



INTERNATIONAL LABOUR ORGANIZATION

FINAL – INTERNAL PROJECT EVALUATION

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Evaluation Manager	
Evaluator	Le Duy Binh, Economica Vietnam
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Other project partners:	Vietnam Cooperative Alliance (VCA) Vietnam General Confederation of Labour (VGCL) State Bank of Vietnam (SBV) Ministry of Finance (MOF)
Project Budget:	Total: 375,840 USD CORDAID: 272,677 EUR (approx. 349,596 USD) ILO: 26,244 USD

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LIST OF ACRONYMS AND ABBREVIATIONS

ADB	: Asian Development Bank
BDS	: Business Development Services
CECEM	: Centre for Community Empowerment
CPRGS	: Comprehensive Poverty Reduction and Growth Strategy
FPW	: Thanh Hoa Fund for Poor Women
MLF	: Microfinance Loan Fund
IFAD	: International Fund for Agricultural Development
IFC	: International Finance Corporation
ILO	: International Labour Organisation
INGO	: International Non-Governmental Organization
MACDI	: Microfinance and Community Development Institute
MFI	: Microfinance Institution
MFWG	: Microfinance Working Group
MoF	: Ministry of Finance
MOLISA	: Ministry of Labour, Invalids and Social Affairs
ROSCA	: Rotating Savings and Credit Association
SBV	: State Bank of Viet Nam
PSC	: Project Steering Committee
TA	: Technical Assistance
ToR	: Terms of Reference
TYM	: Tinh Thuong Fund (the first MFI which is formalized)
VBARD	: Viet Nam Bank for Agriculture and Rural Development
VBD	: Vietnam Development Bank
VBSP	: Vietnam Bank for Social Policies
VBCP	: Vietnam-Belgian Credit Project
VCA	: Vietnam Cooperative Alliance
VFU	: Viet Nam Farmer's Union
VGCL	: Vietnam General Confederation of Labour
VND	: Vietnam Dong
VWU	: Viet Nam Women's Union
WB	: World Bank

I. BRIEF BACKGROUND ON THE PROJECT AND ITS LOGIC

Under the National Cooperation Framework on Promoting Decent Work in Viet Nam signed by representative of the Socialist Republic of Viet Nam and the International Labour Office, the Bureau of Social Protection of the Ministry of Labour, Invalids and Social Affairs is implementing the Microfinance Support Programme with the technical assistance of the ILO and the financial support of CORDAID.

ILO has supported Vietnam Microfinance Sector since 2003. Since then, ILO has provided many technical support to the sector at different level. At micro-level, ILO has delivered a wide range of training programmes for microfinance practitioners. ILO also supported microfinance institutions to pilots new savings and microinsurance products. At meso-level, ILO collaborate with Vietnam Microfinance Working Group – the national network of Vietnamese MFI to promote and strengthen the sector development. Over the period 2006-2008, ILO has implemented the project “Reducing vulnerability of low income households through sustainable microfinance services in Vietnam” with two main areas: (i) risk management financial services development and (ii) strengthening the capacity of microfinance and policy makers. The project had achieved some key achievements in piloting new products in microinsurance and also provide trainings to different stakeholders.

The Microfinance Support Programme aims at improving accessibility of about 150,000 low income households to diversified, sustainable and affordable financial services. This programme follows a sector development approach with its focuses on strengthening institutionalized capacity of Microfinance Institutions (MFIs) and training institutions, and promoting the diversification of microinsurance and savings products in Vietnam.

1. Objective

The overall objective of the project is **“To improve low income household’s access to microfinance services, including savings facilities and microinsurance”**.

The project aims at the following specific objectives:

1. Improved outreach and impact of microfinance institutions through professionalized governance, management and operations in accordance with Decrees 28 and 165;
 - 1.1. Enhanced capacity of local training providers to deliver training programmes that respond to the needs of microfinance organizations
 - 1.2. Improved access of microfinance practitioners to relevant training through a voucher training system

- 1.3. Enhanced capacity of the Microfinance Working Group to represent and deliver services to microfinance institutions
2. Improved access of low-income households to savings products;
 - 2.1. New savings products developed and implemented through technical support to institutions for product innovation
 - 2.2. Knowledge on savings products shared and lessons from product innovation documented and disseminated
3. Improved access of low-income households to affordable insurance products.
 - 3.1. New microinsurance products and delivery models developed and implemented through technical support to institutions for product innovation
 - 3.2. Knowledge on microinsurance and delivery models shared and lessons from product innovation documented and disseminated.

2. Target groups

In terms of target group, the ultimate beneficiaries are 150,000 low-income households in Vietnam. The direct beneficiaries of this project are:

- at least 2 microfinance institutions that will receive technical assistance to offer savings or microinsurance services to their clientele,
- at least 2 insurance companies or other organisations that deliver microinsurance products to low-income households,
- the Microfinance Working Group that will be supported in the organization of training courses and advocacy on behalf of its member microfinance institutions,
- more than 100 microfinance practitioners who will participate in training courses, improving their operational and financial management.

3. Partners and stakeholders

The main implementing agency is the Ministry of Labour, Invalids and Social Affairs (MOLISA), Bureau of Social Protection

The Project Steering Committee (PSC) include representatives from the following agencies:

- Vietnamese General Confederation of Labour (VGCL)
- Vietnam Cooperative Alliance (VCA)
- State Bank of Vietnam (SBV)

- Ministry of Finance (MOF)

The project is executed financially and administratively by the ILO Office, and implemented in collaboration with MOLISA, directly with Bureau of Social Protection (BSP).

The PSC is mandated to provide guidance to the implementation of the project. The PSC members meet twice a year to review project implementation and provide policy guidelines and coordination among all institutions and groups involved in the project. The project also partners with different institutions in the sector, such as Microfinance Working Group, Thanh Hoa Fund for Poor Women, Hai Phong Microfinance Loan Fund, Central Women Union, to provide technical assistance to their services.

4. Project budget

The total budget of the Project is \$375,840, of which \$349,596 is funded by CORDAID and \$26,244 by ILO.

II. PURPOSE, SCOPE AND CLIENTS OF EVALUATION

As the project comes to end in December 2011, an evaluation of the project performances in all key development aspects, such as relevance, validity, sustainability and impact is necessary.

1. Purpose of the evaluation

The evaluation assesses whether the project has achieved its immediate objectives. It includes consideration of whether the means of action have made contributions toward achieving relevant Viet Nam's DWCP outcomes and national development strategies. The focus is also be on assessing the emerging impact of the interventions (either positive or negative) and the sustainability of the project's benefit and the local partners' strategy and capacity to sustain them. The evaluation also looks at strengths and weaknesses, opportunities and challenges and any external factors that have affected the achievement of the immediate objectives and the delivery of the outputs. The evaluation also tests underlying assumptions about contributions to a broader development goal.

2. Scope

The final evaluation takes into account all interventions, geographical coverage, and the whole period of the project. The final evaluation takes into consideration the following benchmarks: (i) Viet Nam Decent Work Country Programme; (ii) Relevant, current country priorities and strategies.

The evaluation revisited the project design, examine the planning process and agreed implementation strategies and the adjustments made, the institutional arrangements and partnerships, sustainability - all this with due account of the constantly and rapidly changing national and local situations.

3. Clients

The principal clients for this evaluation are the project management, ILO constituents and partners in Viet Nam, ILO Hanoi and the project donor (CORDAID)

III. METHODOLOGY

To implement the evaluation, the following methodology has been used:

- Review of all relevant documentations, literature, reports.
- Meet with the project team and consult with relevant staff of ILO Viet Nam.
- Meeting with members of the Project Steering Committee.
- Interview with beneficiary and other implementation agencies in Hanoi: the Vietnam Women's Union, the MFWG, MACDI, CECM, etc.
- Field trips to all of the project pilot sites including Thanh Hoa, Phu Tho and Hai Phong and conduct interview/focus group discussions with the Women's Union, the Hai Phong MLF, the Thanh Hoa FPW, with micro insurance policy holders (life and non-life insurance in Hai Phong and Phu Tho, clients and non-clients of voluntary saving scheme in Thanh Hoa FPW...). 95% of the persons interviewed are women¹.
- Presentation of initial findings and recommendations at a PSC workshop. This allowed the key findings and key recommendations to be verified by the key stakeholders.
- Draft the report.

