



BTC

MOST



RESULTS REPORT 2014

INTERVENTION SUPPORT TO THE INNOVATION AND DEVELOPMENT OF THE BUSINESS INCUBATORS POLICY PROJECT (BIPP)

VIE 12 047 11

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Acronyms

BTC	Belgian Technical Cooperation, the Belgian development agency
BIPP	Support to the innovation and development of Business Incubators Policy Project
CM	Co-management (cogestion)
HCMC	Ho Chi Minh City
HCM UT	Ho Chi Minh University of Technology
M&E	Monitoring and Evaluation
MOST	Ministry of Science and Technology
NACENTECH	National Centre for Technology Progress
NACENTECH BIC	National Centre for Technology Progress - Business Incubation Centre
OM	Own-management (regie)
PMU/PMT	Project Management Unit/Project Management Team
PFM	Project finance manual
POM	Project operation manual
S&T	Science and Technology
SC	Steering Committee
SME	Small and Medium-sized Enterprise
TBI	Technology Business Incubator
TOR	Terms of Reference
TFF	Technical and Financial File

1 Intervention at a glance (max. 2 pages)

Human resources

After the official signature of the BIPP intervention, the Minister of the MOST signed decisions to establish its Steering Committee (SC) and its Project Management Unit (PMU) respectively in April. Under the latter, the PMU Director, Deputy Director and Co-coordinator were appointed.

In early May, with the support from a BTC backstopping expert, the PMU finalized TORs for PMU key supporting staff. After completing BTC selection and recruitment procedures, the BTC-contracted team of BTC administration and finance officer and assistant, and BTC Co-coordinator were officially recruited and started working on the project from August 2014 and October 2014 respectively.

Following the decision of the 1st SC on changes in the HR planning, the contracting modality has been modified from a “single framework contract” to an “individual contract” for the 04 key positions of international consultants, and the positions of national technical and M&E experts have been combined into one function. The PMU will revise and finalize TORs for key international consultants as well as national experts of PMT and will launch the tender under CM soon. And also with the endorsement of the SC, a budget line will be created for the position of a full time secretary/translator.

Administrative set-up and logistics

During the inception phase, two main and operational accounts in Euro and VND for the Belgian contribution under CM modality have been opened; VAT code of the PMU and the digital signature certificate of the contracting agency have been registered.

The 1st instalment of counter-value fund of about € 110,000 has been allocated by the MOST for the setting up of the PMU office and procurement of some office and IT equipment.

While waiting for the rehabilitation of the PMU office, the BTC newly-recruited project staff temporarily worked at the Representation.

Some of the required paper works such as working mechanisms of the SC and PMU, POM and PFM, a procurement plan of 2015, etc. are under development.

Major events

The 1st SC of the BIPP was held on December 18th, 2014 to officially kick-off the intervention.

Activities

Main activities under 04 results areas have not been developed yet. However, the MOST has taken initiatives in using a part of counter-value fund for undertaking “*the survey and assessment of the existing status of and demand for the business incubation of potential S&T enterprises and proposals of some implementation solutions*”. Several research activities and workshops have been carried out so as to give recommendations for the development of business incubation policy for S&T enterprises.

1.1 Intervention form

Intervention title	Support to the innovation and development of business incubators policy project (BIPP)
Intervention code	VIE 12 047 11
Location	Hanoi
Total budget	€ 4,400,000, of which the Belgian contribution is € 4,000,000
Partner Institution	Ministry of Science and Technology
Start date Specific Agreement	20 January 2014
Date intervention start /Opening steering committee	08 April 2014
Planned end date of execution period	20 July 2019
End date Specific Agreement	20 January 2020
Target groups	<p><i>Direct beneficiaries:</i></p> <ul style="list-style-type: none"> + MOST – as the responsible ministry for policies supporting the formation and development of S&T enterprises and TBIs; + TBIs throughout Vietnam; + Pre-incubation and incubation clients of TBIs throughout Vietnam supported by the Innofund. <p><i>Indirect beneficiaries:</i></p> <ul style="list-style-type: none"> + The business community; + The broader S&T community, which consists of 1,500 S&T organizations (R&D institutes, universities, S&T centres, etc.) with a total S&T staff of 60,000 people; + University students; + The general public.
Impact¹	The General Objective of this project aims to contribute to the social-economic development strategy of Vietnam and assist Vietnam to continue its economic growth to become an industrialized nation by the year 2020 through a strong force of S&T enterprises.
Outcome	The Specific Objective of the project is to support the MOST in developing an enabling environment for S&T SMEs based on an improved legal framework and a set of coherent mechanisms for starting and operating S&T incubators to enhance the S&T SME sector.
Outputs	Enhanced legal framework for supporting S&T SMEs and TBIs

