agenda 2020. However, the SDG framework and SDG-partnership arrangements are not yet widely used as a guiding framework for Finnish PSIs and grant-based development instruments. Only the newly established DevPlat modality has a specific approach to promote and support partnerships for SDGs and thus may serve as an example for more SDG integration into the Finnish development and PSIs support portfolios.

**There are differences in viewpoints on the future partnership between Finland and Viet Nam. At the Government level, there is limited appetite to formalise a partnership relation in an agreement. At the same time, there is a wide consensus that commercial, trade and human relations will continue, and those will require maintaining diplomatic representations in both countries. (based on findings 10a-c)**

There are different visions among the transition process stakeholders as to whether or not a future partnership relation between Finland and Viet Nam is desirable. It is particularly questioned to what extent such a partnership should be formalised in an agreement. Within the demand-driven Finnish PSIs portfolio, private sector actors are supported to engage in commerce, trade and investments and, in this respect, Viet Nam remains an important trade partner of Finland in the future, with or without a partnership agreement. After the transition, and without a formal partnership arrangement between Finland and Viet Nam, political and policy dialogue between the two countries continue. However, the level and key actors in this dialogue may be changing. As long as solid commercial, trade and investment relations remain between private sector actors in both countries and there is a vibrant exchange and travel of persons between the two countries, stakeholders see a need to maintain the Finnish Embassy in Viet Nam.

**Priority needs and actions to consolidate the partnership between Finland and Viet Nam include continued policy dialogue on Finnish cross-cutting objectives and SDGs; more inclusive and multi-stakeholder partnership support; and more attention to SMEs in engaging in activities in Viet Nam. (based on findings 11a-c)**

Stakeholders in this evaluation indicate that Finnish cross-cutting objectives, SDGs and human rights dialogue should remain high on the agenda in the future of Finnish-Vietnamese relations. These aspects should also be secured in the commerce, trade and investments dialogue and corresponding PSIs, particularly now that ODA still continues to be provided to Viet Nam. Among different stakeholder groups, there is a keen interest in partnership development support modalities. They indicate that within partnership development, approaches should go beyond partnerships between homologue organisations (ICI, HEI ICI) and public-private partnerships (CCs, PIF) and become more inclusive of multi-stakeholder partnerships of private, civil, public and academia partners. SMEs are by far the largest group in the Finnish private sector that aspires more international business. Yet, this group is not yet sufficiently considered and catered for in the existing PSIs portfolio.



### 5.4.1. Institutional arrangements for a partnership beyond the transition process

*Sub-EQ 4.1. What are the new institutional arrangements for cooperation and partnership, and dialogue and are the new stakeholders participating in these?*

**Finding 9a:** In 2021, after finalising the latest Viet Nam country strategy, there are no longer any shared institutional arrangements at the strategic level to guide and steer partner relationship between the two countries. However, signed agreements exist at specific modality level, such as PIF. (Based on Annex 3, 12, 14)

#### Limited institutional arrangements for continuation of bilateral partnership

Under effectiveness and coherence analyses, previous findings have demonstrated that the country strategic plans for Viet Nam included processes of dialogue and strategizing on shared priorities and sectors in the cooperation relationship between the two countries. Viet Nam and Finland also were engaged in biannual dialogue meetings to follow up on country strategies. Although the final country strategy was finalised in 2020, biannual dialogue between Finland and Viet Nam still continues, albeit unguided by a shared country strategic plan. The Ambassador's Strategic Plan and Embassy's 'annual work plan' (*toiminta-ja taloussuunnitelma*) still exist, but these are not explicitly shared with Vietnamese stakeholders and mainly treated as MFA internal documents, though their contents are shared with other Finnish stakeholders during annual consultation rounds. The Ambassador's Strategic Plan is mainly limited to the Embassy's sphere of control. It does not include specific details on demand-driven PSIs, specific support modalities (CSO, ICI and HEI ICI), or support through multi-lateral actors that are coordinated at other levels within the MFA. Although the Embassy is informed of these instruments, it does not steer them only – to varying degrees – facilitating implementation at the country level.

In the absence of a country strategic plan beyond 2020, there is no longer central coordination and overview of all actors and actions. To some extent, that has also been the case even before 2020, as can be seen in the fact that MFA has no financial system in place that captures the total commitments and disbursements made in Viet Nam during 2008-2020. In providing financial data on the cooperation between Finland and Viet Nam, only an approximation could be provided (see section 5.2.2 and Annex 10).

At the specific modality level, agreements are still prepared and signed by the two partners, as can be witnessed in the recently signed PIF agreement. Although this agreement includes elements related to cross-cutting objectives and contains a human rights clause, it only covers PIF and does not include other instruments and modalities.

Negotiations to establish a partnership agreement to guide relations between the two countries were discontinued, and at present there is limited appetite to develop a new agreement. The current arrangements seem to match the decentralised and demand-driven approach taken in the PSIs portfolio, where coordination is done up to the level of specific modalities and instruments mandated to different departments.

**Finding 9b:** Institutional collaboration has proven to be a powerful instrument to sustain bilateral relations in specific sectors. This collaboration was enabled by ICI and HEI ICI, though the focus of these instruments has been on partnerships between homologue partner institutions.



While the ICI and HEI ICI have supported flourishing and still ongoing partnerships at the institutional level, they have been largely confined to the context of specific institutions in the public and education sector. These instruments have not yet been utilised to establish more extensive partnerships, possibly in a multiple stakeholder setting to serve the broader relations between Finland and Viet Nam (and other Finnish partner countries).

In Viet Nam, outside the specific institutional exchanges between the Finnish Meteorological Institute (FMI) and its Vietnamese homologue partners and exchange between education institutions (see Annex 15, on HEI ICI), the appetite for further Finnish-Vietnamese collaboration in the public sector has remained limited. The Embassy has succeeded in developing and maintaining relatively wide diplomatic and political relationships with Viet Nam, including the Communist Party. The Embassy has tried to initiate collaborations with relevant Vietnamese authorities with Finnish counterparts such as Sitra, Ministry of Environment, MEAE, Ministry of Health etc. However, the Finnish parties do not seem sufficiently interested to invest in the collaboration. The Finnish Ministry of Internal Affairs has an MoU with the Vietnamese Ministry of Police, but there have not been any follow-up activities yet.

Stakeholders in the MFA indicate that greater use of institutional exchange and cooperation can also strengthen mutuality in the Finnish-Vietnamese relations and bring benefits to Finland. This could be the case, particularly in the innovation sector, where Viet Nam's dynamism can easily result in concrete and substantial contributions to Finland. And IPP has included this perspective to some extent. But it could also be effective in specific sectors, such as healthcare, where Vietnamese competencies and labour force could be beneficial for Finland, as has been explored in the past but recently interrupted.

#### **Box 4 Some of the priority sectors in Finnish cooperation with Viet Nam that have long-term potential**



##### **Climate-related sectors**

In the area of climate change, Finland has excellent potential. To reach the goals of the Paris Climate Change agreement, Finland's added value in climate lies not only in its commitments to the agreements but in the contribution provided to energy, innovation, technology and information connected to climate. Viet Nam, as country that has managed to tackle poverty relatively fast, is well suited for this development to be targeted for the context in which the majority of the world's population live in. The solutions for these kinds of contexts play a key role in the future climate debate and related trade. Focus on this can be a beneficial long-term goal from various perspectives and in many transition contexts.

##### **Education**

During the transition and contributing to SDG 4 on Quality Education, one of Finland's goals was to become Viet Nam's number one partner in education. The Embassy reported in 2019 that the Viet Nam Government's commitment to education is a strong national priority, taking 20% of the Government's annual expenditure. Private sector players have been encouraged to enter the market, to bring the required knowledge and skills to Viet Nam. Only about a third of the more than 1.8 million applicants have enough place at in universities each year in Viet Nam. Even if education is expensive compared to the local price level, there is a great demand for it. At the same time, Finland's reputation in the education sector has been recognized. The earlier contacts during the transition in the field of education have also created a good basis for commercial cooperation. Means of achieving this included HEI ICI and active Team Finland engagement with education sector authorities in Viet Nam. Team Finland Growth Programmes (incl. Education Export) are also important to provide support for Finnish companies interested in Vietnamese markets.

*More information in Annex 12; Annex 15; Annex 17.*



**SDGs have not strongly guided private sector support instruments.**

**Finding 9c: The SDG framework and SDG-partnership arrangements are not yet widely used in the Finnish PSIs and grant-based development instruments. Only the DevPlat modality has a specific approach to promote and support partnerships for SDGs and thus may serve as an example for more SDG integration into the Finnish development and PSIs support portfolios. (Based on Annex 3, 12)**

In the past years, Agenda 2030 has become an important framework to develop and guide partnerships for the achievement of the SDGs (SDG 17). In 2015, 193 countries, including Finland and Viet Nam committed to the SDGs. At the end of the same year, 191 countries, including Finland and Viet Nam signed the Paris Agreement. These comprehensive international frameworks for sustainable development and climate action have been very influential in development initiatives across the globe, and many governments have included SDG planning in their development strategies and reporting. Specific funds and modalities have been designed to support the advancement of the SDGs and to establish and strengthen partnership initiatives for their achievement.

The SDG framework and the Paris Agreement are important for the cooperation and partner relationship between Finland and Viet Nam at two levels:

- Both countries have subscribed and committed to the same international frameworks. These frameworks provide a common ground for both countries to identify and agree upon more specific initiatives, SDG goals and targets on which the two countries can work together. On the CCO of climate change, this evaluation has already shown that specific sectors in Finland have relevant expertise and competencies to offer Viet Nam in tackling climate-change-related challenges, such as in water, energy and clean technology and innovation, and forestry. For the advancement of specific SDG goals and targets, Finland and Viet Nam have accumulated experience in the sectors of education exchange and again technology and innovation. Both frameworks include new concepts and approaches on partnerships that include pooling resources and knowledge from different sources. They depart from the traditional grant-based development cooperation approach that Finland has scaled down in the transition process. In the design and planning of the transition process and in providing a vision of a new kind of partnership between the two countries, the SDGs have not served as a framework to shape and guide the new partnership.
- The SDG framework is also relevant for the portfolio of instruments and modalities. It can serve as a guide to orient ongoing support instruments and modalities that still contain Finnish or blended ODA and non-ODA funds to ensure that the funding support is 'SDG and climate action proof'. It can also stimulate and reward partners for pooling forces, knowledge and resources in partnerships to achieve SDG goals and targets. The existing instruments and modalities in Finnish and blended ODA and non-ODA support provided to Viet Nam refer to SDGs and climate action but have not integrated the SDGs in the design and management and implementation of these instruments, with the exception of the newly developed DevPlat at Business Finland. DevPlat may serve as an example to also enrich other instruments and modalities to do the same. Investment funds, managed by Finnfund, the Nordic Development Fund (which already focuses on climate action) and Sitra, can be reformed to include possibilities for partnership funding and focus on partnerships for SDGs (or specific selected SDGs). This was illustrated in examples identified in the peer country comparative study (see Annex 17).



## 5.4.2. Future sustainability of the Finnish-Vietnamese partnership relation

*Sub-EQ 4.2. How likely is it that the new kind of Finnish-Vietnamese partnership will prove sustainable, and what are the perspectives for stronger sustainability?*

**Finding 10a:** There are different visions among the transition process stakeholders as to whether or not a partnership relation between Finland and Viet Nam is desirable. If so, to what extent such a partnership should be formalised in an agreement. Within the demand-driven Finnish PSIs portfolio, private sector actors are supported to engage in commerce, trade and investments and, in this respect, Viet Nam remains an important trade partner of Finland in the future, with or without a partnership agreement. (Based on Annex 3, 4, 8, 9, 10)

Finland and Viet Nam had discussed possibilities to establish a partnership agreement between the two countries to guide the post-transition period in the previous years. The discontinuity of these discussions is an evident sign that there have been doubts about the need for and the benefits of a formalised partnership. Interviews with key respondents in this evaluation confirm these doubts on both the Vietnamese and Finnish side. At the same time, some respondents indicate that there is still interest in establishing a partnership agreement or developing a framework that can replace the previous country strategies as a consultative process on shaping the development relations.

No common  
vision on future  
partnership Finland  
– Viet Nam

The interviews and discussions conducted during workshops of this evaluation indicate that the doubts are not primarily with the fact that there should be a partnership between the two countries or not. There is wide recognition of the mutual importance and relations between Finland and Viet Nam because of geo-political and commerce, trade and investments interest. Thus, the doubts are on the need for, or maybe to what extent, a partnership relation should be guided by a high-level and formal, comprehensive partnership agreement. Policy dialogue and political and economic cooperation between the two countries, de facto, are still ongoing without a comprehensive framework. Under specific modalities and instruments, specific agreements and contracts ensure compliance with the requirements of these modalities and instruments. This is in line with the vision that Finnish PSIs should be demand-driven within the PSIs portfolio, based on interest and opportunities of the private sector in both countries. However, this demand-driven nature of the PSS, in combination with the compartmentalised set-up of the MFA, where specific instruments are coordinated by different departments and units, causes that centralised coordination and control of all instruments is limited. While the Finnish Embassy in Viet Nam has a good overview of what is happening in Viet Nam with ODA and blended funds, it does not have control or steering power over them (except in FLC).

The different visions expressed during this evaluation show that the crux of the matter is whether and to what extent a mutual commitment to a common framework can strengthen a partnership. And whether and to what extent a strategic framework can increase developmental impact and compliance with human rights, Finnish cross-cutting objectives and SDGs in specific instruments and modalities that will continue to consume ODA. Some stakeholders suggest that this can be ensured at the specific instrument and modality level. In contrast, others think there is a need for more central coordination and guidance and a shared commitment of both governments to a common framework. This fundamental question will be taken up again in the conclusions and recommendations sections of this report.



It is important to consider this question in two different contexts:

- a) For the context of transitioning and partnership in Viet Nam, where no steps were taken at the start and during the transition process to discuss and agree upon the new nature and quality of the relations between the two countries beyond transitioning. Here the question on partnership is made at the end-point of a 13-year process of transitioning;
- b) For the context of other Finnish partner countries, where Finland could decide to start the transition process and where, if desired by both partners, at the start of the process, a vision on the nature and quality of a new partnership relation at the end of the process can be developed.