IV. EVALUATION OF THE PROJECT

1. Relevance and strategic fit

1.1. The needs identified at the outset of the project are still relevant

The development needs identified at the outset of the project are still highly relevant. The needs for capacity building, improving the supply side and demand side of the microfinance training and capacity building markets, strengthening the outreach of MFIs, improving access of low-income household to saving products and insurance products and other non-credit financial services are still ranked high in the draft

¹ Please see the list of people interviewed in the Annex.

National Microfinance Strategy. Representatives of the State Bank of Vietnam, the Ministry of Finance, MOLISA and other members of the project steering committee show their appreciation of the relevance of the project to their work priority.

With the vision for a sustainable microfinance sector, this programme has supported the training of trainer in order to provide more trainings for MFIs. In order to transform from NGOs, Social Funds to a registered MFIs, the capacity building is crucial for each MFI for their formalization process and to ensure their sustainability in the long run.

The project is also relevant to Vietnam since it introduces a broader concept of microfinance in Vietnam. Microfinance is not just microcredit. The poor and low-income households need a diversified financial products, therefore savings and microinsurance are in need. Since, microinsurance and savings are relatively new to Vietnamese microfinance sector, the project has bridged the knowledge gap and market gap by providing trainings and technical assistances to microfinance institutions to partner with insurance companies to introduce microinsurance products to clients.

Recognizing the great potential for growth and impact for women and their families in the low-income market, the programme has been actively supporting the introduction and improvement of microinsurance and savings products. It supported the market research, product design, communications, and capacity building for staffs of MFIs and insurance companies. These interventions are quite important for the expansion of these products to more poor and low-income clients. With the support from this project, there are more low-income households has access to affordable savings and insurance products.

In the endless effort to advocate for an enabling environment for microfinance, this programme has important support to the Vietnam Microfinance Working Group (MFWG) to strengthen the network capacity in order to fully represent the sector to the government agencies, donors and investors. It also strengthened the capacity of the MFWG's training committee to guide training need assessment, facilitate the adaptation of training materials and broker training delivery.

1.2. Contribution to the national development framework

The formulation of this project was based on the achievements of ILO's previous projects supporting Vietnam Microfinance Sector. Overall, it is highly relevant with national priorities in microfinance development. Especially the project has a strong link to National Plan and Strategy for Microfinance Sector in Vietnam. The Government of Vietnam (GoV) has drafted the National Microfinance Strategy and it is supposed to be approved by the Prime Minister by the end of this year. This strategy is important for the development of the sector in the next decade. It will support the growth and formalization of microfinance institutions by creating a better

environment. The programme of ILO is one of many efforts that strongly links to the national microfinance strategy. The project suited quite well with national strategy for microfinance in Vietnam. It has been very successful in responding to current microfinance challenges and addressing national problems. It has improved the outreach and impact of microfinance institutions through professionalized governance, management and operations in accordance with Decree 28² and Decree 165³. It has strengthened the capacity of training centres, microfinance organisations and free-lance trainers to deliver microfinance training programmes. The adaptation of existing resources (MicroSave, CGAP, and ILO) to comply with legal requirements are very importance for the best practices in microfinance to be replicated in Vietnam.

By strengthening the capacity of microfinance institutions in order to provide more inclusive financial service, this programme has indirectly contributed to the effective implementation of National Plan for Social Security. The savings and microinsurance products supported by this programme has helped thousands of poor and low-income women and their families to reduce their vulnerability and risks. Having access to financial services provided by microfinance institutions is to ensure the social security for poor and low-income households in rural area. The third outcome of this programme “*improve access of low-income households to affordable insurance products*” has contributed significantly to the Social Insurance Law by providing access to insurance services for poor and low-income households. It also created the partnership-agent model between microfinance institutions and insurance companies to provide suitably-tailored products to the demand.

1.3. Its contribution is fit with the objective of the Decent Work Country Programme

The project has contributed to following outcomes of the Decent Work Country Programme:

- *VNM127: Effective formulation and implementation of local strategies for pro-poor employment intensive economic development and sustainable enterprise development.*

By supporting microfinance sector development, ILO has indirectly created economic opportunities for women in rural areas to improve their living and working conditions. This project has played an important role in strategic approach to a more decent work for Vietnamese women by promoting women’s entrepreneurship. With access to financial services such as microcredit, savings, and microinsurance, women in low-income households have a chance to start up their micro and small businesses. By

² The Prime Minister’s Decree No. 28/2005/ND-CP on the Organization and Operation of Microfinance Institutions in Viet Nam

³ The Prime Minister’s Decree 165 NĐ/CP/2007 on the revisions to the Decree No. 28/2005/ND-CP.

supporting microfinance institutions to provide these financial services to the poor, this project has contributed significantly to the DWCP by promoting local economic development process for employment creation and poverty reduction.

- *(VNM 151) National capacities strengthened and knowledge gaps closed for the effective implementation of the National Plan for Social Security and the Social Insurance Law;*

Since microfinance best practices are quite new to both Vietnamese government officials and practitioners, this project has shorten the knowledge gaps in microfinance for the effective implementation of the Social Insurance Law and the National Plan for Social Security⁴. As such the project is helpful in narrowing this gap. The training of trainer (TOT) activity implemented under the project will contribute to the replication of knowledge and best practices to other indirect beneficiaries, e.g. policy makers in the micro insurance and microfinance sectors, MFI, microfinance clients, etc.

The first outcome of this programme “*Improved outreach and impact of microfinance institutions through professionalized governance, management and operations in accordance with Decrees 28 and 165*”, has continually expanded the ILO’s effort on capacity building in microfinance.

1.4. Link to the Millennium Development Goals (MDGs)

In an effort to contribute to the achievement of the MDGs, the project focused its efforts on the first goal: “Eradicate extreme poverty and hunger” and with the third goal: “Promote gender equality and empower women”.

By supporting microfinance institutions to increase their outreach and to diversify their products (saving and microinsurance), the project has contributed to the achievement of the first goal by eradicating extreme poverty and hunger. However, the achievement is still limited since the microfinance institutions which are beneficiaries of this programme still have a limited outreach in Vietnam and have scattered operation areas.

By promoting greater access to financial services for low-income households, the programme has played an important role in promoting gender equality and empower women. Most of the clients of microfinance institutions participating or benefiting from this programme are women. With greater access to financial services to start up or strengthen their micro enterprises, to save for emergencies or future needs, to protect themselves against risks in their daily lives with insurance, women are building their assets and getting more and more power in the decision making process

⁴ Refer to Chapter 2 of the draft National Strategy on Social Security between 2011-2020, Section 5 – Solution.

in their families and their communities. The programme has thus contributed to the change in awareness about the role of women in economic development.

2. Validity of Design

In general, the design of this project is valid since it was designed to continue the ILO's supports and achievements in the Vietnam microfinance sector. The project document did quite well in summarizing ILO's past achievements in supporting microfinance. However, description of the current status, challenges and problems of the Vietnam Microfinance Sector should have been deepened to highlight the issues which the project aimed at addressing.

Overall, the design of the project is highly logical. In terms of concept, it endeavours to introduce savings and micro-insurance products – important elements of microfinance which had rarely been addressed in other microfinance projects, mostly focused on microcredit.

The design of the structure and sequence of the interventions and activities are logical and coherent ensuring the complementarity between them. For example, under the project, training and capacity were organized to improve the capacity for both practitioners, trainers and market researchers. The local trainers who were trained on market research and product development at the beginning of the project had the opportunity to acquire further practical knowledge by conducting market research work, and contributing to product developments under the technical support of ILO. More importantly, the results of market research and products development – important outputs of the project – were really put into use. In reality, micro-insurance products (non-life insurance in cooperation with Aviation Insurance Company in Hai Phong, life insurance products in cooperation with Manulife) and saving products in cooperation with Hai Phong Fund for Women Poor were all implemented. The linkage and sequence between different activities and interventions under the project is one of the prominent strengths in the design of the project.