¹ Impact refers to global objective, Outcome refers to specific objective, output refers to expected result

	Incubator policy development enhanced through pilot testing with two one-stop shop TBIs to determine best practices and lessons learnt
	Incubator policy development enhanced through the pilot operation of a seed fund (Innofund) to support the pre-incubation and incubation of potential S&T SMEs to determine best practices and lessons learnt
	A monitoring and evaluation framework is established and operated to ensure project results are captured and feedback into the policy development process
Year covered by the report	2014

1.2 Budget execution (*)

	Budget	Expenditure		Balance	Disbursement rate at the end of year n
		Previous years	Year covered by report (n)		
Total					
Output 1		0	2014		
Output 2		0	2014		
Output 3		0	2014		
Output 4		0	2014		
Z	748,500		35,250.57	713,249.43	5%

(*) Under OM modality (up to 31/12/2014)

1.3 Self-assessment performance

1.3.1 Relevance

	Performance
<p>Relevance The intervention is very relevant as it will contribute to the improvement of the policy framework for technology business incubation – an essential element of increasing the competitiveness of Vietnamese enterprises; and more extensively to the Socio-Economic Development Strategy 2011-2020. The present intervention logic is still holding true.</p>	A

1.3.2 Effectiveness

	Performance
Effectiveness Too early to evaluate	

1.3.3 Efficiency

	Performance
Efficiency Too early to evaluate	

1.3.4 Potential sustainability

	Performance
Potential sustainability Too early to evaluate	

1.4 Conclusions

The start of the intervention is slow for 04 reasons:

- As this is the 1st Belgian ODA project of the MOST, during the set-up phase there have been a number of paper works that need to be done in conformity with the Vietnamese Government regulations and BTC's respectively;
- Some points regarding HR planning initially specified in the TFF need to be adjusted to comply with the practical situation (changes in the contracting modality from a "single framework contract" to an "individual contract", combination of the functions of national expert in PMT, lack of budget line for the position of a full-time secretary/translator). And furthermore, there is certain inconsistency in the TFF that makes it so confusing in its materialization;
- The BTC newly-recruited project staff takes time to work with the PMU;
- The communication and working mechanisms of the PMU and BTC have not been strong enough.

On behalf of the BIPP
Director



Tran Duc Hien

Resident Representative
BTC Vietnam



Alain Devaux

2 Results Monitoring²

2.1 Evolution of the context

2.1.1 General context

The Socio-Economic Development Strategy (SEDS) 2011-2020 of Vietnam gives attention to structural reforms, environmental sustainability, social equity, and emerging issues of macroeconomic stability. It defines three "breakthrough areas": (i) promoting human resources/skills development (particularly skills for modern industry and innovation), (ii) improving market institutions, and (iii) infrastructure development. The overall goal is for Vietnam to lay the foundations for a modern, industrialized society by 2020.

In order to boost its economy, Vietnam needs to rely more on productivity gains driven by innovation, according to the Organization of Economic Co-operation and Development (OECD) and the World Bank Review of Science, Technology and Innovation in Vietnam. The OECD-World Bank Study looks at the key elements, relationships and dynamics that drive the Vietnamese innovation system and opportunities to enhance it through government policy.

"Increased competition in globalizing markets means that it is more important than ever to invest early in advanced technological capabilities. This will help Vietnamese enterprises better position themselves in global value chains."

Despite its historical record of scientific research, Vietnam's innovation system in the modern sense is only emerging. Current science, technology and innovation capabilities are weak and the national innovation system is in a nascent and fragmented state. Research and development both in the public and private sectors still have a lot of room for improvement, according to the report.

"Vietnam's challenge is to achieve sustainable high GDP growth in a less buoyant international environment. To avoid falling into a 'middle-income trap', the country will need to considerably improve its domestic innovation capabilities."

The OECD-World Bank joint review provides several recommendations for policy makers to foster science, technology and innovation in Vietnam:

- **Improving framework conditions for innovation:** The macroeconomic framework, the general business environment, product market regulations, the intensity of competition, openness to trade and foreign direct investment, business finance, the tax system, the level and quality of entrepreneurship, and the infrastructure are all framework conditions that together influence Vietnam's innovation performance;
- **Improving public governance of the innovation system:** Governments play a key role in providing long-term orientation on social and economic priorities, ensuring that resources for innovation are adequate, public actors perform well, and the various components of the innovation system link up and form a coherent whole;

² Impact refers to global objective, Outcome refers to specific objective, output refers to expected result

- **Strengthening the human resources base for innovation:** The country needs to turn a brain drain to a brain gain, increase the quality of education at all levels, provide more opportunities for upgrading skills of those already in the workforce, place more emphasis on entrepreneurship and soft skills, and facilitate knowledge exchange among universities, government research institutions, and the industry;
- **Fostering innovation in the business sector:** Fostering business innovation will require essential improvements in framework conditions, as well as targeted innovation policy measures and effective means of attracting and embedding foreign-invested firms that can stimulate and promote innovation;
- **Increasing the contribution of public research:** Future policy development for public research organizations and universities should enhance their relevance to the country's economy and job market, address resource constraints, and more effectively steer and fund publicly sponsored research;
- **Fostering innovation linkages:** Efforts are needed to strengthen collaboration on innovation between firms or between firms and public research actors.