**Finnish Embassy  
in Viet Nam is  
needed to maintain  
relations.**

**Finding 10b: As long as solid commercial, trade and investment relations remain between private sector actors in both countries and there is a vibrant exchange and travel of persons between the two countries, stakeholders see a need to maintain the Finnish Embassy in Viet Nam . (Based on Annex 3, 8, 14)**

With the EVFTA in place since 2020, it is expected that, particularly after the Covid-19 crisis, international commercial and investments relations between Finland and Viet Nam will increase and that trade volumes will increase. In earlier findings, it was already illustrated that international commercial and investment relations involve travel and exchange of persons on trade fairs, trade missions and international inspection and certification activities. Vibrant commerce, trade and investment relation between Finland and Viet Nam place considerable demand on both political and consular functions of the Embassy. As Viet Nam is in the top 5 of Finnish exports and important partners in the Asian region, these demands on political and consular support, information and brokerage services by the Embassy and Consulate are likely to increase further.

Other important relations complement the commerce and trade-related travel and exchange between the two countries:

- a) The Vietnamese diaspora in Finland is among the largest diasporas in the country. Travel of family and relatives between the countries, therefore, is important. Among the Vietnamese diaspora also many entrepreneurs engage in business-related travels between the countries;
- b) Exchange in education services and travels of teachers, researchers and scholars have been strong over the past period, and education exchange between Finland and Viet Nam is one of the most vibrant forms of exchange between the countries, and education also has become an important economic sector in the mutual relations;
- c) Finnish tourism to Viet Nam (until Covid-19) has grown steadily. Tourism has become a key economic sector in Viet Nam's growth strategy. This growth potential also presents Finnish citizens opportunities to travel and Finnish and Vietnamese entrepreneurs to invest.



These vibrant exchange relations between the two countries create a constant demand for support services from the mutual Embassies in both countries. Because of the volume of services, key respondents to this evaluation point out that it is likely that the Embassies will remain in both countries for the long term. Finland has tasked its Embassy in Viet Nam with diplomatic and consular services for Lao PDR, which increases the cost-effectiveness of this representation. It also enables broader regional coverage.

### **5.4.3. Priority needs and actions to consolidate transition and partnership development between Finland and Viet Nam.**

*Sub-EQ 4.3. What priority actions and needs have been identified by different stakeholders to further promote the transition and consolidation of the new partnership*

In this evaluation, a number of key needs and priorities for the future partnership between Finland and Viet Nam were identified, which are listed in the findings below.

**Finding 11a: Stakeholders indicate that Finnish cross-cutting objectives , SDGs and human rights dialogue should remain high on the agenda in the future of Finnish-Vietnamese relations, particularly now that ODA still continues to be provided to Viet Nam. These aspects should also be secured in the commerce, trade and investments dialogue and corresponding PSIs. (Based on Annex 3, 8, 12, 13, 14)**

**SDGs and human rights should remain high on the dialogue agenda.**

With the shift from grant-based development cooperation instruments to private sector-oriented instruments, the coherence analysis (Annex 12) has shown that the link of the PSIs with SDGs has become weaker, as these instruments do not always systematically include these goals and objectives in descriptions, requirements and regulations. At the same time, in the policy and political dialogue on commerce, trade and investment, it is needed to address these goals and objectives in improving the commerce, trade and investment enabling ecosystem. As long as ODA is still a component of the support modalities and instruments, there should be a contribution to sustainable development impact. Stakeholders indicate that in the shifting focus towards the private sector, these aspects have received less attention. Expertise on SDGs and cross-cutting objectives might have decreased with the entities that deal with private sector engagement. This expertise also includes multi-stakeholder cooperation and partnerships, which require significant guidance and facilities. Most stakeholders agree that private sector actors generally are committed and willing to contribute to SDGs. Facilitation and technical support can improve the effectiveness of these contributions. This suggests recruiting new competencies at the MFA, the Embassy, (members of) Team Finland and other entities managing and implementing the modalities and instruments, particularly ensure knowledge in-house on the interconnectedness of key SDGs and cross-cutting objectives and private sector operations and support instruments.



**Finding 11b: Among different stakeholder groups, there is a keen interest in partnership development support instruments. They indicate that within partnership development, approaches should go beyond partnerships between homologue organisations (ICI, HEI ICI) and public-private partnerships (CC, PIF). They should further open up and become more inclusive of private, civil, public and academia partners and thus become genuine multi-stakeholder partnerships.** (Based on Annex 3, 12, 14, 15)

**Multi-stakeholder partnerships can deepen development impact.**

Many stakeholder groups involved in this evaluation have indicated that a partnership between Finland and Viet Nam should also be translated into partnerships between different institutions. Some of the instruments in grant-based cooperation have this as a key feature. Examples include ICI and HEI ICI, where partnerships between homologue institutions exist. These facilities are highly appreciated, particularly in the exchange between educational institutions. However, at the same time, it was recognised that these facilities generally are focusing on rather confined partnerships, often mainly between two institutions. However, considerable relevant experience and knowledge on partnership building have been gained in these facilities. In the CC and PIF facilities, partnerships between the public sector and private sector are key to the concept and approach, as (Finnish) private sector companies are involved as partners to supply a significant part of the investment goods for the realisation of investment projects. Within other facilities, such as Finnpartnership, partnerships are also included, and it is also possible to combine public, private, civil society and research partners in initiatives. However, in practical implementation on the ground, these more encompassing partnerships are still rare. DevPlat, as a new instrument, is also taking this new approach on board, including together with FP.

The experiences above can be used in developing more inclusive partnerships of public, private, civil and academic partners. And existing instruments can be refined to include a more specific partnership approach, including possible mechanisms to reward partnership development initiatives by awarding extra points in calls for proposals.

Experiences in the Netherlands and Denmark have shown that also in investment funds, specific funds (or fund-allocations) can be created to support partnership initiatives. These funds have had a strong focus on SDG partnership funding.

**SMEs are important in economic relations and need support.**

**Finding 11c: SMEs are by far the largest group in the Finnish private sector that aspires more international business. Yet, this group is not sufficiently considered and catered for in the existing PSIs portfolio.** (Based on Annex 3, 4, 12, 14, 17)

Many respondents consulted in this evaluation indicate that Finland, as a small country, will have to look at specific sectors and provide specific support to increase competitiveness, and it will also have to cater more specifically to smaller sized companies (SMEs), as these are the bulk of Finland's private sector. Stakeholders indicate that existing support facilities do not yet sufficiently provide such SME tailored services, although gradually more attention is given to SMEs by Business Finland, Finnpartnership and also in a new SME export-credit facility launched by Finnvera.



The level of funding needed for scaling up SME initiatives to a higher level and to allow for broader partnerships in this process is considerable. Many respondents refer to a ‘missing middle’ in granting, loans and guarantees, and blended forms of funding to address this challenge of upscaling and replicating. While facilities as Finnpartnership often provide funding for explorations and kick-starting of activities, this funding is modest. Other facilities as Finnfund provide funding that requires a consolidated business structure and scales of operation, often starting only at 1 Million Euro or above. SMEs are the most typical Finnish private actors that need support for engaging in international activities because larger companies can also afford this with their own means and/or access to higher volumes of investments. Considering the importance of the SMEs, it would be logical that this sector is recognised in the PSIs modalities and instruments. This is still insufficiently fine-tuned to make them relevant and useful in practical projects on the ground.

## 5.5. Cross-cutting objectives throughout the transition process

*Cross-cutting objectives (E.Q. 5): To what extent and how have Finnish cross-cutting objectives (social inclusion and poverty reduction, gender equality and environmental sustainability) been supported throughout the transition process?*



### Summary key findings

**Cross-cutting objectives are firmly embedded in the Finnish grant-based development instruments, though much less in the PSIs. cross-cutting objectives have shifted over time, and particularly climate change has become more important. The human rights dialogue between Finland and Vietnam has been challenging during the transition period. (based on findings 12a-b)**

The Finnish cross-cutting objectives have generally been firmly embedded in grant-based instruments but are much less applied in PSIs modalities and instruments. Over the past decade, Corporate Social Responsibility (CSR) and SDGs have been embraced by the private sector and are gradually becoming a bottom-line in business operations, though CSR is not yet strongly included in the PSIs. The Finnish cross-cutting objectives and human-rights-based approach (HRBA) have experienced gradual changes over time due to global developments, including the Agenda 2030 and Paris Agreement on Climate Change. The HRBA has not always been fully understood and integrated by Vietnamese counterparts. This has led to challenges in the political dialogue between the countries, particularly on human rights, although mainly in the area of democratic participation and freedom of expression more than in the area of economic rights (“leaving no-one behind”), gender equality and in protecting citizens against risks of climate change.

**The Finnish cross-cutting objectives on climate change and environmental sustainability have increased in importance in the cooperation between Finland and Viet Nam, while poverty, social inclusion and gender equality have received less attention, particularly in the PSIs. Civil society actors that can be powerful advocates in advancing cross-cutting objectives and SDGs are experiencing more limited space to operate and participate in partnerships in Viet Nam. (based on findings 3a-b)**



Poverty and social inclusion, and gender equality have received less attention in PSIs compared to the grant-based development instruments. Attention to climate change mitigation and environmental sustainability have remained and even become stronger. This can be explained by the fact that climate change and the environment in Finnish activities in Viet Nam have been an important CCO and, at the same time, also a key economic sector for international business activities of the Finnish Private sector. The decreasing consideration of Vietnamese civil society can also be witnessed in the decreased support to CSOs during the transition process. This development has coincided with the global trend of shrinking space for civil society, and this is also a reality in Viet Nam. This combination of trends has generated limited possibilities for CSOs to exercise influence and countervailing power in adhering to and advancing cross-cutting objectives and SDGs in Viet Nam in their own CSO programming though also in broader multi-stakeholder partnerships.

**Good practices in promoting the Finnish cross-cutting objectives in Vietnam have been observed in the partnership facilities in the IIP and EEP programmes and in the institutional exchange instruments ICI and HEI ICI. DevPlat might become a good practice in promoting SDG partnerships in the future. (based on findings 14a-b)**

The Finnish flagship programmes, IPP and EEP, have already secured the involvement of the private sector in environmental sustainability and climate change through specific partnership facilities at an early stage in the transition process. This important prior work has secured that these cross-cutting objectives are now strongly embraced in the PSIs supported private sector actions. As observed earlier, it has also been helpful that climate action is both an economic top-sector and a CCO. Also, some other grant-based and PSIs modalities and Instruments have included more systematic efforts to build and support partnerships, such as the ICI and HEI ICI facilities. Concessional credit and PIF have done the same in establishing and nurturing public-private partnerships. Finnpartnership, and particularly the newly established DevPlat facilities, have a strong focus on partnerships, including a more inclusive multi-stakeholder approach, and with DevPlat also promoting partnerships for SDG advancement.

### **5.5.1. Integration of Finnish cross-cutting objectives in aid instruments, development and private sector modalities, trade agreements and corporate policies**

*Sub-EQ 5.1. To what extent and how have Finnish Govt. cross-cutting objectives been understood and integrated into a) Finnish aid instruments and support modalities; and b) Economic partnership and trade agreements and corporate practices?*

**Cross-cutting objectives are firmly embedded in grant-based instruments but less in PSIs.**

**Finding 12a: The Finnish cross-cutting objectives have generally been firmly embedded in grant-based instruments but are much less applied in PSIs modalities and instruments. Over the past decade, Corporate Social Responsibility (CSR) and SDGs have been embraced by the private sector and have gradually become a bottom-line in business operations. (Based on Annex 3, 4, 12, 13, 14)**

Under several findings above, reference was made to cross-cutting objectives and SDGs in the Finnish grant-based and PSIs applied in Viet Nam. The general trend has been that some cross-cutting objectives (and previously policy priorities) have received less attention under the PSIs, most notably in the areas of poverty reduction, social inclusion and gender



equality. The survey conducted among stakeholders in this evaluation (see Annex 14) confirms this trend. It also indicates that more attention is generally given to environmental sustainability and climate change, for example, in requiring environmental impact assessments for investments and investments focusing on climate action as an economic sector.

While in the traditional grant-based development cooperation programmes and bilateral consultations, human rights and the cross-cutting objectives have been addressed, there is a widely accepted view that such issues are not presented as strongly in the Team Finland activities and the private sector instruments. Some interviewees in this evaluation suggested that issues like human rights sometimes are pushed to the side in commercial relations. Positive developments are also referred to, such as the requirement of respect to human rights as a condition to granting PIF and the focus on SDGs in the DevPlat initiative. Similarly, the Evaluation of FinnFund found that this institution has shown concrete steps towards more systematic integration of social, environmental, and human rights considerations into its policies and practices in the past years (Spratt et al., 2018).

Reduced consideration of cross-cutting objectives under the PSIs portfolio is compensated by a trend within international private sector development. Corporate Social Responsibility, accountability and transparency in global value chains have become increasingly important. In many cases, they have become a bottom-line of business operations.

In international Free Trade agreements and Economic Partnership Agreements, including the EVFTA, these issues of CSR, transparency and accountability, respect for human rights and sustainability are included, which also over time has changed the behaviour of many companies in international business. However, despite this trend, there are still considerable problems and challenges related to the aspects above. This is also the case in Viet Nam, where environment and sustainability and labour rights are still far from secure. Many business partners, particularly in the region itself, are less interested in these aspects. This is why key respondents in this evaluation emphasise that cross-cutting objectives and SDGs need to be more strongly applied in the Finnish support instruments. It would help to ensure that ODA, non-ODA and blended funding support to commerce, trade and investment initiatives in Viet Nam will contribute to cross-cutting objectives and SDGs and at least not have negative impacts.

**Finding 12b: The Finnish cross-cutting objectives and human-rights-based approach (HRBA) have experienced some gradual changes over time due to global developments and changes in context, such as the proclamation of the Agenda 2030 with its SDGs and the Paris Agreement on Climate Change. The HRBA has not always been fully understood and integrated by Vietnamese counterparts. This has led to challenges in the political dialogue between the countries, particularly on human rights. (Based on Annex 3, 4, 8, 12, 13)**

**Human rights dialogue has not always proceeded.**

The Finnish cross-cutting objectives have changed over the three country strategy periods covering the transition process, although these shifts have not brought drastic changes. Moreover, these changes show changes in the global context of international development and the introduction of the SDGs under the UN Agenda 2030 and the Paris Agreement on Climate Change.

Over time, the focus of Finland on poverty as a cross-cutting objective has shifted to poverty and social inclusion. Within inclusion, more emphasis has begun to be given to disability inclusion, which for example, under the CSO support provided to Viet Nam has received significant attention through the support of the Abilis Foundation. The focus on environmental sustainability has shifted to climate change. The focus on gender equality has always remained consistently the same.