Voucher programmes are good approach in improving capacity in microfinance. They has been implemented successfully by ILO in other countries, both in the microfinance and in other sectors, e.g. skills and business training. However, the introduction of the voucher scheme might be premature in the Vietnamese context. There are too few qualified microfinance training service providers available in the market. This is an important factor that the project document did not take sufficiently into account.

Finally, there is a clear mismatch between project expected objectives, outcomes and indicators with the allocated resources and implementation timeframe of the project.

In terms of project partner, MOLISA is not the ideal partner for a microfinance project as they do not have expertise in microfinance and microinsurance. However, as microfinance and micro-insurance is increasingly becoming important element in the social protection schemes and programs of the government⁵, the Social Protection Department of MOLISA is therefore relevant partner from this respect. Additionally, the ministry is the key partner of ILO in the tripartism in Vietnam and therefore there is a good opportunity that sustainable micro-finance and microinsurance policies be reflected in social protection policies, regulations which are mostly drafted by MOLISA. It is important that direct support, like the one provided under the project, be provided to MOLISA so they will shift their mindset from subsidized credit and microfinance programme to sustainable microfinance and microcredit programmes in strategies, policies, regulations formulated by the ministries.

The Department of Social Protection is highly relevant to introduce accessibility to finance as part of the wide social protection programme of the Government, it is understood that the department lack expertise and experience on microfinance and on technical knowledge. To address this constraint, other important players in the microfinance sector, e.g. the State Bank of Vietnam (SBV), the Ministry of Finance (MOF) were designed to be members of the project steering committee. As such, the partnership set-up help to address the constraints of the Department of Social Protection lacking expertise on microfinance and micro insurance.

In addition, there are few activities which were designed to be implemented by SBV or MOF – important players in formulating the regulatory and policy framework for microfinance in Vietnam, especially when it comes to new initiatives like micro savings and micro insurance. The programme should have planned that SBV and MOF play the role of implementer of such activities as sharing the lessons learnt, good practices – which have been successfully generated under the project – to a wider community. SBV and MOF are in a very good position in sharing these lessons learnt. Especially these lessons learnt or practical issues in the implementation of the project, especially those related to micro saving, micro insurance, formalization of MFI, strengthening the capacity of the microfinance training and capacity market. Though SBV and MOF are already members of the project steering committee, their direct implementation of one or two activities, especially those related to sharing of lesson learnt, policy advocacy, etc, could have brought about larger results and impacts of the project.

The indicators used to measure the achievements of the project are highly relevant and clear. They are very useful to track the progress of the project and its achievement. Project implementation partners have been using the indicators to monitor the implementation of the project. Nevertheless, it should be noted that some of the project indicators are ambitious and unrealistic given the scale and scope of the

⁵ Please refer to the Draft National Strategy for Social Protection between 2011-2020.

project, especially given its very limited implementation timeframe. Examples of these unrealistic indicators include:

- MFWG successfully transformed into the Vietnam Association of MFIs with membership of the Vietnam Banking Association (Indicator 1.5).
- Number of low-income households benefiting from sustainable microfinance services (baseline: 300,000, target: 350,000) (Indicator 1.6)

In terms of promotion of gender equality, the indicators also provide adequate guidance to monitor gender development issue in the monitoring and evaluation process.. Overall, the project document provided an adequate guidance on how the intervention would address the relevant gender issues amongst the target group. In most of the activities, the indicators always set to have at least 50% of the participants or beneficiaries are women.

Overall, the design of the project is good as it is logical, coherent and relevant. Most of the interventions and activities are relevant to the context of microfinance industry in Vietnam and meet the development needs. However, the evaluation team is of the opinion that the project design could have been better if the above-mentioned constraints, especially the ones related to resource constraints and ambitious targets as mentioned above, had been addressed.

3. Project Progress and Effectiveness

3.1. Project Progress

This section focuses on the progress of the project as of December 2011. In general, the project has achieved the three objectives of the project. This is demonstrated by the fact that most of the indicators under the three components of the project have been achieved. Below is the description on the achievements of the project indicators:

a. Objective 1: Improved outreach and impact of microfinance institutions

The expected outcome is *“Improved outreach and impact of microfinance institutions through professionalized governance, management and operations in accordance with Decree 28 and 165”*.

This objective has been partially achieved as certain indicators have not met their target. The design of this training component was successful in reaching more than 1,147 participants in training courses on micro-insurance and microfinance, delivered by international and national experts. Some of the training were provided directly by the project and some others were delivered by partner-MFIs involved in product development. The component has identified 2 training institutions (CECEM and MACDI) as key microfinance training suppliers for the market.

MFIs has contributed at least 40% of the training costs. MFIs contribute to 41% of the costs for the TOT workshop for the ILO training “Making Microfinance Work – Managing for Improved Performance”. Thanh Hoa Fund for Poor Women (FPW) contributed 34% of the costs to the piloting innovative savings products, where training for capacity building is an integral part of the process. Hai Phong MLF contributed 48% of the costs of the provided training courses. This is very important for mind change in MFIs since they are very dependent on subsidy for trainings for staffs.

There were 2 TOT training courses organized by the programme. TOT training on “Market Research for Product Development”⁶ was delivered in October 2010 in Hanoi. In order to promote further the microfinance training market, MicroSave was invited to accredit internationally selected Vietnamese trainers who participated in the TOT organized in October 2010. MACDI expressed interest in the certification process and with assistance of the project, will be applying the tools in practice with off-site technical assistance from MicroSave. After the TOT, the staff and consultants from CECM and MACDI formed three groups to provide technical assistance on product development. Technical assistance was given to three institutions selected to develop or upgrade their savings and microinsurance products under the project support. The three institutions include Thanh Hoa Fund for Poor Women, Hai Phong Microfinance Loan Fund and the Vietnam Women’s Union.

TOT training on “Making Microfinance Work: Managing for Improved Performance” was introduced in May 2011 together with a new certification process. The 3 phases of the certification process were delivered until November 2011. 6 Vietnamese trainers are expected to be certified. The requirement for the Vietnamese trainers to become certified includes the organization of at least 1 training course on “Making Microfinance Work: Managing for Improved Performance”. This requirement seems unrealistic in Vietnam, since ILO has organized 5 training courses on this topic. The time frame (2 weeks) for this course is too long for staff of any MFIs. Feedbacks from participants suggested a division of this course into short modules with more local case studies.

However, some activities included in this outcome were not fully successful. The project aimed to design and introduce a voucher training system however it could not succeed. . There were many reasons for the non-realization of the voucher system. The frequent changes in staff and management of the MFWG were another factor that impeded the implementation of the voucher programme. The idea of voucher system for training has been implemented quite well by ILO in different countries, however, it does not work in Vietnam for some objective reasons.

⁶ The course is by MicroSave.

The project made different efforts to launch the voucher programme. Together with MFWG, it tried to reach out to many MFI and credit and saving schemes to promote the programme. However, the efforts were not successful due to both demand and supply problems. The training market in Vietnam microfinance sector is underdeveloped, there are only two training institutions which explicitly market themselves are offering training course on microfinance and their capacities are limited. The design of voucher system was based on the expectation that the sector would grow faster after the issuance of Decree 28, however till November 2011. However, the strong growth of the sector did not happened. To date, only one microfinance institution (TYM) has been registered with SBV.

The voucher programme was then modified by offering scholarship to 15 people, enabling them to training course organized under the programme.

In terms of microfinance curricula in Vietnamese language available for training delivery, the two training packages (Market research and product development & Making Microfinance Work: Managing for Improved Performance) were revised and/or updated. Two training materials (Financial Education for Savings & Financial Education for Insurance and Risk Management) were developed by partner-MFIs to support their savings and microinsurance innovations. These two materials are translated into Vietnamese based on Microfinance Opportunities' financial education materials and they were added local case studies. In addition, the project supported the revision of 6 other training curricula. In total, 8 training curricula were developed or updated – which is lower than the target of 10. However, this is reasonable due to the fact that at the same time with the project, the ADB' Microfinance Formalization Project is supporting the development and delivery of a wide range of topic. Therefore, the project decided to work in coordination with the ADB project instead of developing new training curricula. This is a well-founded and right decision.