The Vietnam's science and technology strategy for social and economic development 2011-2020 sets challenging objectives:

- Total expenditure on R&D rising to 2.0% of GDP by 2020 with the private sector contribution rising from the current 0.25% to around 1.4% of GDP;
- 9-10 researchers/10,000 people by 2015 and 11-12 researchers/10,000 people by 2020;
- Contribution of high-tech to GDP is 45% by 2020;
- The technological innovation rate achieve 10-15% (2011-2015) and >20% (2016-2020);
- International publications increase by 15-20% per annum.

The strategy also has the objective of 5,000 S&T enterprises, 60 high-tech incubators/business incubators by 2020.

2.1.2 Institutional context

The institutional anchorage of the intervention is still relevant. There are no major evolutions in this context during the reporting period.

2.1.3 Management context: execution modalities

The BIPP PMU has been established in accordance with the Specific Agreement and the TFF with key members appointed, including the PMU Director, Deputy Director and Co-

coordinator. The PMU has started its engagement by kicking off several initial principal activities under the co-management modality. Under close directions and considerations of the Steering Committee, the Project has gained positive evolutions during the 4th Quarter of 2014. These achievements are clear demonstrations of the mutual understanding and sharing between the two partners in the co-management modality. The project ownership of the MOST has always maintained and highlighted throughout all activities.

2.1.4 Harmo context

The BIPP Project is taking place in a context where environment is an important issue both for Vietnam and for Belgian authorities. A series of five projects related to environment and climate change formulated in 2012 are being implemented : 3 projects dealing with water management and urbanisation in the context of climate in the provinces of Ha Tinh, Ninh Thuan and Binh Thuanh ; in addition to these 3 projects, a Technical Support Unit is in charge of providing expertise and know how throughout the projects implementation phase - which could also be an asset and a reference for the BIPP project ; the fifth project is a support to the implementation of the Green Economy Strategy of Vietnam which will take the shape of a 5 million euros Facility dedicated to finance pilot projects, show cases, case studies, capacity building and communication activities related to the green economy of Vietnam. The links between the Green Economy Facility and the BIPP projects may be expected to be high since they both relate to the necessity for Vietnam to invest in new (greener) ways of doing business, in new approaches in the use of raw material, water, or energy and in new market opportunities being more sustainable economically and ecologically. It is expected that both projects may benefit from each other's experiences and successes.

Moreover, the BIPP project may also benefit from lessons learnt of other donor-funded programmes within the MOST, especially the Innovation Partnership Programme (IPP) – an ODA programme financed jointly by the Governments of Vietnam and Finland – that is in its second phase running through 2014-2018. IPP supports Vietnam's overall goal of becoming an industrialized middle-income knowledge economy by the year 2020. The programme objective is to boost sustainable economic growth in Vietnam through the increased production and export of innovative products and services. Working closely with key national and international partners the programme aims to scale up innovation training in Vietnam and improve support mechanisms for new innovative companies targeting international markets. Besides providing seed funding and connections for the best teams in Vietnam, IPP builds the capacity of public and private stakeholders through entrepreneurship and innovation training programmes.

2.2 Performance outcome



2.2.1 Progress of indicators³

Since the M&E system of the project has not been defined yet (expected for Q2, after the recruitment of an international M&E expert that is anticipated to take place in March 2015), the following tables could not be filled by now. This will only be possible after the completion of a series of activities as follows:

- The recruitment of an international M&E expert and national experts in PMT in charge of the M&E;
- The preparation of a Result Chain, a Results Measurement Plan, a Results Measurement Frameworks for each results area of the BIPP and the definition of indicators (baseline and target).

Outcome⁴: to support the MOST in developing an enabling environment for S&T SMEs based on an improved legal framework and a set of coherent mechanisms for starting and operating S&T incubators to enhance the S&T SME sector.					
Indicators⁵	Baseline value⁶	Value year N-1⁷	Value year N⁸	Target year N⁹	End Target¹⁰
Circular on technology business incubation issued					
Decree 80 revised in accordance with the recommendations contained within the Road Map (to give improved benefits to S&T enterprises)					
Legal document regulating the function to support science and technology business incubators form state funds					

2.2.2 Analysis of progress made

Main activities under 04 results areas have not been developed yet, no progress has been made at this stage.