Particularly, since 2015, there is considerable overlap between the Finnish cross-cutting objectives and the SDGs (particularly SDG 1) poverty; 3) gender equality; and 13) climate action). As Viet Nam is subscribing to the SDG framework, it is also familiar with this terminology and language, maybe more than the specific Finnish cross-cutting objectives. However, there have not been misunderstandings or disagreements on cross-cutting objectives, as confirmed in the survey (see Annex 14) of this evaluation.

Human rights dialogue has been more sensitive at different moments in the transition process. For example, when discussing possibilities for a new partnership agreement between Finland and Viet Nam at the end of the transition process and during the negotiations around the PIF agreement, after considerable time, it was finally signed in January 2021. The difficulties in human rights dialogue are related to different political-economy characteristics between the two countries and the role of government in social-economic development. The key differences in approach are less in the areas of economic development, where Viet Nam adheres a “leaving no-one behind” approach and also not in protecting its population against climate changes and related disasters. The key differences are more related to democratic participation and freedom of expression. As these differences in vision and approach on human rights are unlikely to disappear, dialogue on these subjects will continue. In the future, dialogue on human rights possibly can also be continued in a more concerted way at the level of the EU-Viet Nam dialogue and the UN-Viet Nam dialogue.

### **5.5.2. Mutual influencing of cross-cutting objectives and the transition process towards a new kind of partnership between Finland and Viet Nam**

*Sub-EQ 5.2. To what extent and how have cross-cutting objectives influenced the transition process towards a new partnership? And vice versa, how has the transition process influenced these Finnish priorities?*

**Climate change is both a cross-cutting objective as well as an economic sector.**

**Finding 13a:** While poverty and social inclusion, and gender equality have received less attention in PSIs, focus on climate change mitigation and environmental sustainability have remained. This is because climate change and the environment in Finnish activities in Viet Nam have been an important CCO, while it is also a key economic sector for international business activities of the Finnish Private sector.

(Based on Annex 3, 4, 12, 13)

In previous findings, shifts in the attention of Finnish cross-cutting objectives have already been discussed. In the discussion on mutual influencing between the cross-cutting objectives and the transition process, it is relevant to highlight the change in cooperation towards the private sector and commerce; trade and investment activities have influenced the adherence to cross-cutting objectives. This development also explains that the shift in interest in climate change and the environment has been less because this has been an important economic sector of activities in the private sector engagement. Therefore, there was a significant overlap between climate change and environmental sustainability as a cross-cutting objective and the core business of many Finnish enterprises involved in international operation. Climate change and related sectors are economic sectors in which Finnish companies have competitive advantages. This has led to a synergy between business activities and PSIs with flagship development programmes in water, forestry, energy, and technology and innovation in the Innovation Partnership programme in Viet Nam.



Although poverty reduction, social inclusion, and gender equality have increasingly become part of companies' corporate social responsibility, SMEs still regularly struggle with CSR principles in international business, more than the bigger multilateral companies usually do. The Finnish PSIs portfolio does not include evident attention and approach to including cross-cutting objectives and CSR in international business, particularly SMEs. Other peer countries (see Annex 17) have dedicated support institutions and instruments for this purpose. The survey (see Annex 14) has identified less progress in these cross-cutting objectives in PSIs compared with climate change and environmental sustainability. And there was also less progress in PSIs modalities and instruments compared to the grant-based cooperation, where the cross-cutting objectives were communicated and shared more systematically.

**Finding 13b: The decreasing attention to Vietnamese civil society in the Finnish cooperation with Viet Nam can be witnessed in the decreased support to CSOs during the transition process. This development has coincided with the global trend of shrinking space for civil society, and this is also a reality in Viet Nam. This combination of trends has generated limited possibilities for CSOs to exercise influence and countervailing power in adhering to and advancing cross-cutting objectives and SDGs. (Based on Annex 3, 4, 12, 13, 14)**

Decreased civil society's countervailing power in defending human rights and promoting SDGs

Related to the above discussion, but also an important finding in itself is the fact that during the transition process, relations and activities with the Vietnamese civil society have steadily decreased with the decrease of grant-based development cooperation. This decrease has not been compensated by increased access and participation of CSOs in partnership activities in the PSIs modalities and instruments.

And CSOs in the political-economic context of Viet Nam also do not have much space and opportunities to exercise civil society's countervailing power to ensure that social-economic development is inclusive and sustainable.

On the other hand, CSOs within multi-stakeholder partnerships can play an important role to forward cross-cutting objectives and SDGs on the agendas of these partnerships. CSOs can also provide technical assistance to other partners to improve knowledge and performance in contributing to cross-cutting objectives and SDG. An example of this is the work of Abilis and partners in disability inclusion in Viet Nam. Disability inclusion in the private sector and public sector employment is an area where both companies and Government entities can benefit from this CSO expertise. While Abilis's partners in Vietnam occasionally provide such advice to other organisations, this potential is not yet systematically included in other Finnish support projects and instruments, nor in the PSIs.

This potential contribution and support of CSOs in broader partnerships can also consider vulnerable populations (including ethnic minorities), gender equality, poverty reduction, which are also relevant to cross-cutting objectives and SDGs. However, it is not yet been strongly included and promoted in the PSIs modalities and instruments.

What is said above for civil society can also be said for academia. On the other hand, over the transition period, educational institutes have been more frequently engaged in partnership activities, particularly to tap upon the capacity for research and innovation among these academic partners.



### 5.5.3. Good practices and challenges in promoting Finnish cross-cutting objectives

*Sub-EQ 5.3. What specific ODA and Non-ODA instruments have generated good practices in promoting cross-cutting objectives?*

**IPP and EEP are best practices in cooperation with Viet Nam.**

**Finding 14a:** The Finnish flagship programmes, IPP and EEP , have already secured the involvement of the private sector in environmental sustainability and climate change through specific partnership facilities at an early stage in the transition process. It has also been helpful that climate action is both a key economic sector and a CCO. (Based on Annex 12, 13, 14)

A best practice in promoting the Finnish cross-cutting objectives is the integration of climate change in both the grant-based and PSIs cooperation modalities. A big part of this success is the fact that climate action is overlapping as a CCO and key economic sector. This has secured buy-in of companies into climate action.

The success is also thanks to integrating environmental impact assessments in decision-making processes on investments and projects. The Nordic Development Fund, since its recapitalisation in 2009, has a focus on climate change investments. In the combination of important bilateral and regional projects in innovation (IPP) and environment and energy (EEP), with partnership modalities have ensured that already early in the transition process, there has been a keen involvement of private sector partners and education institutes to build experience of private sector involvement in environmental sustainability and climate action. This important ‘prework’ done in IPP and EEP is an important success factor in securing sufficient attention to this CCO.

**Partnerships are supported in ICI and HEI ICI and can be expanded also in PSIs, such as DevPlat**

**Finding 14b:** Some grant-based and PSIs modalities and Instruments have included more systematic efforts to build and support partnerships. This was done particularly in IPP and EEP and in the ICI and HEI ICI facilities. Concessional Credits (CC) and the Public Sector Investment Facility (PIF) have done the same in establishing and nurturing public-private partnerships. Finnpartnership, and particularly the newly established DevPlat facilities, have a strong focus on partnerships, including a more inclusive multi-stakeholder approach, and with DevPlat also promoting partnerships for SDG advancement. (Based on Annex 3, 4, 12)

This best practice summarises earlier findings, focusing on the importance of partnership building between concrete development actors to operationalise the partnership between Finland and Viet Nam in concrete initiatives on the ground. The best practice in this respect may have not yet fully materialised as the different modalities and instruments mentioned show a trajectory towards more inclusive partnerships and link these partnerships to achieving developmental impact concerning SDGs. This approach can most distinctly be seen in DevPlat that is prioritising actions in Viet Nam, among a limited number of other countries. However, as the DevPlat is only established recently, there are no activities supported on the ground. Therefore, evidence of the success of the DevPlat in Viet Nam remains to be seen in the future.

Evidence though is provided in some similar partnership-oriented facilities and SDG investment funds in the Danish and Netherlands development cooperation, as witnessed in the peer country study (see Annex 17), is also open for partnerships in Viet Nam.



### Box 5 Diverse development and effects of the Finnish cross-cutting objectives: the examples of climate action and gender equality

 Climate related actions have been firmly mainstreamed during the transition, though not as a cross-cutting objective and rather as a specific focus area in the country strategy. IPP and EEP have, at an early stage in the transition process, already secured the involvement of the private sector in environmental sustainability and climate action through specific partnership facilities. The private sector reports that some actions have been based on the cross-cutting objectives, however, more often, this is done considering this as a business opportunity. Of the cross-cutting priorities, climate focus is seen as easiest to implement: Viet Nam is more closely on the same line on values and the Finnish business focus areas support this; the Finnish business sector actors have successfully engaged in the circular economy, renewable energy, energy and material efficiency, waste to energy and, hence, supported cross-cutting objectives during the transition.

In contrast, and at times also at the strategy level, gender equality has been less prioritized. Overall, the PSIs and Team Finland's efforts show that the transition's agenda in 2008-2012 did not include much of the HRBA or cross-cutting objectives, as the focus was much on the establishing of the new partnerships. The absence of gender equality in the 2008-2012 Country Strategy was reflected in the IPP that started in 2009. This showed in many ways: there was, for example, no budget allocated specifically for activities for this purpose. Even though IPP has to gather sex-disaggregated data, gender was not treated as a significant factor in project selection, and sub-projects did not need to contribute to higher-level gender objectives in the IPP-2 (2014-2018). Due to IPPs role in the transition, it can have had further influence to the process.

Despite of the differences between these two cross-cutting objectives, the guideline for cross-cutting objectives in the Finnish Development Policy and Cooperation recognises that climate change is a human rights issue with huge implications for the realisation of human rights. Climate action also has a strong connection with gender equality. The opportunities that this can offer to transition and partnership development are yet to be discovered.

*More information in Annex 13.*

Vol. 2

## 5.6. Experiences and lessons learned from transitioning in Zambia and peer countries' cooperation with Viet Nam

Lessons learned and best practices (E.Q. 6): What can the MFA learn from its peers engaged in Viet Nam and from its own experience in other partner countries on how transitioning and the development of a new kind of partnership can be further refined?

In the framework of this evaluation, two comparative studies were conducted to gain insights into similar processes and experiences. In Zambia, Finland is also engaged in a transition process. The Netherlands and Denmark have gone through similar transition processes in Viet Nam, preceding and parallel to the transition process. This section contains the key findings of these two peer country review studies, and for further detail, the reader is referred to Annexes 16 and 17.<sup>5</sup>

<sup>5</sup> This section responds to Evaluation Sub Question 6.2 of the evaluation matrix only because Evaluation Sub-Question 6.1 refers specifically to generate lessons learned from the Viet Nam transition experience. This evaluation sub-question will be responded to in Chapter 7 of this report.



## Summary key findings



**The transition experience from Zambia, where, as in Viet Nam, no country strategy is in place anymore, underscore that a vision and strategy are required for a successful transition process. Clear decision-making and support mechanisms for transitioning are needed, which include a strong role for the Embassy and bilateral programming (AGS in Zambia, as IPP and EEP in Vietnam) to prepare for the transition. (based on findings 15a-c)**

The transition process experience in Zambia has shown that without an overall ‘transition policy’, or at least a minimal definition of transition, and set of well-explained targets, and some general guidelines about transitioning, the MFA leaves itself and the embassies concerned open to criticism on the decisions to transit. And in that case, when the MFA decides to end aid, it risks not making strategic decisions between exiting, phasing out and scaling down. With no strategy to guide transition beyond the Ambassador’s Strategic Plan, the Finnish Embassy in Zambia does not have the optimal backstopping and support to draw from the MFA or any wider group of stakeholders. While much of the operations in the Zambia transition is based on the Accelerated Growth for SMEs (AGS) programme and the significant efforts by the Embassy, Zambia could serve as a ‘test case’ for the implementation of Finland’s new Africa Strategy and pilot transition in its context.

**Transition experiences from Denmark and The Netherlands show that partnership agreements are supportive of focusing partnerships in specific sectors of mutual benefit. SDG partnership support modalities have been important instruments to secure the development impact of partnership initiatives. A well-defined institutional set-up of support mechanisms is beneficial to guide partners to the right facilities, including specific facilities for SMEs. (based on findings 16a-d)**

Denmark and the Netherlands have developed comprehensive and sectoral partnership agreements with Viet Nam to orient and steer the ongoing more sectoral development and private sector cooperation with a focus on key economic sectors. These agreements have served to maintain strong and vibrant relations in the new partnership. Both countries have developed dedicated funding and investment facilities to contribute to specific SDGs and to enable partnerships to operationalise actions under specific SDGs in specific sectors. Some of these partnership modalities have a clear multi-stakeholder set-up. Denmark and the Netherlands have a multitude of modalities and facilities in place that are open for continued use in Viet Nam beyond transitioning in the new partnership relation. The Netherlands has developed a one-stop-shop institutional set-up to channel all support that is targeting the private sector in an agency under the Ministry of Economic Affairs and Climate, managing subsidies for many Ministries, including the Dutch MoFA. The Netherlands has invested in a number of specific financing (mostly loans and guarantee facilities) that target SMEs to engage in international business activities. The different facilities have been high in demand and generally appreciated.



## Box 6 An example of a partnership: The Danish Strategic Sector Cooperation Partnership Agreement



Strategic Sector Cooperation (SSC) is a partnership between a Danish public authority (DPA) and its Vietnamese partner Ministry. The two partner Ministries have had joint missions in Vietnam to establish the area of intervention. The DPA can support with expertise and facilitate transfer of Danish know-how and experiences relevant to local priority issues, local conditions, and needs. The aim of the SSC is to promote sustainable and responsible growth, jobs and prosperity in Vietnam and eventually create opportunities for Danish businesses.

There are four areas identified for strategic sector cooperation between Vietnam and Denmark:

5. Education: Technical and Vocational Education and Training Project (TVET)
6. Health: Strengthening the Frontline Grassroots Health Worker – Prevention and Management of NCDs at the Primary Health Care Level
7. Food Safety: Strategic Sector Cooperation on Food Safety in the Pork Value Chain
8. Statistics

*More information in Annex 17.*

Vol. 2

### 5.6.1. Experiences and lessons from Zambia

*Sub-EQ 6.2.a) What lessons and best practices can be learned from Zambia for future steps in the transition process in Viet Nam and other countries entering transition processes?*

These findings are based on the country study on Zambia that is presented in Annex 16. Since the transition in Viet Nam is at a much more advanced state than in Zambia, where it only started from the latest and last Country Strategy of 2016-2019, the lessons and best practices from Zambia are better geared towards supporting any future transition processes than that in Viet Nam.