The target that *“MFWG successfully transformed into the Vietnam Association of MFIs with membership of the Vietnam Banking Association”* have not been met fully. According to prevailing laws and regulations on business association, in order for an association to be established, there should be at least 11 legally registered members. Until now, there is only one MFI that has been officially formalized with legal status. As such, it is not feasible for the FMWG to transform itself into a business association to act as a representative body/ advocacy agency of the MFI. However, the Group has made important progress by transforming itself into the Microfinance and SME Resource Consultancy Centre under the Vietnam Association of SME. The Project contributed actively to the charter of the Centre and advised on the procedures and steps for its establishment. The centre has an independent legal status. As such, this indicator is partially achieved.

Under the project, approximately 146,000 low income household have been benefited from the project (24,000 in Hai Phong, 10,500 in Thanh Hoa and 112,000 in 13 provinces under the cooperation with Manulife). The majority of these households are

indirect beneficiaries. This is still below the target of the project of reaching out to 350,000 – a very ambitious target given the available resources and timeframe of the project.

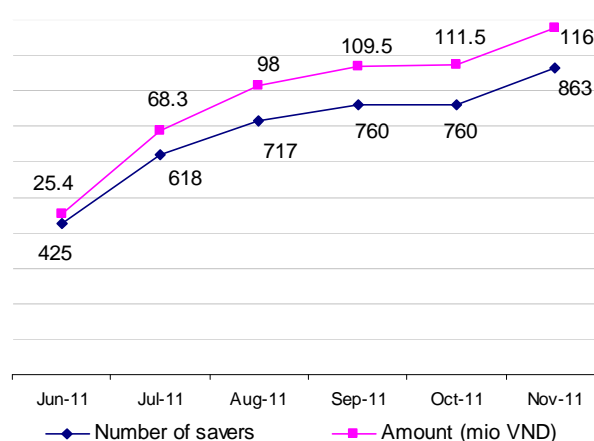
b. Objective 2: Improved access of low-income households to savings products

The support priorities were well-selected to support the innovation, introduction and improvement of savings products to poor clients. The programme had a very good design in term of ensuring the documentation and sharing of results of pilot tests and experiments on savings through a national workshop with the participation of service providers and other stakeholders.

The design and implementation of the project with regards to introduction of saving products is one of the most distinguishing features under the project. There is a strong linkage and synergy between the support and intervention: in class training – on the job training – market research – product development – product testing and launch. After the TOT training on “Market Research for Product Development” delivered by MicroSave in October 2010 in Hanoi, the staff and consultants from CECM and MACDI was formed into three groups to provide technical assistance to 3 MFIs on product development.

Thanh Hoa FPW was the institution which adopted and launched the voluntary saving product and has achieved good results. Please refer to the table below:

Growth of voluntary savers and amount of savings by using the product developed with support from the Project in Thanh Hoa FPW



Source: *Thanh Hoa Fund for Poor Women*

The project aim at 4 institutions explicitly marketing and providing savings facilities (excluding compulsory savings) to low-income households while the target was 4. This indicator is obviously unrealistic. The project approach of focusing one

microfinance institution to launch the saving products, trying to do it well and market it to other institutions has been a good and reasonable decision.

In practice, with the support from the programme, Thanh Hoa FPW has explicitly marketing and introducing its saving product and lessons learnt to 8 other microfinance institutions through workshops, meeting, and experience sharing, exchange events. With financial and technical support from the programme, promotion activities, such as printing leaflets and brochures, communication on public loudspeakers on savings products were organized in the FPW with technical assistance from the project. In the framework of technical support to the FPW, a TOT training on financial education was delivered by a certified Vietnamese trainer. As a result, 5 local trainers graduated and certified among 15 participants, ready to provide training both in-house and public courses on savings education. The roll-out training courses (24 courses) were conducted to 935 clients and their families in Thanh Hoa province.

The lesson learnt from the implementation of programme in Thanh Hoa FPW is quite important for the replication of this pilot in other organizations.

On the priority on co-investment in technology, a software on credit and savings management has been developed by a local software company and co-financed by the FPW itself, this programme and ADB project.

The indicator *“Number of institutions familiar with lessons learnt on the delivery of flexible savings facilities to low-income households (baseline 0, target 12)”* was not very clear to measure the “familiarity” of institutions with the lesson learnt. Because the “familiarity” is totally different with the “participation” of institutions in national sharing workshop. It is unrealistic to be familiar with savings facilities within 1 or 2 day workshop.

c. Objective 3: Improved access of low-income households to affordable insurance products.

Micro-insurance is a relatively new concept in Vietnam. However, few other international projects which are active in microfinance had focus on the introduction of micro-insurance to rural people and to low-income households. The design of the micro-insurance as one of the objectives is plausible and highly relevant in Vietnam.

The project selected to fund 2 from 6 proposals submitted from insurance companies, MFIs, semi formal MFIs, mass organizations. Two selected proposals were from Hai Phong Microfinance Loan Fund and Women’s Union Microinsurance Model in partnership with Manulife Life Insurance Company. To provide technical assistance, two technical teams consisting of senior consultants of CECM and MACDI was assigned to support these two institutions in terms of market research and product improvement processes. Three TOT training courses facilitated by local certified

trainers on microinsurance, and risk management were delivered to both part-time and full-time staff of the MLF in Hai Phong city. Four training courses on premium collection and claims settlement in partner-agent model were delivered by the local trainers, facilitated by the staff of MLF and Aviation Insurance Company.

The objective set for micro-insurance under the project is achieved with most of the indicators being met. The project succeeded in supporting two new institutions in explicitly marketing and delivering micro-insurance to low income households. Under the support of the project, the micro life insurance was further revised to meet the needs of low-income households. As of November 2011, 4,695 people already purchased life insurance products offered by Manulife in Phu Tho (implementation by the Vietnam Women's Union). The products were further developed and replicated in 13 provinces in Vietnam, reaching 112,000 low-income households - a significant number in terms of replication and outreach.

The Vietnam Women's Union (both at the central level and in Phu Tho and Hai Phong) have made efforts to share lesson learnt at different events and workshop.

In order to raise the awareness for government officials on microinsurance, a study tour to India was conducted in April 2011 to learn about different microinsurance models and legal framework for insurance development in favour to low-income households. Members of the study tour were rightly selected, including representatives of key government agencies related to insurance industry such as Ministry of Finance (Insurance Department), SBV, MOLISA, VGCL and VCA participating in the study to Madurai (India). Members of the study tour expected that the study tour should be focused more on microinsurance policies. There were not sufficient time for the members of the study tour to discuss on policy and regulatory issues. Additional suggestions by the members include visits to other countries with learning focus on policy and regulatory framework on microinsurance.

In September 2010, a national workshop on microinsurance was organized to raise awareness for policy makers and key actors on the needs/opportunities of developing/stimulating microinsurance market for low income people and emerging microinsurance innovations of different organizations in Vietnam and the Philippines.

With support from ILO, MOLISA and MOF co-chaired a microinsurance forum on 15 December 2011. The forum discussed mutual benefit associations which have been implemented in 7 provinces covered by M7 and by TYM. Aiming at broadening the impact of the project, lesson learnt under the micro-insurance component of the project was also be shared and disseminated at the forum.

For details on the achievement of the project indicators, please refer to Annex 1 of the report.

The results and achievements as described above show that the project has been effective in delivering the outputs and outcome under many constraints, particularly in terms of available resources and implementation timeframe. The cost and effectiveness relation is highly positive under the project.

However, limited resources and implementation timeframe also menaces the effectiveness of the project in some extent. Some of the early outcomes and achievements of the project are very nascent which need further support. Too early ending of support might be too premature for the some of the results.

4. Adequacy and efficiency of resources uses

4.1. Efficiency of resource use

Given that many indicators have met its target and project objectives have mostly been achieved and that the efforts have been made by the project in sustainability and scaling up (especially as in the case of micro-insurance product and saving products), the project has proven to be highly efficient in the use of resource. Though it is not a big budget project, the project could potentially reach hundreds of thousand of low-income household across the country.

Its activities and interventions are supplementary to each other and are in good synergy. There is a strong linkage between training activity, market research, product development, testing and launch of products, institutional capacity of MFI and the MFWG, etc. Such a synergy has contributed to improving the efficiency in resource use under the project.

The project has also made good efforts to collaborate with other projects and development. Its decision not to further develop training curriculum but to work in coordination with the ADB Microfinance Formalization Project is an example.

Besides, the project's decision to focus on supporting one MFI to explicitly market saving product and trying to do it well (similar to the case of micro-insurance product) is a very good decision from the perspective of maximizing the use of the project very limited resources.

In conclusion, our findings indicate the project was implemented efficiently under the circumstances. Good efforts have been made to establish coordination and collaboration with other projects, with some good results.

4.2. Adequacy of resources uses

Our findings were that the project budget is very limited as compared with its objectives, indicators and scope.

Some of the partners mentioned that the budget was inadequate, thus affecting the quality of their activity. For example, due to budgetary constraints, the room for training courses organized by MFWG were not in the ideal conditions. It was extremely difficult for them to find and pay for good translators/ interpreters – an extremely important element of the training courses.

The resources (both in terms of time and finance) were obviously not sufficient to achieve some of the very ambitious indicators of the project.

5. Effectiveness of management arrangement

The PSC is consisting of representatives from different agencies including Ministry of Labour, Invalids and Social Affairs (MOLISA), and with representatives from the Vietnam Cooperative Alliance (VCA), and the Vietnam General Confederation of Labour (VGCL), the State Bank of Vietnam (SBV), and the Ministry of Finance (MOF). The PSC is also open for donor participation in order to create synergies with their programmes in Vietnam. Department of Social Protection, MOLISA as the representative of Government of Vietnam had established a Project Coordination Unit (PCU)

Members of the PSC and PCU contribute actively to project implementation and activities. With members from different ministries and agencies, the PSC also contributes to idea exchange and sharing of lesson learnt under the project.

Under the supervision of the Director of the ILO Office in Hanoi, the programme was financially and administratively managed by a National Programme Coordinator with the support of an administrative assistant. The project experience a change in NPC in the middle of the implementation process. There were a smooth hand-over between the two NPCs and the project was still implemented well without any major disruption. However, the change also have some slight effects on the implementation of the project, e.g. the voucher programme.

The management and governance arrangement was suitable and adequate to this programme. The project governance provided good facilitation for results and experience sharing.

Besides, the project team had a good integration in ILO Vietnam to enhance the effectiveness. The programme received technical assistance from different sources.. The programming unit of the ILO Office in Hanoi had provided programming and administrative backstopping to ensure cooperation and synergies between this programme and other initiatives of the ILO in Vietnam, such as on-going projects on women's entrepreneurship development and skills development.

The Social Finance Programme (SFP) in Geneva, the Microfinance Expert in Bangkok, the ILO International Training Center in Turin local consultants and experts had provided technical backstopping. SFP also provided support by establishing the necessary links and synergies between this programme and the Micro-insurance Innovation Facility as well as the global research action programme on “Microfinance for Decent Work”

Since many activities in this project had been implemented by implementing partners, so their roles are critical. In our assessment, implementing partners (namely Molisa, Microfinance Working Group, Thanh Hoa Fund for Poor Women), Hai Phong MLF, National Women Union) has provided adequate support to implement the project effectively. The cooperation with project partners was efficient. Project partners are quite happy with the technical and financial support from this project. They also expected the continuance of this support.

The procedures for the project to be approved and to be officially took too much time, thus reducing the actual time to be spent on project implementation. This has further constrained the limited timeframe of the project. By estimate of the Social Protection Department of MOLISA, the actual project implementation time is less than 12 months, thus affecting negatively the implementation of the project. This is a management issue which should be addressed by both MOLISA and ILO in future projects.

Overall, the project has been effectively managed. National ownership of the project has been strong. The management structure of the project is relevant in the circumstance of the project.

6. Impact Orientation and sustainability

6.1. Impact orientation

Being implemented in less than two years, it is challenging for the project to yield considerable impacts. However, important orientation or “signal” for positive impacts, as some members of the project steering committee put it, have been witnessed.

In a broader level, the awareness and understanding on microfinance has been further improved. Micro savings and micro insurance are increasingly understood as important elements of microfinance. Low income households need these services as they need credit. There is an increasing concern of MOLISA, SBV, MOF and other agencies in promoting the development of these services.

The project has strengthened the capacity of the Social Protection Department of MOLISA in terms of knowledge on microfinance, micro insurance, etc. According to the Department, the project enables them to understand better the link between

microfinance and social protection. In reality, accessibility to micro finance, especially more sustainable microfinance source, has been integrated in different papers, policies on social protection in Vietnam. Better understanding on microfinance can help to improve policy and implementation of policies and regulations on social protection (which are mostly in the realm of MOLISA) in the long-run.

MOLISA, with participation from MOF and SBV, organized awareness raising field trips for government officials under the framework of poverty reduction projects. Field trips took place in Thanh Hoa, Cao Bang. Through the field trips, best practices on sustainable, non-subsidized microfinance were disseminated with the Thanh Hoa FWP being used as an example. The field trips help to improve the awareness and understanding on sustainable microfinance and the importance of avoiding subsidy practices. Important changes in awareness and mindset of policy makers and government officials have been witnessed.

The project also aimed at sharing lesson learnt on the saving products to be possibly replicated for beneficiaries of social protection programmes, e.g. the elderly people through a workshop held in Hanoi on 7 and 8 December 2011, the poor ethnic minority people in a workshop on 20 December (in cooperation with CEMA). This has resulted in important impacts on the policy framework on microfinance services for the social target groups, i.e. ethnic minorities and the elderly.

The strengthening of the microfinance service training and consultancy service providers has contributed positively to the supply side of the training market for microfinance institutions. The six microfinance TOT trainers (to be certified by ILO Training Centre), the training curricula developed under the project, the strengthened capacities of the practitioners, the network between those who participated in the training program, etc. are important asset for the microfinance training market.

The project could now reach to more than 800 savers in Thanh Hoa (in less than five months), and 7,800 insurance policy holders in Phu Tho and Hai Phong. All of these clients are poor women. The products have changed the attitude and mindset of these poor women on savings and micro-insurance. This change in behaviour has resulted in positive impact on their life. For example, poor women in Hoang Hoa, Thanh Hoa disclosed that they are now more prepared for bad times, e.g. in case of sickness or loss of income from the sea due to bad weather. Women insurance policy holder in Hai Phong also said that the insurance makes them feel more secure. These changes and initial signs of impact can reach to a very much larger scale given the fact that the Thanh Hoa FWP is trying to reach out to thousands, even dozens of thousand more savers who are low-income households in Thanh Hoa. Meanwhile, the Vietnam Women's Union and Manulife have been able to reach out to more than 120,000 women in 13 provinces with the life insurance products which were improved with support from the project (as of November 2011). And this expansion will be continued. This is an important indicator for positive impact of the project.

At another level, the project has enabled the Thanh Hoa FPW to strengthen their capacity, diversify their product range and get better prepared for its formalization process. As the Fund is applying to be licensed to become a formal MFI, it needs to introduce saving products and be capacitated in terms of saving management, liquidity management, risks management, information system up-gradation. Initial impacts in terms of institutional capacity improvement are also knowledge by leaders of Thanh Hoa FPW.

However, there is limited indication of impact on the MFWG to become an advocate body of the MFI despite the fact that the MFWG has made efforts to obtain a legal status.

6.2. Sustainability

It is unsound to conclude on the suitability of the outputs and outcomes of the project as the project is just completed after a short implementation timeframe. However, it is strongly believed that many of the project outcomes and outputs hold high potential for sustainability:

The training capacity of training service providers (institutions and individuals) are highly sustainable as many of them are delivering training courses and modules on microfinance and will continue to do so in the future. The improved capacity and the training material, method of training are highly sustainable.

Driven by their motivation of becoming a formalized MFI and by the desire to provide better and diversified services to their members, the Thanh Hoa FWP will definitely sustain and expand the voluntary saving scheme and will seek the permission of the SBV for approval and expansion. From this perspective, the voluntary micro saving product – an important output under the project – is highly sustainable.

Driven by potential commercial interests, it is highly likely that Manulife will further develop the micro life insurance products which had been adapted with support from the project. In reality, the company has been doing so by replicating the products in 13 provinces as of November 2011. As such, the sustainability of this product is high.