**Finding 15a: Without an overall ‘transition policy’, or at least a minimal definition of transition, with a set of well-explained targets, and finally general guidelines about transitioning, the MFA leaves itself and the embassies concerned open to criticism on the decisions to transit. And when it decides to end aid, it risks not making strategic decisions between exiting, phasing out and scaling down. (Based on Annex 16)**

Transitioning requires a vision and targets.

The Evaluation of Economic Development, Job Creation and Livelihoods concludes that ‘*in retrospect, Finland’s decision to transition to a trade-based relationship with Zambia based on the country’s economic growth appears premature, considering the economic downturn since 2015, including persistent poverty levels, dwindling levels of FDI, escalating indebtedness and the lack of competitiveness of the Zambian private sector*’ (Laaksonen et al., 2021). Still, the transition process has moved faster than planned. Reasons link both to Finland’s experiences in development cooperation with Zambia and its overall policy choices. Related to the cooperation with Zambia, disenchantment due to corruption cases and the lack of/limited tangible results from the interventions have been identified as the key reasons. As for Finland’s ‘internal reasons’, cuts in Finnish development cooperation funds during



the previous Government's era, and a shift in the MFA's strategic priorities towards more funding through multilateral organisations, and an increased focus of Finnish aid on fragile states and departure-countries of immigration to the EU played a significant role.

In spite of the reasons identified, with the transition decision justified by Zambia's economic growth, the Economic Development, Job Creation, and Livelihoods evaluation of 2020 brought up significant volumes of critical voices questioning the MFA's decision and its timing. Basing the formal, publicly announced decision on economic growth only provides a transition decision with very narrowly based justification, which is also not in line with the Finnish development policy or the principles of its foreign and security policy. In the case of Zambia, the volume of Finnish ODA flows to the country only constituted a fraction of the country's GDP, meaning that Finland's withdrawal is not making a major difference to the Zambian economy. Yet, the impact of development cooperation can be greater than the volumes of funding.

However, as opposed to simply exiting, Finland made a conscious choice to transform its relations with Zambia from having been based on development cooperation for the past 50 years to 'economic and trade-based collaboration'. As reported in the Economic Development, Job Creation and Livelihoods evaluation, it appears that Finland is among few, if not the only, traditional co-operation partner who has attempted such a transition in Zambia. For comparison, Denmark has phased out development cooperation over a long period, focusing on sustainability and gradual phasing-in of commercial relations in countries where opportunities for Danish business were considered substantial, such as Viet Nam and India. In Zambia, however, the Danish exit involved phasing out within a given period, focusing on the achievement of outputs but without much efforts to develop commercial relations.

Finland's economic and commercial ties with Zambia are far more limited than those with Viet Nam. The major interest is focused on a sector not needing much TF/Embassy support (mining). Thus, a question may be raised on the validity of investing, be it very limitedly, into continued post-development cooperation presence in the country. This evaluation does not seek to answer that question. Nevertheless, it is important to point out that Finland does not have a policy or a set of guidelines defining transition and establishing a more extensive set of indicators or triggers to launch a decision-making process concerning a transition. It also does not have any guidelines for deciding on ending aid, whether to transit by scaling down or phasing out ODA or by simply exiting.

**Without a plan  
it is difficult to  
mobilise support  
for transitioning.**

**Finding 15b: With no strategy to guide transition beyond the Ambassador's Strategic Plan, the Finnish Embassy in Zambia does not have the optimal backstopping and support to draw from the MFA or any wider group of stakeholders. (Based on Annex 16).**

Finnish development cooperation in Zambia is being phased out with the final bilateral programme called Accelerated Growth for Micro, Small and Medium-Sized Enterprises in Zambia (AGS). It will be concluded in 2022, and Zambia is no longer considered a long-term partner country. Therefore, neither a strategy nor a country programme for development cooperation will be prepared for Zambia. Instead, the country team will make use of the rolling plan of the Ministry (TTS), the Ambassador's Strategic Plan and the Team Finland plan.



Under the decision to transit to ‘economic and trade-based collaboration’ (instead of a decision to exit), the Finnish Embassy in Lusaka has made major proactive efforts to support the transition process and increase interest in the Zambian market among the Finnish private sector. However, its possibilities of incorporating best practices and lessons in its approach to transition and fostering a trade-based relationship have been hampered by the reduction in resources, both human and financial, at the end of most grant-based programming. The Business Finland office in South Africa is not able to provide support to the Embassy.

For the transition to having a chance and the post-transition partnering to be as desired, the status of ‘no country strategy’, or any framework arrangement, may be detrimental. Reasons for this are outlined in the discussions on the transition in Viet Nam. The transition in Zambia, assessed as part of this evaluation, proposes that a longer-than-the-term of one ambassador commitment would be welcome. Another benefit of this approach would be that the embassy would not feel that too much of the task, with high expectations, was left to their often-meagre resources only. This appears to be the case with Zambia. A longer-term arrangement would assist the MFA departments, Business Finland and Team Finland, as well as other types of Finnish partners to commit and plan, including resourcing their efforts with regards to the country in question

**Finding 15c: While much of the operations in the Zambia transition is based on the AGS programme and the significant efforts by the Embassy, Zambia could serve as a ‘test case’ for the implementation of Finland’s new Africa Strategy and pilot transition in its context.**

*(Based on Annex 16)*

**Zambia is a test case for transitioning within the context of Africa Strategy.**

While the countries and transitions are entirely different, like Viet Nam in IPP, Zambia in the AGS has a promising transition programme. The Embassy also uses the regional programmes EEP Southern and Eastern Africa and Southern Africa Innovation Support Programme in the transition. The Embassy has also actively promoted collaboration between development cooperation projects, Team Finland efforts and PSIs.

With the AGS scheduled to end in August 2022, Finland could continue to pursue the transition to economic and trade-based collaboration with Zambia since Finland’s new Africa Strategy (mentioned in discussing Findings 4 and 21) would, in any case, provide the overall framework for the relations with Zambia. Perhaps the Zambian transition could, in this context, be given some additional focus as a ‘test case for a transition in the implementation of the Africa Strategy’. There are elements in the objectives and intended implementation approaches of the Africa Strategy that lend themselves well to support the transition. Among others, these include the strong focus on trade, the multi-stakeholder approach, and the emphasis on EU-level collaboration.

### **5.6.2. Experiences and lessons from Denmark and the Netherlands**

**Finding 16a: Denmark and the Netherlands have developed comprehensive and sectoral partnership agreements with Viet Nam to orient and steer the ongoing more sectoral development and private sector cooperation with a focus on key economic sectors. (Based on Annex 17)**



Both Denmark and the Netherlands, and Finland recognise the geopolitical and economic importance of Viet Nam as a partner country in commerce, trade, and investment. This recognition of importance has been translated in the signing of a comprehensive partnership agreement by Denmark and two sector partnership agreements in agriculture and food security and in water by the Netherlands. These partnership agreements are long-term and operationalised in specific agreements, programmes, projects, and private sector support modalities.

Denmark and the Netherlands, under specific instruments and modalities, still mobilise significant amounts of ODA for Viet Nam, just as Finland. However, they do not mobilise funds anymore through bilateral support mechanisms, which is similar to Finland. The continuation of ODA funding is considered strategic in two aspects: a) to provide concrete support in specific sectors that are directly relevant to the home-grown economic interests of both countries. There is a conceptualisation of economic top-sectors; and b) to ensure that the political-economic and social ecosystem remains enabling for commerce, trade and investment relations.

**Denmark and the  
Netherlands have  
SDG partnership  
funding facilities.**

**Finding 16b: Denmark and the Netherlands have developed dedicated funding and investment facilities to contribute to specific SDGs and enable partnerships to operationalise actions under specific SDGs and specific sectors. Some of the partnership modalities have a clear multi-stakeholder set-up. In the Netherlands, it is referred to as a ‘diamond’ approach to bring public, private, civil and academic partners together. (Based on Annex 17)**

Both the Netherlands and Denmark have also tasked and contracted their Development Finance Institutions to manage and implement a number of earmarked investment funds for SDG advancement, climate action or specific sectors, which has enabled to development of new actions without further complicating the institutional setup of support modalities.

Danish and Netherlands' SDG investment support modalities have incorporated mechanisms and regulations to support partners to come and work together in multi-stakeholder partnerships. Some of the SDG facilities have a focus on specific SDGs related to specific economic priority sectors.

**Finding 16c: Denmark and the Netherlands have a multitude of modalities and facilities that remained open for continued use in Viet Nam beyond transitioning to a new partnership relation. The Netherlands has developed a one-stop-shop institutional set-up to channel all support, targeting the private sector, in an agency under the Ministry of Economic Affairs and Climate, managing all PS subsidies for different Ministries, including the Dutch MoFA. (Based on Annex 17)**

Denmark and the Netherlands, as also Finland, share the characteristics of having a multitude of support modalities and instrument in both grant-based development cooperation and private sector engagement support. The set-up of these facilities is complex, with facilities phasing in and phasing out regularly and regularly adding new facilities. In this respect, challenges of the complexity of institutional setup also exist are shared in Denmark and the Netherlands.



The Netherlands has invested in organising and clarifying its available support, subsidy and loans and guarantees instruments for all private sector actors both in the Netherlands and active abroad by bringing all facilities under one roof in a one-stop-concept of the ‘Agency for Entrepreneurial Netherlands (RVO)’. While it is housed under the Ministry of Economic Affairs, RVO manages facilities for many different ministries, including international support facilities of the Ministry of Foreign Affairs.

In some specific support facilities, such as the Dutch Good Growth Fund, SDG partnership fund, the Netherlands’ MFA has tailored financial support services to the needs of SMEs engaged in international business. These facilities have been widely in use, including in Viet Nam, where many Dutch SMEs are active.



*National forest information system is one result of long-term cooperation in forest sector. Information of trees can be sent directly to the database by using mobile phones. Photo: Milma Kettunen*



## 6. Conclusions

Of the 16 key findings presented in the previous chapter, 11 main conclusions are drawn. These conclusions are organised according to the five key evaluation criteria that were used for analysis and assessment of the findings.

Additional lessons learned from the Viet Nam transition process that are relevant for transition and partnership development processes in other Finnish partner countries are presented in Chapter 7. The conclusions in this chapter focus on the transition process in Viet Nam.

### 6.1. What has worked well and what has worked less well

By way of introduction of these main conclusions, it is good to briefly look back at the evaluation objective as presented in the ToR (see Annex 1): *'The ultimate purpose of the evaluation is to support the achievement of goals for the transition process, i.e. transitioning from grant-based development cooperation to increase trade and other mutually beneficial forms of cooperation, in Viet Nam and elsewhere in Finland's partner countries. The evaluation is expected to shed light on what are the successes and challenges in the transition process in Viet Nam and thereby help to identify the strengths and weaknesses. The purpose is also to assist in understanding how development cooperation can support the transition process and build new partnerships and cooperation. The evaluation is expected to assist the MFA further develop synergies between development cooperation and Team Finland as well as between different development cooperation modalities and instruments in order to support transition as a process.'*

Looking at the transition process in Viet Nam in terms of what worked well and what worked less well, the evaluation draws the following conclusions.

#### **What worked well:**

In Finnish bilateral cooperation with partner countries, Viet Nam is an excellent example of a transition process that has worked well in developing and implementing a gradual process of scaling down traditional grant-based development cooperation and preparing for this in the last phase of bilateral programmes by including partnership facilities. The transition process matched very well with Viet Nam's social-economic development strategy that focused on rapid economic growth and increased insertion in the global economy. With Vietnam's graduation to the MIC status in 2010 at the start of the transition process and the signing of the EVFTA in 2020, the transition process shifted the focus of cooperation towards a commerce, trade and investment relationship. It has been well aligned and worked well.

Phasing out of traditional bilateral programme-based development cooperation has not meant phasing out all ODA to Viet Nam as was sometimes understood by stakeholders involved. The amount of ODA to Viet Nam is still substantial both in grant-based assistance (FLC, SCO, ICI and HEI ICI) and PSIs, which has allowed Finnish partners to retain multi-stranded and mutually beneficial cooperation relations.



In building new partnerships and cooperation from grant-based development cooperation, particularly the IPP succeeded in creating partnerships and businesses and developing the Vietnamese innovation eco-system from a rather embryonic phase to significantly better support the environment for further collaboration. Similarly, bilateral programming in water and forestry, and more so regional programming in environment and energy (EEP), have left legacies on the basis of which some Finnish companies are developing a presence and mutually beneficial business cases in Viet Nam.

### **What has worked less well:**

Although relations have remained vibrant between Finland and Viet Nam, the transition process has not resulted in a new kind of partnership at the country level, in spite of the fact that specific institutions and companies, with support of specific instruments, have continued vibrant exchange and partner relationship on the ground. At the country level, though, many Vietnamese stakeholders speak of Finnish-Vietnamese partnership in the past tense.

Without an overall framework or an explicit role in the coordination of the multi-stranded relations between the two countries, it has become more difficult to orient and steer specific actions towards strategic alignment with the overall development goals (such as expressed in the global SDG and Paris Agreement frameworks) and with Finnish cross-cutting objectives and with key priority sectors in Finnish international business. With fewer possibilities for central steering, coherence and synergy within the remaining portfolio have become more challenging.

Team Finland in Viet Nam has not sufficiently taken up this role in coordination and steering as it is a rather loose and variable network construct. It has focused mainly on the economic (commerce, trade and investment) side of the relations and less on possibilities to promote and support multi-stakeholder partnerships and thus contribute to Finnish-Vietnamese partnership and advancement of the SDG and climate action agendas.

Moreover, while specific efforts were made in the context of the IPP to build (commercial and broader innovation and ecosystem oriented) partnerships with Finland and when the IPP was still in operation, new relations started to form. However, not so many relations and partnerships have matured or remained. Instead, other partners have moved into the Vietnamese innovation space, helped to develop by the IPP. Yet, while not necessarily as beneficial for Finland, the fact that countries like Sweden, France, Germany, Israel, Singapore, the USA, Russia, Korea, and Australia are now deep into forging innovative partnerships and business with Viet Nam serves as a testimony of sustained results of the IPP in the flourishing of the Vietnamese innovation eco-system.