Finally, the lesson learnt, the process of product development, etc. which have been documented and shared with many other MFI, international organizations, government agencies, will sustain.

7. Major lessons learnt

There are many lessons that could be learnt from this project. Below are the most important ones:

1. The synergy and complementarity between different activities and interventions of the project is important to improve its effectiveness and efficiency. Under the project, there is a strong synergy and complementarity between different activities and supports, e.g. training – market research – product development – product test and launch – sharing of experience.
2. The decision on piloting the products in one location or with one institution instead of implementing on many institutions (as envisaged in the project document) reflect the importance that flexibility and pragmatism is very important in the implementation process.
3. There should be a logical balance between the project resources (financial, human, time) and the objective and indicators of the project.
4. Working with stakeholders of different level (grassroots, practitioner, meso and policy makers levels) is helpful in terms of policy advocacy. The project has facilitated well the exchange between practitioners, those at the field (e.g. Thanh Hoa FPW, provincial women's union, microfinance training service providers, etc.) with policy makers and national players in Hanoi (e.g. SBV, MOLISA, MOF...).
5. Sharing of experience, exchange events are important to improve the scale, impact and sustainability of project outputs. With saving, micro-insurance products developed under the project being exposed and introduced to other institutions, there is a higher possibility that the products be replicated or similar products be developed by other institutions or in other locations.
6. Cooperating with the private sector/ business sector (e.g. with Manulife) promises a good opportunity for project outputs to be sustainable and to reach a larger scale.
7. For similar project in the future, it is highly recommend that the time spent on project approval procedures be shortened. If this is improved, it can further boost the efficiency and effectiveness of the project.
8. It is recommended that future project designs (of project of similar context) take due consideration of the balance between the resources and the objective and indicators of the project.

V. CONCLUSIONS

Overall, the project has been implemented effectively and efficiently. It has achieved the objective and the majority of the indicators. The project implementation progress is satisfactory despite its short implementation time frame.

The project is oriented well towards the desired impacts. Initial signal of positive impacts have been seen in different levels and in some project intervention areas. There are indications about the sustainability of many of the project outputs.

The management of the project has been efficient and effective. The project has a capable and committed ILO team in place which is implementing the project efficiently. Daily management of ILO Hanoi Office, technical backstopping from ILO Bangkok and ILO Training Centre are highly appreciated by the beneficiaries. Cooperation between ILO Office and national project partners, the project steering committee is smooth. Strong partnerships have evolved between the ILO and the stakeholders.

There is a high level of ownership of the stakeholders over most of the interventions. This is important for effectiveness and efficiency (stakeholders have played a key role in implementation) as well as sustainability.

The design of the project is good in terms of logic and coherence. The outputs, activities and interventions are relevant and are valid with the actual needs of the partners and of the microfinance industry in Vietnam. However, some of the indicators are unrealistic and ambitious.

The main weakness of the project is its short duration and limited resources. There is an obvious mismatch between the project resources, time and some of the indicators of the project. The voucher scheme has proven to be premature in the training market on microfinance in Vietnam.

VI. RECOMMENDATIONS AND POSSIBLE FUTURE DIRECTIONS

Most important recommendations under the project are the followings:

Though there is indication of sustainability of many of the outputs of the projects, most of the outputs are very nascent. It appears to be too early that the support be ended. E.g. there is still need to support further the saving product in Thanh Hoa FFW or the micro non-life insurance products in Hai Phong. ILO and its partners (especially MOLISA, SBV and MOF) should follow-up on this product and provide additional support when needed to improve the sustainability of these products.

Lesson learnt, products developed, practical issues, introduction of savings, micro-insurance as integral part of microfinance etc. should be brought to national forum on microfinance or reflected in government policy and regulation (by SBV, MOF, MOLISA and by ILO).

ANNEXES

Annex 1 – Update of achievements of outcome/ output indicators

Outcome 1

Original Outcomes/output indicators	Performance as of the end of the Project
Number of participants in MF/MI training courses (at least 50% female participation)	1,147 participants in training courses on microinsurance and microfinance, delivered by international and national experts.
Percentage of microfinance training costs covered by MFIs (target 40%)	<p>MFIs contributes approximately 40% to the training courses delivered during the reporting period.</p> <ul style="list-style-type: none"> ➤ MFIs contribute to 41% of the costs for the TOT training “Making Microfinance Work – Managing for Improved Performance”. ➤ FPW contributes to 34% of the costs to the piloting innovative savings products, where training for capacity building is an integral part of the process. ➤ Hai Phong MLF contributes to 48% of the costs of the provided training courses.
Two local training institutions are supported to deliver services in MF sector (target: 2)	Two local training providers (CECEM and MACDI) have been empowered with a pool of national trainers.
Number of Vietnamese trainers capable to deliver training to staff, managers and board members of microfinance institutions (target: 10 of which 50% female)	<p>18 trainers nominated by the institutions have also improved their knowledge and skills on market research and product development, and 9 best trainers (7 women, 2 men) were selected to provide technical assistance for the tests of innovations supported by project component #2 and #3. Three best (all women) among them were selected to follow the standard accreditation process of MicroSave to get certified trainers.</p> <p>6 best candidate trainers (5 women and 1</p>

	<p>man) were selected among 11 to start the phase 2 of the TOT training “Making Microfinance Work: Managing for Improved Performance” in September, 2011. Five of them were accredited as certified master trainers and one as associate master trainer.</p>
<p>Number of microfinance curricula in Vietnamese language available for training delivery (target 10)</p>	<p>8 sets of microfinance curricula developed or revised/updated for training delivery, including: <i>Market Research for Product Development, Making Microfinance Work: Managing for Improved Performance, Financial Education for Savings, Financial Education for Insurance and Risk Management, Microinsurance premium collection and claims payment in partner-agent model, Financial analysis, Transformation for microfinance institutions and Customers Services.</i></p> <p>The activity was implemented in coordination with ADB MFI Formalization Project which invested heavily in training curriculum development.</p>
<p>MFWG successfully transformed into the Vietnam Association of MFIs with membership of the Vietnam Banking Association.</p>	<p>The board of directors of the MFWG decided to transform into Microfinance Consultative Centre under the Vietnam Small and Medium Enterprise Association.</p>
<p>Number of low-income households benefiting from sustainable microfinance services (target: 350,000)</p>	<p>During the reporting period, approx. 146,548 low-income households benefiting from sustainable microfinance services the innovative savings and microinsurance services as follow:</p> <ul style="list-style-type: none"> ➤ 24,048 low-income households in Hai Phong ➤ 10,500 low-income households in Thanh Hoa ➤ 112,000 existing low-income HHs participating in Manulife microinsurance product <p>Microfinance and microinsurance services</p>

	<p>are under the progress of expansion, thus the number of beneficiaries is expected to increase, indicatively as follow:</p> <ul style="list-style-type: none"> ➤ Phu Tho province: 71,431 poor HHs, and 35,194 near poor HHs ➤ Hai Phong City: 31,948 poor HHs, and 24,489 near poor HHs ➤ Thanh Hoa province: 217,191 poor HHs and 120,887 near poor HHs.
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Outcome 2

Original Outcomes/output indicators	Performance as of the end of the Project
Number of institutions explicitly marketing and providing savings facilities (excluding compulsory savings) to low-income households (target: 4)	Thanh Hoa Fund for Poor Women is promoting their innovative savings products to at least 8 institutions.
Number of institutions familiar with lessons learnt on the delivery of flexible savings facilities to low-income households (target: 12)	Participated in the lessons learnt and sharing workshop were more than 20 different institutions, namely: Netherlands Medical Committee, World Vision, Fund for Income Generation, Centre of Supporting the Elderly, etc.

Outcome 3

Original Outcomes/output indicators	Performance as of the end of the Project
Number of institutions explicitly marketing and delivering microinsurance to low-income households (target: 5), reaching at least 5,000 new clients	<p>The Hai Phong MFL and National Women's Union are marketing and delivering microinsurance to poor women and their family members.</p> <p>Lessons learnt and knowledge on microinsurance products were disseminated at a national workshop.</p>
Number of institutions familiar with lessons learnt on the delivery of flexible savings facilities to low-income households (target: 12)	Participated in the lessons learnt and sharing workshop were more than 20 different institutions, namely: Netherlands Medical Committee, World Vision, Fund

	for Income Generation, Centre of Supporting the Elderly, etc.
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Annex 2 – List of people interviewed

	Name	Position
Hai Phong		
1.	Nguyen Kim Anh	Chief Accountant, Hai Phong Microfinance Lending Fund
2.	Pham Tuyen Duong	Vice Chairman, Hai Phong Women's Union
3.	Nguyen Thi Huong	Credit Officer, Hai Phong Microfinance Lending Fund
4.	Nguyen Thu Ha	Credit Officer, Hai Phong Microfinance Lending Fund
1.	Pham Thi Ha Vi	Deputy Chief of Non Marine Insurance Division, Aviation Insurance Company
2.	Nguyen Thi Hanh	Aviation Insurance Company
1.	Nguyen Thi Xuyen	Group Leader, Ly Thuong Kiet, Van Dau, Kien An, Hai Phong
2.	Tran Thi Luong	Borrower, Ly Thuong Kiet, Van Dau, Kien An, Hai Phong
3.	Dan Thi Chien	Borrower, Ly Thuong Kiet, Van Dau, Kien An, Hai Phong
4.	Luu Thi Le	Borrower, Ly Thuong Kiet, Van Dau, Kien An, Hai Phong
5.	Vu Thi Tam	Borrower, Quan Tru, Kien An, Hai Phong
6.	Doan Thi Sy	Borrower, Quan Tru, Kien An, Hai Phong
7.	Nguyen Thi Ngoc	Borrower, Quan Tru, Kien An, Hai Phong
Thanh Hoa		
8.	Nguyen Hai Duong	Deputy Director, Thanh Hoa FWP
9.	Le Quang Ly	Chief Accountant, Thanh Hoa FWP
10.	Hoang Thu Van	Thanh Hoa FWP
11.	Nguyen Thi Quyen	Saver, Thanh Hoa FWP, Hoang Hoa Branch
12.	Nguyen Thi Man	Saver, Thanh Hoa FWP, Hoang Hoa Branch
13.	Nguyen Thi Thao	Saver, Thanh Hoa FWP, Hoang Hoa Branch
14.	Le Thi Nhu Hoa	Saver, Thanh Hoa FWP, Hoang Hoa Branch
15.	Nguyen Thi Van	Saver, Thanh Hoa FWP, Hoang Hoa Branch
Phu Tho		
16.	Hoang Thu Huong	Vice Chairman, Phu Tho Women's Union
17.	Bui Thu Hong	Head of Economic Division, Phu Tho Women's Union
18.	Nguyen Thi Ai Quy	Deputy Head of Economic Division, Phu Tho Women's Union
19.	Ms. Ly	Vinh Phu Commune Women's Union
20.	Ms. Xuyen	Life insurance holder.
21.	Ms. Nhan	Life insurance holder.
22.	Ms. Hoai	Life insurance holder.
23.	Ms. Hoang Thi Nhan	Life insurance holder.
Hanoi		

24.	Ms. Hoa	Economic Department, Vietnam Women's Union
25.	Ms.Thuy Linh	CECEM
26.	Ms. Dinh Thi Minh Thai	MACDI
27.	Ms. Nguyen Thu Huyen	MFWG

Annex 3 – Terms of Reference: Final Evaluation of Microfinance Support Programme Vietnam VIE/10/02/COR

Donor:	CORDAID
Project budget:	US\$375,840
Project duration:	2 years (1/1/2010 – 31/12/2011)
Project coverage:	Capacity building nationwide and savings/insurance products piloted in 3 provinces: Thanh Hoa, Hai Phong and Phu Tho
Evaluation date:	October - November 2011

1. Introduction and rationale for evaluation

Under the National Cooperation Framework on Promoting Decent Work in Viet Nam signed by representative of the Socialist Republic of Viet Nam and the International Labour Office, the Bureau of Social Protection of the Ministry of Labour, Invalids and Social Affairs is implementing the Microfinance Support Programme with the technical assistance of the ILO and the financial support of CORDAID.

The Microfinance Support Programme aims at improving accessibility of about 150,000 low income households to diversified, sustainable and affordable financial services. This programme follows a sector development approach with its focuses on strengthening institutionalized capacity of Microfinance Institutions (MFIs) and training institutions, and promoting the diversification of microinsurance and savings products in Vietnam.

As the project comes to end in December 2011, an evaluation of the project performances in all key development aspects, such as relevance, validity, sustainability and impact is necessary.

2. Background on project and context

Overall objective: To improve low income household's access to microfinance services, including savings facilities and microinsurance

Specific objectives:

1. Improved outreach and impact of microfinance institutions through professionalized governance, management and operations in accordance with Decrees 28 and 165;

- 1.1. Enhanced capacity of local training providers to deliver training programmes that respond to the needs of microfinance organizations
- 1.2. Improved access of microfinance practitioners to relevant training through a voucher training system
- 1.3. Enhanced capacity of the Microfinance Working Group to represent and deliver services to microfinance institutions

2. Improved access of low-income households to savings products;

- 2.1. New savings products developed and implemented through technical support to institutions for product innovation
- 2.2. Knowledge on savings products shared and lessons from product innovation documented and disseminated

3. Improved access of low-income households to affordable insurance products.

- 3.1. New microinsurance products and delivery models developed and implemented through technical support to institutions for product innovation
- 3.2. Knowledge on microinsurance and delivery models shared and lessons from product innovation documented and disseminated.

Target group:

The ultimate beneficiaries are 150,000 low-income households in Vietnam.

The immediate beneficiaries of this project are:

- at least 2 microfinance institutions that will receive technical assistance to offer savings or microinsurance services to their clientele,
- at least 2 insurance companies or other organisations that deliver microinsurance products to low-income households,
- the Microfinance Working Group that will be supported in the organization of training courses and advocacy on behalf of its member microfinance institutions,
- more than 100 microfinance practitioners who will participate in training courses, improving their operational and financial management.

Partners and stakeholders

The project has key partners and stakeholders as following:

Main implementing agency:

- Ministry of Labour, Invalids and Social Affairs (MOLISA), Bureau of Social Protection

Project Steering Committee (PSC):

- Vietnamese General Confederation of Labour (VGCL)
- Vietnam Cooperative Alliance (VCA)
- State Bank of Vietnam (SBV)
- Ministry of Finance (MOF)

The project is executed financially and administratively by the ILO Office, and implemented in collaboration with MOLISA, directly with Bureau of Social Protection (BSP).

The PSC is mandated to provide guidance to the implementation of the project. The PSC members meet twice a year to review project implementation and provide policy guidelines and coordination among all institutions and groups involved in the project. The project also partners with different institutions in the sector, such as Microfinance Working Group, Thanh Hoa Fund for Poor Women, Hai Phong Microfinance Loan Fund, Central Women Union, to provide technical assistance to their services.

Project budget

TOTAL BUDGET:	\$375,840
CORDAID:	\$349,596
ILO:	\$26,244

3. Purpose, scope and clients

Purposes: The evaluation will assess whether the project has achieved its immediate objectives. It will include consideration of whether the means of action have made contributions toward achieving relevant Viet Nam's DWCP outcomes and national development strategies. The focus should also be on assessing the emerging impact of the interventions (either positive or negative) and the sustainability of the project's benefit and the local partners' strategy and capacity to sustain them. The evaluation will also look at strengths and weaknesses, opportunities and challenges and any external factors that have affected the achievement of the immediate objectives and the delivery of the outputs. The evaluation will also test underlying assumptions about contributions to a broader development goal.

Scope: The final evaluation takes into account all interventions, geographical coverage, and the whole period of the project. The final evaluation will have to take into consideration the following benchmarks:

- Viet Nam Decent Work Country Programme
- Relevant, current country priorities and strategies

The evaluation will revisit the project design, examine the planning process and agreed implementation strategies and the adjustments made, the institutional arrangements and partnerships, sustainability - all this with due account of the constantly and rapidly changing national and local situations.