## **6.2. Conclusions**



**Conclusion 1: Viet Nam has been a long-term development partner of Finland and will remain a key country of interest in future years. Although the transition process has not resulted in a formal partnership arrangement, the mutual interdependency and importance of Viet Nam and Finland require mutual diplomatic and economic representations between the two countries.**

*This conclusion is based on Findings 1-2 and contributes to Recommendations 1 and 5.*



This includes ‘presence on the ground’, good political and cultural understanding and strong networks to enable Finnish companies and particularly SMEs, with fewer resources to enter and engage in business relations with Vietnamese partners.

Viet Nam is important for its geopolitical positioning in Southeast Asia as a stable partner in this region where the political influence of China is strong. Viet Nam is also important as one of the larger (15th most populated country) and fastest-growing economies in the world, presenting promising economic opportunities to Finland. Finland is important to Viet Nam due to its historic commitment (50 years in 2023) to this country and also due to its position as an EU member state. The EU is the third-largest export market for Viet Nam and a growing market for Vietnamese products, particularly now with the recently signed EVFTA. Finland has specific areas of competence that correspond to its key economic sectors and are relevant for Viet Nam’s further development and achievement of the SDGs and realisation of its growth ambitions. These mutual interests can also be witnessed in a vibrant exchange of visitors, particularly scholars and researchers in the academic context, and a sizable diaspora of entrepreneurial Vietnamese in Finland.

Although many stakeholders in Finland and Viet Nam express a keen interest in building and nurturing a partnership further between the two countries, the transition process has not resulted in the establishment or formalisation of a new kind of partnership between the two countries. Attempts to build such a partnership were discontinued and have materialised only at the modality and instrument level. Some have occurred in concrete partnerships on the ground that are supported by these modalities and instruments.



**Conclusion 2: The partnership facilities in some of the bilateral programmes and private sector instruments (PSIs) applied during the transition period have resulted in increased engagement and the presence of Finnish companies in Viet Nam, resulting in a significant increase in bilateral trade particularly in Vietnamese exports to Finland.**

*This conclusion is based on Findings 1-2 and contributes to Recommendations 1 and 5.*

The effects of PSIs support to the Finnish private sector, in spite of the focus on Vietnamese exports, have been less pronounced. Finnish exports to Viet Nam have increased, though at a significantly lower rate than that of other trade partners and with stagnating exports in most recent years. Finnish self-interest in international cooperation relations in the past years has gradually become more accepted. This could also be observed in the comparative study conducted in this evaluation on Denmark’s and The Netherlands’ relations with Viet Nam. These countries explicitly state that self-interest guides development policies, modalities and instruments more than in the past development relation. As a consequence, it has become more relevant to focus efforts on the key economic sectors in the national economy, which was emphasised by both Denmark and the Netherlands. While in Finland, de facto, the priority economic sectors are evident (water, education, energy, climate action, forestry, innovation), Finland has not developed an evident priority sector approach as was done in Denmark and The Netherlands.

**The Finnish approach in cooperation and development of new partnerships, including in the PSIs, focuses more on what Finland can offer to Viet Nam than the other way around. In PSIs and new partner relationship, a risk remains that the mindset in partnership remains similar to the era of traditional grant-based development cooperation, thinking in terms of donors and recipients and, in contemporary**



**language, suppliers and receivers.** It makes sense to focus on key strengths, core competencies and key economic sectors on the Finnish supply side. Notwithstanding, more efforts in understanding the demand side and, at the same time, an exploration of expertise and competencies that Viet Nam can offer to Finland may support a more equal and balanced partnership between the two countries. While Vietnamese counterparts have generally appreciated the changes in development cooperation, they might have been too polite in the dialogue and too much at the receiving end of funds. As a result, they might not have shown sufficient initiative to steer actively and influence the new initiatives in the partnership relation and make their active contributions towards and balanced mutual partnership.



**Conclusion 3: Transition in Viet Nam has been strategized to some extent, but despite strategizing and planning, the implementation of the transition process has not been fully consistent.**

*This conclusion is based on Findings 3-6, 15-16 and contributes to Recommendations 1 and 5.*

Over the entire transition period, there has been considerable confusion around the term ‘transition’, and the concept has not been clearly communicated, resulting in confusion on the goals of transitioning in terms of ‘phasing out’ or ‘scaling down’ the cooperation relations. The concept of transitioning as a ‘transformation’ process towards a new kind of multi-dimensional and mutually benefiting partnerships was not made sufficiently operational in subsequent planning periods, though at a specific programme and instrument level, partnerships between partners on the ground were enabled.

The 2008-2012 transition plan emerged from the vision that there had to be a transition from development cooperation to another type of close and mutually benefiting partner relationship. Some development cooperation instruments were already anticipating cooperation between Finnish companies, other actors and Vietnamese counterparts. Important ‘groundwork’ to prepare for partnership was done in the IPP and EEP projects. In Viet Nam, this has led to wide recognition of IPP as a flagship of Finnish cooperation and the programme’s contribution to engaging the private sector and educational institutions in the partnership.

Finnpartnership’s conditions were changed to allow companies to go to Viet Nam to identify and start-up partnerships. The Finnish Embassy hired local staffing to support the organisation’s processes and other support and information services for private sector companies in Hanoi and Ho Chi Minh City. Gradually, the Embassy exchanged technical and development assistance competencies for private sector development, commerce, trade and investment skills.

During the country strategic plan of 2008-2012, the focus on large bilateral development cooperation programmes (forestry, water and the IPP and EEP) was still very much from the perspective of traditional development programming rather than the building new of partnerships. During this period, with the exception of partnership facilities in the IPP and EEP, as mentioned above, not much preparation and communication was done to transform Finnish-Vietnamese relations, particularly through the grant programmes, or move towards more business-oriented activities. Only with the 2016-2020 country strategy, a de-facto transition strategy did the transition process become the explicit target of the MFA’s relations with Viet Nam. Yet, the paper did not specify the nature and quality of relations in the post-transition new partnership era.



**Conclusion 4: Even with the completion of the phasing out of grant-based bilateral development cooperation with Viet Nam by Finland in 2018, ODA provided to the country in 2020 and beyond is still sizeable, though there is no framework in place to steer and coordinate the ‘new kind of partnership’ at a strategic policy level. The absence of a partnership agreement and framework with a corresponding strategy in Finnish-Vietnamese cooperation relations presents a risk of scattering thematic areas, sectors, instruments and institutions and poorly coordinated actions by different actors. Ultimately this can result in a more limited development impact, and ineffective contribution to cross-cutting objectives and SDGs of remaining ODA applied in Vietnam.**

*This conclusion is based on Findings 3-6, 15-16 and contributes to Recommendations 1 and 5.*

In recent years, the largest ODA amounts have been disbursed through CCs, Finnpartnership, ICI and HEI ICI and FLC, while CSO support has almost disappeared. In the light of the withdrawal and reduction in the presence of other bilateral development partners, ongoing Finnish ODA and non-ODA support to Viet Nam make Finland still a highly recognised and appreciated development partner. Vietnamese stakeholders widely recognise that ODA should not further phase out in the near future. It is important to cement and strengthen new partnerships and ensure that different (public, private, civil and research) actors participate in these partnerships to tackle key development challenges. PSIs are likely to continue to be actively applied in Viet Nam as there is demand for ODA and blended funds in Viet Nam and the Finnish private sector. Additionally, support is also needed to ensure that an enabling and supportive ecosystem is built and maintained to allow these partnerships to flourish. Partnership agreements, in place in peer countries such as Denmark and the Netherlands, have played an important role in strategizing and focusing ongoing support to key economic sectors, with additional support to ecosystem development to ensure continued sustainable developmental impact under specific SDGs and climate action.

Leadership, central coordination and steering and guidance in later years of the transition process have gradually decreased (largely as a function of decreasing funds). These more limited available resources also challenge proper staffing at key institutions, maybe not so much in terms of number but more so in terms of specific competencies required to secure coherence and contribution to sustainable development impact and achievement of cross-cutting objectives. Towards the end of transitioning, the Finnish cooperation with Viet Nam has remained quite pluriform, lacking a specific focus on key priorities for ongoing and future cooperation.

Experiences of peer countries have shown that focused, strategic sectors and themes and mutually binding priorities for collaboration in partnerships are beneficial for coordination, continuity and sustainability in the short, medium and long term. This is the case, especially when there is good oversight of the respective MoFAs and the embassies of the countries involved. Similar to Viet Nam, Finland has no framework in place with its other ‘transition partner’, Zambia. While ODA-volumes to Zambia from the ‘post-transition’ instruments are smaller compared to Viet Nam, there is still the last large grant-based bilateral programme in implementation. Moreover, the regional programmes are important, and the Embassy in Lusaka is making a significant effort to increase Finnish private sector interest and the PSIs in the country. Case Zambia also points to that with no strategic framework, it is more challenging for the MFA itself and the other transition stakeholders to commit and plan resources in support of the Embassy’s rather lone effort in the transition.



**Conclusion 5: In the absence of a strategic framework (beyond the specific Embassy strategic plans) to guide Finland's cooperation in Viet Nam, Team Finland proved to be functional in providing more support and guide specific partners to the right institution and facility, but this ambition has not been fully met.**

*This conclusion is based on Findings 3-6, 15-16 and contributes to Recommendation 7.*

Over the past years, the Finnish development cooperation in Viet Nam has mobilised many actors, and different modalities and instruments have been phased in and out (e.g. CC and PIF). Changes have also taken place in the institutional environment, such as establishing Business Finland as a merger of Finnpro and Tekes. Most of the changes that have occurred were independent of the specific development relationship with Viet Nam as they were results of changes in policies or institutional arrangement at the central MFA level that were applicable to Finland's global development actions. Many of these changes were implemented by different units and departments at MFA and a number of partner institutions (such as Business Finland, Finnfund and others).

In core partner countries where the 'traditional development relation' is maintained, country strategies and coordination within the MFA still provide a considerable degree of coherence. Although, different evaluations in the past years have repeatedly exposed concerns, supported by the stakeholder analysis of this evaluation, with the silo-nature of the organisational structure of the MFA. The compartmentalised structure of the MFA has not been helpful to perform an effective 'one MFA' or 'one Finland' approach.

**The institutional environment to provide support to international commerce, trade and investment in Viet Nam is complex, and there is limited central overview and coordination, and this complexity is not fully resolved with the role and function of Team Finland. Team Finland at the central and at the country level shows significant 'variation' in concept and composition. In many ways, Team Finland appears to be a relatively 'loose' and variable network more than it is an institutionalised structure.** This might become even more complex with the relatively new addition of the 'Business to Government' network. Consequently, there may be a need for a 'one-stop shop' approach to creating more clarity and uniformity in the routes and processes of acquiring support for international entrepreneurial activities (e.g. the Agency for Entrepreneurial Netherlands, RVO).



**Conclusion 6: Consultations on the transformation of the cooperation between Finland and Viet Nam have taken place, but they have not been participatory and inclusive enough on the content and implications of the new partnership between the two countries. Stakeholders in Finland and Viet Nam were not sufficiently involved. Communication on the changes in the cooperation and partner relationship has not been strong and was also not inclusive of relevant stakeholder audiences.**

*This conclusion is based on Findings 3-6, 15-16 and contributes to Recommendation 8.*

Commerce, trade and investments have become important vehicles to achieve development objectives and create a mutually beneficial partnership. This 'move' has been accompanied by a certain degree of optimism by the MFA that the private sector would embrace SDGs and Finnish cross-cutting objectives, which has not always been the case. Even with the MFA-led 'Viet Nam Group' in Finland, participation has not sufficiently involved a broader range of actors (public, private, civil and academia) in both Viet Nam and Finland) in an inclusive process on both sides of the partnership.



This Insufficient communication has generated a not-always-optimal buy-in of different actors in the establishment and strengthening of new partnerships. These limitations in communication are also mirrored in Viet Nam, where Vietnamese authorities have not consulted, coordinated or communicated at different levels and with relevant national stakeholders. These limitations in communication coverage among stakeholders and the absence of a planned and targeted communication approach throughout the different transition phases have contributed to a limited interest among both partners to consider (re)engaging in a more formal partnership arrangement that goes beyond the specific availability of support modality and instruments. This could be evidenced in the discontinuation of partnership talks in the latest rounds of biennial partner consultations between the Embassy and the Vietnamese Government.



**Conclusion 7: In the transition process, the centre of attention and support modalities has moved noticeably in the direction of the private sector. Commerce, trade and investments have become important vehicles to achieve development objectives and create a mutually beneficial partnership. This ‘move’ has been accompanied by a certain degree of optimism by the MFA that the private sector would embrace SDGs and Finnish cross-cutting objectives, which has not always been the case.**

*This conclusion is based on Findings 7-8 and contributes to Recommendation 6.*

Private sector companies over the past decades have increasingly recognised their Corporate Social Responsibility (CSR), and particularly larger companies have included CSR in their business strategies. However, this process is still ongoing and not equally spread across the globe, including in Viet Nam. SMEs in particular face challenges to apply CSR principles in their international business activities. And businesses have to adhere to a bottom-line of making (short-term) profits that might come at the cost of longer-term social and environmental benefits. And this is particularly in times of fierce competition and economic crises. Therefore, support to companies through PSIs is important to secure that international business activities contribute to sustainable development impacts as described in the SDG framework. Not all PSIs include systematic attention to CSR and SDGs, and also, the drivers of the Team Finland effort may at times have somewhat downsized developmental objectives. This also includes the need to incorporate business expertise in instruments and modalities and competent staff members in Embassy and PSIs delivering institutions.

Efforts and investments to ensure improved developmental impact and support to the SDGs also require bringing different partners (from public, private, civil sectors and academia) together to contribute to complex solutions. PSIs in Finland’s current cooperation portfolio do not sufficiently bring partners together and therefore are possibly limited in their ability to find holistic and innovative solutions (for example, with respect to climate change, inclusive development, sustainability).



**Conclusion 8: Attention to multi-stakeholder ‘partnerships to achieve the SDGs (SDG 17) has thus far remained limited in Finnish PSIs.**

*This conclusion is based on Findings 7-8 and contributes to Recommendation 6.*

The UN Agenda 2030, the SDGs, and the Paris Climate Agreement provide an excellent framework for a partner relationship between Finland and Viet Nam as both countries adhere to these frameworks. PSIs and grant-based support instruments have not yet facilitated initiatives to bring multiple partners together in initiatives for sustainable development and to scale up



promising and innovative initiatives for achieving SDGs. However, DevPlat is a promising new modality to do so.