Clients: The principal clients for this evaluation are the project management, ILO constituents and partners in Viet Nam, ILO Hanoi and the project donor (CORDAID)

4. Key evaluation questions/ analytical framework

The evaluation is guided by the ILO's Technical Cooperation Manual and the policies and procedures established therein. The evaluation should address the overall ILO evaluation criteria such as relevance and strategic fit of the project, validity of project design, project progress and effectiveness, efficiency of resource use, effectiveness of management arrangement and impact orientation and sustainability as defined in the ILO Guidelines.

The evaluator should make conclusions, recommendations, and identify lessons learnt and good practices based on the below specific questions. In consultation with the project management, any other information and questions that the evaluator may wish to address may be included as the evaluator see fit. Based on development objectives, outputs and activities specified in the project document, the final evaluation will address the following issues:

Relevance and strategic fit

- Are the needs identified at the outset of the project still relevant?
- Have the partners and stakeholders taken ownership of the project concept and approach since the design phase?
- How does the project align with national plans and strategy for the microfinance sector in Vietnam and its development?
- How has the project contributed to other national development frameworks?
- How has the project impacted in term of contributing to the DWCP?
- How does the project respond to the current microfinance challenges including i) the needs for developing and providing adequate, sustainable and diversified savings and insurance products to low income households and ii) the needs for greater impact and outreach of microfinance institutions in accordance with the Decrees 28 and 165?.

- Where has the project succeeded in this role and where has it failed (or could do better)?

Validity of design (i.e. PRODOC)

- How logical was the project design?
- What was the baseline condition at the beginning of the project? How was it established? Was gender issues considered?
- Were the planned project objectives and outcomes relevant and realistic to the situation on the ground? Do they need to be adapted?
- Was the intervention logic coherent and realistic? Is there a need for adjustments, if so: what needs to be adjusted?
- Were all the elements of the project design necessary to achieve the project objectives?
- How strategic was the choice of project partners and stakeholders in terms of mandate, influence, capacities and commitment?
- What were the main means of action? were they appropriate and effective to achieve the planned objectives?
- Comment on the quality and usefulness of the selected indicators and means of verification for programme monitoring and evaluation, including breakdown by sex, age, etc.
- On which risks and assumptions does the project logic build? How realistic is it that they do or do not take place? How far can the project control them? Do the risks jeopardize the project?
- Comment on the external logic of the project in terms of its links with other interventions, synergies and economies of scale created.
- Did the project document provide adequate guidance on how the intervention would address the relevant gender issues amongst the target groups?
- How well targeted were the proposed interventions in terms of vulnerable groups taking cognizance of ethnicity, sex, age and other vulnerabilities?

Project progress and effectiveness

- Have the three project specific objectives been achieved? To what extent?
- In which areas (under which outputs/components) does the project have the greatest achievements?
- In which areas does the project have the least achievements? What has been the constraining factors and why?
- Have the quantity and quality of the outputs produced been satisfactory? Do benefits accrue equally to women and men?
- Are project partners using outputs produced by the project?
- How can ILO build on or expand these achievements?
- How and to what extent have stakeholders (particularly the ILO constituents) been involved in project implementation?

- Were different strategies used for delivering project interventions to the different target groups? Were the strategies culturally and gender sensitive?
- Assess the development of partnerships, networking and collaboration initiatives that have potential to be sustainable. (With other development aid, donor community and with other UN agencies).

Adequacy and efficiency of resource use

- Have resources (funds, human resources, time, expertise etc.) been allocated strategically to achieve outcomes?
- Have resources been used efficiently? Have activities supporting the strategy been cost-effective? Do results justify costs? Could the same results be attained with fewer resources?
- Have project funds and activities been delivered in a timely manner?

Effectiveness of management arrangements

- Are management, monitoring and governance arrangements for the project adequate?
- Does project governance facilitate good results and efficient delivery?
- Does the project receive adequate political, technical and administrative support from its national and the MFIs partners at provincial level?
- Do implementing partners (MOLISA, Microfinance Working Group, Thanh Hoa Fund for Poor Women, Hai Phong Microfinance Loan Fund, National Women Union) provide for effective project implementation?
- How does the Bureau for Social Protection of MOLISA and the PSC members contribute to the success of the project?
- Has the project team's integration (physically and in relation to work flow) in the ILO Viet Nam office enhanced project effectiveness?
- Has cooperation with project partners been efficient?
- Have available gender mainstreaming tools been adapted and utilized?
- Has the project made strategic use of other ILO projects, products and initiatives to increase its effectiveness and impact?
- How efficient and effective has the process been of communication from the field office to the regional office and the donor?

Impact orientation & sustainability

- How effective and realistic is the exit strategy of the project? Is the project gradually being handed over to the national partners? Once external funding ends will national institutions and implementing partners is likely to continue the project or carry forward its results?
- Are the means of action gradually being handed over to the national partners?

- Are national partners able to continue with the project? How effectively has the project built necessary capacity of people and institutions (of national partners and implementing partners)?
- Are project results, achievements and benefits likely to be durable? Are results anchored in national institutions and can the partners maintain them financially at the end of the project?
- Can the project approach or results be replicated or scaled up by national partners or other actors? Is this likely to happen? What would support their replication and scaling up?

5. Main outputs of Evaluation

The main output of the evaluation will be a full-fledged final evaluation report in both Vietnamese and English languages. The main outputs of the evaluation are:

- Preliminary findings on project activities/outputs to be presented at the stakeholders workshop at the end of evaluation mission
- Evaluation summary (according to ILO standard template)
- First draft of evaluation report
- Final draft of evaluation report incorporating comments received

The “Evaluation Report” should contain the following contents:

- ILO standard title page
- Executive Summary
- Brief background on the project and its logic
- Purpose, scope and clients of evaluation
- Methodology
- Review of implementation
- Presentation of findings
- Conclusions
- Recommendations (including to whom they are addressed)
- Lessons Learnt
- Possible future directions
- Annexes

Quality of the report will be determined by conformance with the quality checklist for evaluation report.

6. Methodology

ILO will engage an external consultant to undertake the final evaluation. The consultant will report to the National Project Coordinator.

The evaluation will be conducted during the period of 31 October – 30 November 2011.

- The consultant will review relevant documentations;
- The consultant will meet with the project team and consult with relevant staff of ILO Viet Nam.
- The consultant will meet with the Bureau for Social Protection of MOLISA, the PSC members, as well as other related partners and stakeholders in Hanoi.
- The consultant will travel to project pilot sites, e.g Thanh Hoa, Phu Tho and Hai Phong and conduct interview/focus group discussions with stakeholders and beneficiaries.
- A stakeholder workshop will be organized to present the preliminary findings at the end of evaluation mission to all relevant and key project stakeholders, including PSC members. This allows the key findings and key recommendations to be verified by the key stakeholders
- Draft evaluation report will be submitted to the National Project Coordinator who will later share with MOLISA and PSC members for their comments and inputs.

The evaluator will have access to all relevant materials.

8. Qualifications and Responsibilities of the consultant

- Experience in design, management and evaluation of development projects, Relevant background in social and/or economic development.
- Expertise in the area of microfinance in Vietnam
- Experience in the area of microfinance capacity building/training
- Experience in the UN system and in the evaluations of the UN system will be appreciated. Fluency in English and Vietnamese is imperative, in both speaking and writing skills.
- Sensitivity to diversity

Phase	Responsible person	Tasks/ activities	Days proposed
1.	Evaluator	<ul style="list-style-type: none"> • Briefing with ILO Hanoi • Desk Review of project-related documents 	2 working days
2.	Evaluator	<ul style="list-style-type: none"> • Consultation with project team • Consultations with project partners in Hanoi 	3 working days
		<ul style="list-style-type: none"> • Field visit in selected provinces • Consultations with project partners, and other beneficiaries 	7 working days
		<ul style="list-style-type: none"> • Stakeholders workshop in Hanoi 	1 working day

Phase	Responsible person	Tasks/ activities	Days proposed
3.	Evaluator	<ul style="list-style-type: none"> • Draft report (in both Vietnamese + English languages) based on all activities/ tasks undertaken above 	5 days
4.	Project Coordinator	<ul style="list-style-type: none"> • Circulation of draft report to key stakeholders • Consolidate comments of key stakeholders and send to the evaluation consultant 	1 week after evaluation is completed
5.	Evaluator	<ul style="list-style-type: none"> • Finalize the report 	2 days