The Agenda 2030 with its SDGs and the Paris Agreement are important international frameworks to which both Viet Nam and Finland subscribe and can thus serve as the basis for new partnerships while at the same time supporting Finnish cross-cutting objectives. The SDGs are not yet embedded or integrated strongly enough in the Finnish international support modalities and instruments, although they are embraced in Finnish development policy objectives and cross-cutting objectives. The experience of international partners and peer countries like Denmark and The Netherlands show that the SDGs can effectively be used as a framework to guide and steer the specific development interventions needed to ensure coherence and synergy between instruments. At the same time, the SDG framework and partnership approach can facilitate and support collaboration between the private sector and other partners to pool resources and knowledge to tackle specific SDGs. Using the international SDG ‘language’ will also help mutual understanding between Finland and Viet Nam as both countries adhere to this framework in their respective social-economic development strategies and plans.

Of course, bringing partners together involves risks and an investment in time and resources. Particularly multi-stakeholder partnerships involving private, public and civil partners as well as academia require support to kickstarted and eventually scale. Specific support facilities have been developed to provide such support to multi-stakeholder partnerships for SDGs. However, in the Finnish PSIs and development instruments, this partnership approach is not yet strongly integrated.

An additional point of concern is the level of support needed to start, develop and scale up initiatives, particularly in the Finnish private sector. Most of the companies are SMEs, as the number of large Finnish companies in the international arena is small. Some of the available support mechanisms and instruments in the MFA’s portfolio of development modalities mainly address the needs of larger investors (such as Finnfund and PIF). In contrast, others cater to SMEs’ specific needs and initiatives (such as Finnpartnership) to prepare and start-up businesses and investigate possibilities for relations and investments.

To further develop these start-up initiatives and stimulate partnerships for scaling up and replication, one could speak of a ‘missing middle’ in support of SMEs interested to engage in multi-stakeholder partnerships with education institutes, CSOs and public entities. There is a need for support to bring them to higher investment levels and scale up operations necessary to achieve more developmental impact and make a more noticeable contribution to SDGs in their international activities. The newly established DevPlat initiative comes closest to such a wider and more inclusive partnership approach, as it explicitly targeted SDGs and partnership development. The ICI and HEI ICI instruments also could create stronger linkages between partners in education, research and innovation and private sector actor, but this more inclusive partnership approach is not yet embedded in these instruments.



**Conclusion 9: Multilateral level cooperation of Finland with the UN, International Finance Institutions (IFIs) and the EU has increased in importance during the transition process, providing platforms for cooperation that remain in the future, beyond bilateral cooperation. At the same time, multilateral support and dialogue have not replaced the bilateral exchange and cooperation between Finland and Viet Nam.**

*This conclusion is based on Findings 9-11 and contributes to Recommendation 4.*



On the contrary, developments in the international community, such as the signing of international agreements on Agenda 2030 and climate change in 2015 and other agreements, also provide new opportunities to engage in specific targeted partnerships in climate action (e.g. Go4Green), education (EPA), and water forums etc. Of particular relevance is the recent signing of the EVFTA in 2020. This free trade agreement is likely to lead to a double effect of strengthened multilateral relations of Viet Nam with the EU as a whole and increased trade and investment relations at the bilateral level with individual EU member states. How multilateral relations and bilateral relations between Finland and Viet Nam will further develop as a result of these agreements – and how synergy can be achieved between bilateral and multilateral dialogue between Finland, EU and Viet Nam – will depend to a considerable extent on the effects of the EVFTA on trade and investments and the presence of the EU as an international development partner of Viet Nam, on behalf but also alongside its individual member states.

**With the signing of partnerships and the EU-Viet Nam Free Trade Agreement, the EU-Vietnam dialogue and cooperation is advancing, and this provides an opportunity for Finland to engage and work with the EU not only in the area of commerce, trade and investment, though also in development support programmes and the EU safety, security and political dialogue with Viet Nam, including the challenging human rights dialogue.** Additionally, the EU-DEVCO development support channels and instrument might be more effective in ensuring that support to civil society in Viet Nam can continue now that particularly the role of CSOs has weakened in bilateral cooperation relations. This will require further exploration and discussion with other EU member states on whether and to what extent mechanisms of delegation and transfer of dialogue and cooperation mechanisms to the higher EU-level may be feasible. For Finland's part, the approach proposed to be taken in the implementation of the new Africa Strategy points towards consolidation of efforts between Finland and the EU and Finland and other EU member states. Perhaps this signals a welcomed shift that could be employed in other contexts such as Viet Nam.



**Conclusion 10: After a decade of transition process, in 2021, relations between Finland and Viet Nam were still ongoing and vibrant despite a situation with significantly decreased ODA funding levels.**

*This conclusion is based on Findings 9-11 and contributes to Recommendation 3.*

Particularly the private sector and academia have managed to nurture and develop their relationship. A concern is with the significantly decreased level of relations between CSOs in the Finnish-Vietnamese cooperation and partner relationship. Limited civil society participation in broader partnerships can cause that cross-cutting objectives and SDGs become overlooked in the Finnish-Vietnamese partnership relation.

In Viet Nam, local civil society is not well-established, and CSOs' opportunities to exercise their countervailing power and provide technical expertise in specific subject matters are limited. In Viet Nam, as well as globally, the 'space' for civil society is decreasing. In Viet Nam, domestic CSOs are sometimes challenged by the emergence and growth of international CSOs, who are the preferred partners of UN organisations and other bilateral and multilateral partners. Stakeholders in this evaluation indicated that without new impetus and initiatives to continue to engage in joint activities, 'old' relationships between civil society might dwindle and eventually dissolve over time. In the current portfolio of modalities in Viet Nam, some opportunities exist, such as focusing the FLC on local civil society and its participation in broader initiatives. Within modalities such as



CSO support, ICI, HEI ICI, and PSIs like Finnpartnership and DevPlat, more efforts can be made to ensure that CSOs can participate in partnerships. This might require redesigning and finetuning these modalities to enable partnerships with civil society.

The embassies and consular services of both countries support the exchange and travel of people between the two countries. This travel and exchange in the different areas discussed above are likely to continue and increase after the global Covid-19 crisis.



**Conclusion 11: The cross-cutting objectives on climate change has been most strongly applied in different Finnish instruments, modalities and actions.**

**Other cross-cutting objectives on poverty reduction, social inclusion and gender equality were well embedded in the grant-based development cooperation instruments but much less in the PSIs. Finland's Human-Rights-Based Approach and the cross-cutting objectives have also been underemphasised in Team Finland's commerce-, trade- and investment-focused activities. Dialogue between Finland and Viet Nam on human rights has been challenging as viewpoints differ considerably between the two countries.**

*This conclusion is based on Findings 12-14 and contributes to Recommendation 2.*

Both Finnish and Vietnamese partners recognise Finland's contributions in advancing its cross-cutting objectives during 2008-2020. This has probably been most successful in the area of environmental sustainability and towards the development of the current objectives of climate resilience (adaptation) and low emission development (mitigation). A possible explanation for this might be that these areas have been both a cross-cutting policy objective as well as a specific area of thematic expertise in which Finland has unique competencies and expertise. This is recognised by both Finnish and Vietnamese counterparts, and this sector is where mutual priorities coincide. The application of the Finnish HRBA in the dialogue and cooperation with Viet Nam has been more challenging. There are apparent differences in discourse and possibly even in concepts and vision, as observed during some of the negotiations around programme and framework agreements such as the PIF. While the PSIs requirements have included a focus on cross-cutting objectives, there is room for improvement in specific human rights aspects such as non-discrimination, labour rights, disability inclusion, and gender equality, where stakeholders indicate significant improvements are still needed. Dialogue on these cross-cutting issues can also have a bigger impact when efforts are made to explain and show that these cross-cutting objectives (such as gender equality and disability inclusion) and applying the HRBA are also enablers of economic growth. In climate change, this economic potential already has been identified under previous findings.

While in the bilateral political and diplomatic dialogue between Finland and Viet Nam, the HRBA and cross-cutting objectives have been addressed, many stakeholders and respondents in this evaluation agree that in Team Finland's commerce-, trade- and investment-focused activities, these cross-cutting objectives issues have not been reflected as strongly. This limited focus on HRBA and cross-cutting objectives might have been further aggravated by the decreased support to CSOs in Viet Nam and the lack of a obvious political recognition of civil society as a countervailing power to ensure that development remains inclusive and SDG proof.



## 7. Key lessons learned from the Viet Nam transition process

This chapter summarises the key lessons learned from the transition process in Viet Nam for other Finnish partner countries where Finland is aspiring to engage in transition and partnership development processes.



**1. The Viet Nam and Zambia transition processes show that entering in a transition process should be done at a time and in a way that matches the specific country context, its position in the global economy and the social-economic growth prospects of the country.** Viet Nam provides an example of such a good match, where transitioning and scaling down of Finnish traditional development cooperation coincided with Vietnam's graduation to MIC status. This matched with Viet Nam's ambitions and global economic integration as expressed in its growth strategy and social-economic development plans. At the same time, the transition process in Viet Nam shows that not being specific about the nature and quality of the new kind of partnership is unhelpful for maintaining a partnership relation between the two countries. Therefore, when entering a transition process, more thought and inclusive dialogue and reflection are needed to develop a clearer vision of the future relationship without precluding the fact that no new partnership might be sought post-transition. In contrast, the Zambian economy had experienced a downturn since 2015, when the MFA made its official decision to pursue transition based on its economic growth. The case Zambia strongly suggests is that there is a need to look at indicators other than just economic growth and provide a sufficient transition time to allow for some corrective measures along the way.



**2. Developing a ToC for a transition process could be beneficial for stakeholder dialogue.** The ToC for transition processes and partnership development (see Chapter 4) that was developed throughout this evaluation process identifies key steps and assumptions to engage in a transition process with a vision of the development of a new kind of partnership. This ToC stresses the importance of developing more inclusive partnerships with ambitions to contribute to sustainable development in specific sectors, embracing global frameworks such as the SDGs and climate change action. The ToC also shows that, in transitioning, separate tracks from bilateral government dialogue and cooperation, institutional cooperation and private sector cooperation can gradually merge in an overall cooperation and partnership approach that allows for broader multi-stakeholder partnerships;



### **3. The process of Viet Nam, where the transition was realised over a period of three 4-year strategic planning periods, shows the importance of taking sufficient time for planning and strategizing to allow for a gradual process of change.**

Abrupt changes can be disruptive and damage long-term relationships. The transition process in Viet Nam shows that bilateral programmes (as shown in IPP and EEP) already can include facilities to prepare for transition and partnership development beyond the lifetime of these programmes. Also, in other instruments, new partnership constellations can be explored at an early stage. Of course, post-transition continued investment in these partnerships is also needed through other modalities to ensure that partnerships can survive over longer periods of time. Three ingredients for a successful transition seem to be relevant: (1) Take sufficient time for the transition process; (2) Plan it at the right time to match economic growth perspectives and ambitions of the countries in transitions (not only when graduating to MIC status, though also with continued and strong growth strategies); and (3) Ensure the national political and economic ecosystem allows for entrepreneurial development, commerce and trade.



### **4. Coherence among modalities, instruments and support-providing institutions is key to achieving more effective results and impact on the ground.**

Coherence can be challenged in a transition process where, with decreased levels of ODA funding, resources at the MFA and embassies are more limited to ensure complementarity and synergy. To some extent, the demand-driven nature of many of the PSIs creates a ‘laissez faire’ economy and, while this might enable vibrant relations, the focus on top priorities might get lost. Without such a focus, it is also more difficult to align different modalities and institutions. For external stakeholders, it might become more difficult to identify the right facilities suited to their needs;



### **5. The importance of good, targeted and timely communication in any change process, including transition, has become evident in the case of Viet Nam.**

In the early stages, communication was not strong and, at later phases, very much focused on messages of phasing out of development cooperation and handing over to the private sector. However, this has not been the complete story, as can be seen in the fact that – post-transition process – multi-stranded relations still exist, and a considerable amount of ODA has been channelled to the country. This has caused confusion and misunderstanding on the nature and intentions of the transition process that could easily have been avoided with explicit and more timely communication;



### **6. The Viet Nam transition process has shown that there are many different stakeholder groups involved in cooperation who have not been sufficiently brought together to tap into their potential and competencies in joint activities and partnerships.**

In the time of traditional development cooperation, the channels for government, civil society, private sector and academic support operated in parallel with limited exchange and cross-learning. When later in the process, the attention shifts more to private sector stakeholders, some earlier stakeholders are now easily forgotten, omitted, and thus on their valuable contributions are lost. This is particularly relevant for civil society and the education sectors where possibly the most vibrant exchange relationships have been built, including a flourishing Vietnamese diaspora in Finland. These groups still show keen interest to participate and can enrich ongoing activities and partnerships.



## 8. Recommendations

This chapter presents seven strategic recommendations and one operational recommendation that are based on Chapter 6 (Conclusions). For ease of reference, each strategic recommendation is linked to the specific conclusion(s) in Chapter 5, contributing to the respective recommendations.

Under each recommendation, possible actions for operationalisation are provided.

This chapter contains two sections, the first section with recommendations that address the continuation of cooperation relations and partnership between Finland and Viet Nam. The second section presents recommendations that refer to transition processes and partnership development in other Finnish partner countries, which can also benefit from the key messages of the recommendations of the first section. This second set of recommendations is also inspired by the lessons learned in Chapter 7 of this report.

### 8.1. Recommendations on the Finland-Viet Nam transition and partnership development process



**Strategic recommendation 1: Formally close the transition process in Viet Nam now that no new country strategy for Viet Nam is in place beyond 2020.**

The two countries could jointly review the transition process and discuss the desired future modus of cooperation between the two countries, as long as ODA and blended funds are still provided to partners involved in ongoing cooperation activities, commerce, trade and investment.

This evaluation has confirmed that both countries attach high strategic importance to one another. This justifies a long-term close relation and likely continued presence of diplomatic representations in both countries. It is relevant to choose an appropriate institutional arrangement for the continuation of mutual ties and partnership between the two countries in the further future. Different options and degrees of formality and comprehensiveness are possible for such an arrangement (see further below).

Finland and Viet Nam in previous years have discontinued talks on a ‘comprehensive partnership’, and from both sides, no interest was expressed to re-engage in this discussion. Seen against this background and accepting that moving towards a comprehensive partnership may be a ‘bridge too far’, the evaluators recommend both the MFA and the Vietnamese Government to consider developing and signing a (multi) sector-focused strategic agreement. This will enable both countries to continue to strategize and focus on key economic sectors, themes and cross-cutting objectives that are of obvious mutual benefit.



A medium timeframe (5-10 years) should be attached to the agreement to ensure continuity and tangible contributions to the sustainable development goals. The previous country strategy 2016-2020, the current strategic Embassy plan, the new plan of the incoming Ambassador in 2021 and Viet Nam's social-economic development plans and other relevant policy frameworks can serve as entry inputs to this agreement.

A specific point of attention is to develop a vision on how Viet Nam can participate in and contribute to Finnish development challenges and avoid a focus in the partnership merely on Finnish support to Viet Nam. It is suggested to use the SDG framework and focus on climate change and related sectors (such as technology and innovation, smart cities, water, energy, education) for dialogue and identification of specific areas of mutual cooperation.

*Recommendation addressed to:*

Leadership at the MFA (particularly the Department for Asia and the Americas, the Department for Development Policy and Department for External Economic Relations) and at the Finnish Embassy; members of Team Finland in Viet Nam in consultation with their homologue partners in the Vietnamese Government; and relevant line ministries involved in previous cooperation activities.

*Options:*

The following two options for a partnership arrangement may be considered:

1. A (multi-) sectoral or thematic partnership agreement (s) between MFA and relevant line ministries and other possible implementing partners;
2. An 'informal recognition of a partnership' without a formal agreement but rather signing of agreements on modalities of facilities and contracts with specific implementing partners and/or recipients of ODA and blended funding. (This option consolidates the current partnership relation between Finland and Viet Nam.)

***Possible actions for operationalisation:***

For option a) the following actions are suggested:

- a) Use this evaluation report and its recommendations as a starting point for a dialogue between Finland and Viet Nam to arrive at conclusions around the transition process and confirm whether or not a formal partnership between the two countries will be established beyond the transition process;
- b) In case a formal partnership is desired by both parties, a consultative process is suggested with relevant key stakeholder groups in Finland and Viet Nam to identify the goals, scope and focus of the partnership arrangement and which key modalities and instruments will be used for operationalisation of the arrangement;
- c) The co-signatures of the partnership will specify their commitment, level of effort and possibly resources for its implementation. Commitment and level of effort will be shared between the partners with actions in both Finland and Viet Nam involving different stakeholder groups in public, private, civil and academic sectors;



- d) A mechanism and institutional arrangement need to be prepared and established for overview and coordination of actions, where possible and appropriate (to avoid duplicating existing coordination at facility and institution level and jeopardising the demand-driven nature of some of the facilities) and to plan and report at the generic level of the partnership;
- e) Reporting on the partnership will feed into regular meetings to derive lessons learned from the partnership cooperation. These meetings can coincide with the biennial consultation rounds between the Embassy and the Government of Vietnam;
- f) Wider lessons learned on the partnership will be made available to other countries in transition and partnership development processes.

Option b) only requires the first action described under option a). Under this option, additional specific action is recommended for the MFA and the Finnish Embassy in Viet Nam to communicate clearly and clarify to all previously involved stakeholders in the cooperation between Finland and Viet Nam that the transition process has concluded at the end of 2020 and that there will be no future country strategies. An informal partnership will, in this case, continue without central steering and orientation on behalf of the MFA of ongoing cooperation in the framework of specific modalities and instruments. The technical dialogue will continue at the level of specific modalities and instruments between the direct partners involved. The Finnish Embassy will continue political and policy dialogue with the Vietnamese Government, guided by Finland's overall Finnish international safety foreign and security policy, as well as the Finnish development policy but not based on a specific established bilateral cooperation agenda.

*This recommendation is based on Conclusions 1,2, 3 and 4*



### **Strategic recommendation 2: Explore and further develop Finnish thematic and sector leadership and expertise in climate change and related sectors, such as sustainable energy, smart cities, and technological innovation.**

In Viet Nam, climate change and interconnected sectors are important economic sectors that present opportunities for commerce, trade and investment as well as for contributing to SDGs. This recommendation is also relevant to other Finnish partner countries where climate change and sustainability are key priorities in the mutual relationship.

*Recommendation addressed to:*

Leadership at the MFA (particularly the Department for Asia and the Americas, the Department for Development Policy, Units for sectoral policy and Development Finance and Private Sector cooperation) and the Finnish Embassy in Viet Nam, consulting with members of Team Finland/Team Finland in Viet Nam (and possibly embassies and Team Finland's in other transition countries where climate change is a priority CCO and/or economic sector).

#### **Possible actions for operationalisation:**

- a) In investigating comparative advantages of Finland in climate action in Viet Nam, it is relevant to consider a number of sectors and sub-sectors in which Finland historically has invested in Viet Nam and the historical partnership relations it has built in these sectors: Science and Technology (following up on IPP), Energy (following up on EEP), Water and Sanitation (WSPST), Forestry (FORMIS), as well as Meteorology and Air Pollution (in ICI) and under FLC, CSO and HEI ICI facilities. From these programmes and facilities, specific - historical and also new - relevant partners can be identified and stimulated to join in new initiatives and partnerships;



- b) In developing its leadership in climate change, sustainability and innovation, it is also important for Finland to look at ways in which climate change and sustainability can also be more strongly considered as a CCO in other economic sectors and how it is linked with other issues such as gender equality and social inclusion;
- c) Seek closer coordination and exchange with other bilateral development partners (the Nordic neighbours and possibly The Netherlands or Germany) in the area of climate change, sustainability and related sectors. These countries have strong interventions in this area, including in private sector support. And possibly, multilateral partners at the regional (EU and ASEAN) and international level (ADB, UN-organisations, WB and IFC) can also be involved. Particularly in those areas where specific EU member states do not have conflicting or contradicting standpoints, it might be possible to strengthen dialogue and cooperation at the EU level. This could, for example, include a strong dialogue on safety and security in the region, enhancing the role and participation of civil society, and advancing cross-cutting objectives and SDGs.
- d) Similarly, seek collaboration with multilateral partners at the regional (EU and ASEAN) and international level (ADB, UN-organisations, WB and IFC). The FMI ICI project with the National Hydro-Meteorological Service of Vietnam (NHMS) on the modernisation of Vietnam's hydrometeorological services has already facilitated a concessional credit project for upgrading the rainfall, storm and lightning detection capabilities of the NHMS with the Finnish company Vaisala and served to leverage the FMI, and the University of Helsinki as their supplier, to become an implementing partner in a large WB project. These partnerships and interventions, already impressive, could be used for further leverage and to also try and replicate in other sectors linked to climate change;
- e) More strongly focused attention on key sectors can secure that the Embassy and Economic Desk in Viet Nam can work cost-effectively with limited but more focused staffing and financial resources. This might require recruitment of new specific thematic and sectoral competencies;
- f) In specific PSIs, climate action can be more strongly highlighted as a specific priority sector for initiatives in Viet Nam, and partners can be stimulated to submit relevant proposals to specific facilities.

*This recommendation is based on Conclusion 11.*



### **Strategic recommendation 3: Continue policy dialogue with the Vietnamese Government on human rights and democratic participation of civil society and the private sector.**

The MFA, including the Finnish Embassy in Viet Nam, should advocate for the continued involvement of civil society organisations in Vietnam to contribute to SDGs and Finnish cross-cutting objectives in commerce, trade and investment initiatives. The role of the civil society as a countervailing power vis-à-vis the government and the private sector in achieving sustainable development impact and adherence to the Finnish Human-Rights-Based Approach in Vietnam should continue to be safeguarded and strengthened.

*Recommendation addressed to:*

Leadership at the MFA (particularly the Department for Asia and the Americas and the Unit for Civil Society) and the Finnish Embassy in Viet Nam in policy dialogue with Vietnamese Government institutions and consulting with EUD, UN and private sector and civil society organisations in Viet Nam.



### **Possible actions for operationalisation:**

- a) Systematically include human rights and civil society participation, and integration into all biennial consultations with the Vietnamese Government and all negotiations on cooperation (grant-based and PSIs) facilities and trade agreements;
- b) Have multiple independent sources systematically and regularly assess the situation of civil society in Viet Nam and coordinate with other development partners and particularly with EUD and UN in Viet Nam if actions are required;
- c) The Embassy should discuss with Vietnamese Government stakeholders the possibilities for more active inclusion of civil society stakeholders to be involved in social and environmental impact assessments and in the advancement of cross-cutting objectives and SDGs in investment projects supported by Finnish PSIs;
- d) And not specific to Viet Nam, the MFA should carry out a comprehensive evaluation or impact study in countries where the Finnish cooperation relations are focusing on commerce, trade and investments. The study should look at changes and effects on the role and space of civil society and on the advancement of cross-cutting objectives and SDGs to inform future policy development on SDG-proof PSIs and trade and investment and to improve the design of instruments in these aspects if and where required;
- e) Further action can be taken to sensitize and capacitate the members of Team Finland on the Finnish foreign and development policies, including for their Human-Rights-Based Approach, the cross-cutting objectives and the SDGs, so as to improve how these principles and objectives permeate the Team Finland strategies, approaches and activities. This is of particular importance in the transition countries where the Team Finland work becomes increasingly more important and visible in the maintenance of the bilateral relations.

*This recommendation is based on Conclusion 10*



**Strategic recommendation 4: Carry out a review or analysis of how Finland's bilateral political dialogue with the Vietnamese Government and the application of ODA and non-ODA instruments can continue to be complementary to and aligned with EU dialogue with Viet Nam in the new EU-Viet Nam Free Trade Agreement (EV-FTA) era.**

*This recommendation is aligned to recommendation 7 in the Economic Development, Job Creation and Livelihoods evaluation of 2020 to 'Create and seize opportunities for increasing partnering and collaboration with multilateral programming, particularly at the country level, and consider increasing partnering with the EU'.*

*Recommendation addressed to:*

Leadership at the MFA (particularly the Department for Asia and the Americas and Unit for General EU Affairs and coordination) and the Finnish Embassy in Viet Nam in consultation with other (Nordic) EU member states, EU-DEVCO and EUD In Viet Nam.

### **Possible actions for operationalisation:**

- a) Establish a more precise task division with the EU and like-minded countries. With the decrease of bilateral ODA support levels of the Finnish Government to Viet Nam and the increased focus of Finland on commerce, trade and investment relations, the profile of



staffing at the Embassy has changed. Also, resources are more limited to continue policy dialogue and cooperation at all levels and in all thematic areas. This calls for establishing a clearer task-division with the EU and, possibly within some sectors, also with like-minded (Nordic) countries (bilaterally and also within the EU);

- b) In specific areas where Finland has scaled down ODA cooperation (bilateral support to government and CSOs), Finland should review and assess how these areas and partners of support are included in EU development programmes and budget envelopes destined to Viet Nam;
- c) On 8 December 2020, the European Commission launched the Digital for Development (D4D) Hub as a global initiative to scale up investments in the digital transformation of partner countries; to promote a value-based digital economy and society worldwide, and to promote a stronger and more strategic EU engagement in international digital partnerships. Finland has already signed a letter of intent to join this initiative, which presents an excellent opportunity for more alignment of Finnish and EU initiatives in the area of technology and innovation, and for Finland to again ‘be more part’ of the Vietnamese innovation scene after the end of the IPP.
- d) In specific areas, such as human rights dialogue, that have proven to be sensitive in the cooperation relation between Finland and Viet Nam, more leverage and political traction can be sought by increased partnering and alignment with EU level dialogue with Viet Nam. It could be considered to form an independent Domestic Advisory Group (DAG) to verify that the EVFTA agreements are respected;
- e) At the level of budget envelopes, concretely, the MFA and the Finnish Embassy can look at possibilities to make increased use of the EU (and EBRD, European Investment Bank) funding opportunities in support of the private sector and multi-stakeholder partnerships in Viet Nam.

*This recommendation is based on Conclusion 9.*

## **8.2. Recommendations on transition and partnership development processes in other Finnish partner countries**

Recommendations 6-8 presented below are also relevant to Viet Nam, though they require follow-up at higher levels in the MFA, including other departments and units.



### **Strategic recommendation 5: Develop an approach to transitioning and consider it a strategy and not merely a process.**

The Theory of Change created as part of this evaluation may serve as inspiration to design a generic strategy for transitioning. An essential aspect of transitioning is developing a clearer vision of the nature and quality of bilateral cooperation relations at the end of a transition process. In those cases where this vision includes a ‘new kind of partnership’, MFA should work towards a ‘partnership agreement’ with a medium-long term timeframe to replace country strategies that have governed the previous development cooperation phase.

Such a partnership is needed to ensure that continued support modalities and instruments can be applied coherently and can target key priority sectors of mutual benefit to both partners. And ultimately, as long as partnerships are still supported with ODA and funds continue to be channelled into modalities and instruments, these partnerships should strive to achieve sustainable



development impact as specified in the UN 2030 Agenda and Paris Agreement on climate change. A transition strategy should also include guidance on 1) indicators beyond economic growth to trigger launching a process leading to a transition decision; 2) the desired timeliness and flexibilities within for a mutually beneficial transition; and 3) the considerations for choosing between options for moving away from aid.

*Recommendation addressed to:*

Leadership at the MFA (particularly the different regional Departments, the Department for Development Policy and Department for External Economic Relations) and Finnish Embassies in other transition countries.

**Possible actions for operationalisation:**

- a) In countries where Finland has more recently engaged in transition processes (Zambia, Nepal), or will possibly enter transition processes (e.g. Kenya), it is urgent to reach an early agreement (internally in MFA and later, of course also with external partners) on the envisioned nature and quality of a possible future relationship. There are two basic scenarios:
  - 1) There is no interest in continued cooperation at a formal partnership level between the countries. In this case, perhaps transitioning can be designed better and communicated as a phasing out process, with an endpoint on the horizon. This, of course, will enable specific actors to be engaged in partnerships on the ground (which even may be supported by demand-driven PSIs support) although they do so out of their own initiative and without any guiding framework;
  - 2) There is interest in continued cooperation. In this case, transition should be designed and implemented the transition process as scaling down and transformation process, also with a defined phasing-out and end-point on the horizon. However, a commitment should exist to establish a new partnership agreement towards the end of the transition process to ensure that future cooperation activities (where ODA is still applied) are guided (though not governed) by a partnership that clarifies the strategic focus of a mutually benefiting relationship. The transition process should be resourced appropriately and supported by the relevant MFA departments and other involved key interlocutors. Under this option, in case of limited capacity to manage a direct relationship due to decreased ODA amounts, MFA could assess investigate if and to what extent ongoing relations could also be supported through regional programming or multilateral organisations. This would require proper delegation arrangements to ensure that bilateral partner relationship remain visible.
- b) A phased transition plan needs to be developed that preferably can cover two to three country strategy planning periods to allow for a careful phasing out of activities and transferring of others. The transition period should be used to develop a shared vision on the future partnership relation;
- c) Once the transition process has started, operationalisation (mentioned under option a) under Recommendation 1 will kick in.
- d) Three specific aspects are suggested to be considered in any partnership arrangement:
  - 1) Identify specific economic top sectors where both partners can see obvious benefits in a continued mutual relationship, as these economic interests drive the cooperation, replacing more and more the grant-based (ODA) cooperation in the long term;



- 2) Look at the balance in the partnership by including a clearer vision and planning of how partner countries can participate in and contribute to Finnish development challenges. In some countries with a large diaspora, this may also include involving this diaspora more actively;
- 3) Ensure a focus on the SDGs and the climate change dialogue (and possibly additional climate funding arrangements) and agreements as guiding frameworks to identify specific areas of mutual cooperation and ensure that, as long ODA is invested, it will contribute to sustainable development impacts.

*This recommendation is based on Conclusions 1,2, 3 and 4*



**Strategic recommendation 6: Tailor and focus aid modalities and instruments to specific country contexts, priority SDGs and key economic sectors while ensuring coherence between the private sector instruments and remaining other development support instruments.**

This tailoring should include:

- a) the development and strengthening of new and more inclusive public, private, civil society, and academia multiple-stakeholder partnerships to contribute to SDGs and climate action;
- b) targeted support to SMEs and enabling the scaling up of start-up activities to a higher level. This targeting should be done in close collaboration with Team Finland actors because of their potential role in providing further future support from non-ODA financing.

*This recommendation is aligned with the 2020 Economic Development, Job Creation and Livelihoods Evaluation's recommendation 2 to develop practical PSIs Guidelines to accompany the Policy for Economic Development and Private Sector Engagement and, in this context, also take other required action to increase the PSIs' coherence and effectiveness.*

*Recommendation addressed to:*

Leadership at the MFA (particularly the Department for Development Policy and Unit for Development Finance and Private Sector Cooperation) and Members of Team Finland and the Finnish Embassies in other transition countries.

**Possible actions for operationalisation:**

- a) Different modalities and instruments (both PSIs as well as some of the traditional instruments, such as ICI, HEI ICI, FLC and SCO support) that are open to specific requests of single partners or a limited number of partners (in the same sectors) can be reviewed for possibilities to stimulate wider and preferably and multi-stakeholder partnerships. This can be done by including specific criteria, awarding extra points for multi-stakeholder proposals, increasing the amounts of support and/or improving conditions/criteria for its use (interest rates, % of grants etc.) and more exposure to external audiences to generate and share best practices.
- b) To some extent, multi-stakeholder partnerships already exist in the DevPlat and Finnpartnership modalities though at a modest scale and still only recently. The ICI, HEI ICI, FLC, and SCO modalities allow for the inclusion of at least some of the suggested revisions mentioned above. The ICI and HEI ICI could be tailored towards potential



business opportunities where Finland might have relevant and high-quality technology to offer to the partner country. This might require an effective inter-agency mechanism to develop and implement ICI and HEI ICI initiatives in partnership with private sector actors. And within PIF, the vision of partnerships might also be expanded from public-private partnerships to multi-stakeholder partnerships;

- c) There may be specific sectoral and thematic interests to consider in calibrating modalities and instruments to be optimally supportive of transitioning and nurturing mutually benefiting relations. For instance, as discussed in strategic recommendation #2 above, in Vietnam – and possibly in other countries too – Finland could focus on climate change and interconnected sectors, such as sustainable energy, smart cities, and technological innovation. This should be covered by appropriate modalities and instruments which would support re-igniting the Finnish-Vietnamese innovation collaboration, including facilitation of linkages between the two countries' start-up communities and Vietnamese diaspora in Finland;
- d) Instruments that primarily involve risk-taking capital investments might also include some of the suggestions mentioned. Though this would likely require more fundamental revisions and possibly the establishment of new (SDG) partnership-oriented investment facilities (as this evaluation has found in Denmark and The Netherlands);
- e) In specific support modalities, SME access to funding for their international activities needs to improve, particularly in the phase of scaling up their activities. This will require larger amounts of investments than is needed for identification and exploration, and it will also require more up-front financing (either grants, loans or blended funds);
- f) Ensuring coherence of the different available private sector modalities and instruments will require regular monitoring and exchange of reporting information of the specific modalities. The Economic Development, Job Creation, and Livelihoods evaluation carried out in 2020 has recommended the preparation of guidelines for PSIs. While this is relevant and needed, a coordination and exchange mechanism is needed above the specific facility level that will involve at the least the level of the Unit of Development Finance and Private Sector Engagement, and even more likely, when also SDG and multi-stakeholder partnership aspects are to be considered, at the level of the Department of Development Policy.

*This recommendation is based on Conclusions 7 and 8*



#### **Strategic recommendation 7: Simplify and clarify the set-up of the support structure for private sector engagement and the management of PSIs in collaboration with Team Finland and Business Finland.**

This is needed to ensure coherence of the PSIs and other support modalities as mentioned under the previous recommendation. Overlap between different structures should be avoided in the development of a 'one-stop shop' concept. This concept for all support modalities and facilities will enable easier access of private sector actors, most notably SMEs and multi-stakeholder partnerships, to those support modalities and instruments that are most relevant and useful to them.



*Recommendation addressed to:*

Leadership at the MFA (particularly the Department for Development Policy and Department for External Economic Relations) and Members of Team Finland, Business Finland and the Finnish Embassies in other transition countries.

**Possible actions for operationalisation:**

- a) Review and assess the existing overlap in services provided by (members of) Team Finland, Business Finland and Finnpartnership (and in the future possibly also the Business to Government Network) that have similar services to private sector actors that also include referrals to one another to arrive at a one-stop shop concept, where the private sector can turn to for support;
- b) Evaluate the institutional set-up of Team Finland as a network construct with varied membership in different countries and significant differences in the active involvement of different institutions. This evaluation should look at the role and added value of Team Finland in informing policy development on private sector engagement and coordinating institutions and modalities as well as referring actors to the right services while ensuring sustainable development impacts;
- c) Commission a comparative study of 'on-stop shop' concepts for private sector services and subsidies (as are in place in, for example, the Netherlands) and discuss among the current institutions involved if and how such a similar concept can be institutionalised in the Finnish context.
- d) Review and assess, if possible, at the level of the Team Finland and not specific institutions' level (MFA, BF, FP, etc.), the human resources needs in terms of the type and volume of expertise and competencies required in coordination and management of service provision at the central level (HQ in Finland) and in-country in the key partner countries such as Viet Nam. Participatory planning well ahead and joint medium-long term strategies for transition will support deciding about the human resources for transitioning in partner countries.

*This recommendation is based on Conclusion 5*



**Operational recommendation 8: Improve communication with all relevant stakeholders in transition and partnership processes by developing a targeted and phased communication plan with different stakeholder categories and groups.**

Of vital importance to any transition process, such a communication plan needs to be in place at early stages or prior to entering into the process. This communication plan should be accompanied by a more comprehensive 'how-to' guidance for the key transition stakeholders focusing on a variety of aspects of the new cooperation relationship and partnership.



*Recommendation addressed to:*

Leadership at the MFA (particularly the different regional Departments, the Department for Development Policy and Department for External Economic Relations and the Department for Communications) and Members of Team Finland and the Finnish Embassies in other transition countries.

**Possible actions for operationalisation:**

- a) Identify a specific country (Zambia or Nepal, or both) where a transition process has started and, after deciding on the way forward with the transition, develop a pilot communications plan targeted to this specific country in the process of consultation with different stakeholders;
- b) Develop a mechanism to monitor and measure the quality, clarity and timeliness of communication efforts among different stakeholders and use the results for further improvement and finetuning of the communication plan.
- c) Review the two actions above to develop more generic guidelines for communication around transitioning and partnership development processes, based on the experiences in this country, that can serve as a model and template for communication plans in other contexts.

*This recommendation is based on Conclusion 6*



*"Nuoc Phan Lan", Finnish water is a well-known concept throughout Vietnam due to intensive cooperation in this sector. Water expertise has paved the way for other Finnish competence areas such as green technologies and healthcare education and solutions. Photo: Marja-Leena Kultanen*



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# Evaluation Team

## **Frans van Gerwen, Team Leader**

Mr van Gerwen has 30 years of experience in international development. In the last 20 years, he has successfully conducted over 125 assignments as a consultant, researcher and trainer in over 75 countries on all continents. Over 60 assignments were research and evaluation assignments. Mr van Gerwen's main field of expertise and experience are: Leading complex research and evaluation processes in international and multi-disciplinary teams; Organisational and institutional mapping and analysis; Advice and facilitation in strategic planning and organisational and institutional development; Facilitation of multi-stakeholder processes and public, private and civil dialogue and partnerships; Project management of medium and long-term consulting assignments; Training and capacity development in the above areas. In the past decade, he has conducted assignments for UN organisations (ILO, UNESCO, UNICEF, UNDP), the World Bank, Ministries of Foreign Affairs (Netherlands, Finland, Belgium, Sweden), International NGO's (WWF, Plan International, Oxfamnovib), and Trade Unions: (FNV, CNV, DTDA, SASK).

## **Dr Huong Thu Nguyen, Senior Evaluator**

Dr Huong Thu Nguyen's research interests lie at the intersection of gender justice, social inclusion, and catastrophes in Vietnam, the Philippines, and, more recently, Myanmar. Besides working as a university lecturer for nearly 20 years in various capacities, she has been involved in extensive research and consultancy for various local and international organizations, including the Australian Department of Foreign Affairs and Trade, UNDP, UN Women, UNICEF, The World Bank, The Asia Foundation, USAID, CARE International focusing on gendered violence, social inclusion, the criminal justice system, women's economic empowerment, and other human security issues seen from women's perspectives. These activities have enabled her to gain practical knowledge as well as invaluable insights into advocacy projects designed to promote gender equality and foster women's economic empowerment and social inclusion. She has country experience from the Philippines, Vietnam, and Myanmar.

## **Sari Laaksonen, Senior Evaluator**

Sari Laaksonen has twenty-five years of experience in Sustainable Development at the international level, mainly covering sustainable economic development; in the current era, the Sustainable Development Goals at large. Ms Laaksonen's experience includes extensive coverage of development policy and strategy and all phases of the Programme/Project Cycle, the most notable evaluation. She has covered the ground working in-country for the UN, from the headquarters' positions of UN agencies and the WTO, as a donor government representative (MFA Finland), a start-up entrepreneur, and an International Consultant and CEO. Recent strategic evaluations Ms Laaksonen has led include Evaluation of Finland's support Economic Development, Jobs and Livelihoods; UNECA's contribution to the AfCFTA; and the MTE of the African Minerals Development Centre. During her years at UN, WTO, and MFA Finland, Ms Laaksonen has developed M&E systems and ToCs/results frames and commissioned evaluations and prepared management responses.



### **Dr Phung Duc Tung, Senior Evaluator**

Dr Phung Duc Tung has over 20 years of experience working in development and poverty reduction in Vietnam. His research areas focus on poverty reduction, socio-economic development for vulnerable groups, social welfare and sustainable development. With a strong background in econometrics, policies and programs evaluation, and research tools design and implementation, Dr Tung has led numerous international and national studies which incorporated a variety of research and evaluation methods (such as quantitative surveys, in-depth interviews, focus group discussions, etc.). Studies conducted by Dr Tung and his team have provided many essential policy recommendations on supporting the vulnerable groups such as women, ethnic minorities, the poor, and the disabled in various fields, from economic, social, and environmental development to private sector and trade development.

### **Maria Kontro, Emerging Evaluator**

Maria Kontro has 12 years of experience working as an advisor, project manager and consultant mainly for international organizations, including UN offices, the European Commission and the World Bank. Her key focus area is to create connections between disaster risk reduction, climate change and sustainable development, as well as to combine them with people-centred methodologies on gender and inclusion. Maria has worked with several large projects and global initiatives related to the private sector role in development and disaster risk reduction. She has also conducted research on these topics. Maria is a Finnish national. She holds an MSc in Development Geography and Global Political Economy and over 30 specialization courses on her areas of work.

### **An Ngoc Hoang, Research Assistant**

An Ngoc Hoang is an emerging young anthropologist and advocate for LGBTQI+ rights in Vietnam. She has more than 5 years of experience working with the LGBTQI+ community, particularly with transgender people, in conducting research on the topics of stigma and discrimination, healthcare and transition rights, and policy advocacy for equal marriage rights in Vietnam. She is currently the lead researcher of It's T Time - a transgender-led community-based organization in Hanoi, Vietnam.

### **Pirkko Poutiainen, Evaluation Management Services (EMS) Coordinator**

Pirkko Poutiainen, is a senior development cooperation practitioner with extensive experience in evaluation (especially related to MFA Finland), working with multilateral organisations (such as the World Bank) and gender equality. She is also an expert on Finland's development cooperation.

### **Ian Christoplos, Quality Assurance**

Ian Christoplos is an international development evaluator, consultant and researcher with more than 30 years of international experience with a strong focus on capacity development. His sectoral background is in rural development, policy research, humanitarian response, disaster risk reduction and a range of issues impinging on the humanitarian-development nexus. Ian has provided Quality Assurance to over 200 evaluations, most in his current role as Director of a Framework Agreement for Sida Reviews, Evaluations and Advisory Services. In this role, he also provides regular input during the evaluation process and outputs, on method and approach, to ensure that evaluation assignments are aligned with OECD/DAC and Sida requirements and maintain a high quality.



He has conducted over 40 evaluation and research assignments and is credited with close to 100 publications to date. His assignments have included collaboration with a range of bilateral agencies (Sida, Danida, SDC, DFID, GTZ, Netherlands Foreign Ministry, etc.), UN agencies (OCHA, FAO, UNDP, UNEG), the World Bank, the Red Cross and various research institutes. The scope of his work as a professional evaluator extends to a variety of fields, including complex evaluations of country programmes and global programmes.



*Photo: Florian Wehde*

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