³ You can use the table provided, or you can replace it by your own monitoring matrix format. Add/delete columns according to the context (some interventions will need to add columns for previous years while other – new - interventions will not have a value for the previous year).

⁴ Use the formulation of the outcome as mentioned in the logical framework (TFF)

⁵ Use the indicators as shown in the logical framework (from TFF or last version of logical framework)

⁶ The value of the indicator at time 0. Refers to the value of the indicators at the beginning of the intervention (baseline)

⁷ The achieved value of the indicator at the end of year N-1

⁸ The achieved value of the indicator at the end of year N. If the value has not changed since the baseline or since the previous year, this value should be repeated.

⁹ The planned target at the end of year N

¹⁰ The target value at the end of the intervention

2.2.3 Potential Impact

Main activities under 04 results areas have not been developed yet.

2.3 Performance output 1¹¹



2.3.1 Progress of indicators

Since the M&E system of the project has not been defined yet (expected for Q2, after the recruitment of an international M&E expert that is anticipated to take place in March 2015), the following tables could not be filled by now. This will only be possible after the completion of a series of activities as follows:

- The recruitment of an international M&E expert and national experts in PMT in charge of the M&E;
- The preparation of a Result Chain, a Results Measurement Plan, a Results Measurement Frameworks for each results area of the BIPP and the definition of indicators (baseline and target).

Output 1: An enhanced legal framework for incubation					
Indicators	Baseline value	Value year N-1	Value year N	Target year N	End Target
Draft circular on technology business incubation					
Road map on pre-incubation					
Recommendations (within the Road Map) for improved inter-ministerial and/or inter-agency submitted					

¹¹ The template accommodates up to 3 Outputs (chapters 2.2, 2.3, 2.4). If the intervention has more outputs, simply copy and paste additional output chapters. If the intervention has less than 3 outputs, simply delete the unnecessary chapters). As for the outcome level, you may also replace this table by the intervention's own format (e.g. from your operational monitoring tool)

2.3.2 Progress of main activities

Progress of <u>main</u> activities ¹²	Progress:			
	A	B	C	D
1 Development of a circular on technology business incubation				
2 Development of a Road Map for the development of all aspects of pre-incubation and incubation				
3 Support to essential inter-ministerial and/or inter-agency cooperation with respect to technology business incubation				
4 Study tour to view international best practice in government policies to encourage technology business incubation				
5 Networking, awareness raising and information exchange				

2.3.3 Analysis of progress made

Main activities under 04 results areas have not been developed yet, no progress has been made at this stage.

¹² A: The activities are ahead of schedule
 B: The activities are on schedule
 C: The activities are delayed, corrective measures are required.
 D: The activities are seriously delayed (more than 6 months). Substantial corrective measures are required.

2.4 Performance output 2

2.4.1 Progress of indicators

Since the M&E system of the project has not been defined yet (expected for Q2, after the recruitment of an international M&E expert that is anticipated to take place in March 2015), the following tables could not be filled by now. This will only be possible after the completion of a series of activities as follows:

- The recruitment of an international M&E expert and national experts in PMT in charge of the M&E;
- The preparation of a Result Chain, a Results Measurement Plan, a Results Measurement Frameworks for each results area of the BIPP and the definition of indicators (baseline and target).

Output 2: Two one-stop shop TBIs supported to pilot best practice in TBI operation and feedback into policy development					
Indicators	Baseline value	Value year N-1	Value year N	Target year N	End Target
Number of tenants recruited by NACENTECH BIC					
Number of graduated tenants of NACENTECH BIC					
Number of tenants recruited by HCMC University of Technology TBI					
Number of graduated tenants of HCMC University of Technology TBI					

2.4.2 Progress of main activities

Progress of <u>main</u> activities ¹³	Progress:			
	A	B	C	D
1 Support to the preparation of a business plan for NACENTECH BIC				
2 Support to the operational funding (Subsidy) of the NACENTECH BIC				
3 Procurement of essential office equipment for the NACENTECH BIC				
4 Provision of advisory services for NACENTECH BIC				
5 Support to the preparation of a business plan for HCMC University of Technology TBI				
6 Support to the operational funding (Subsidy) of HCMC University of Technology TBI				
7 Provision of advisory services for HCMC University of Technology TBI				

¹³ A: The activities are ahead of schedule
 B: The activities are on schedule
 C: The activities are delayed, corrective measures are required.
 D: The activities are seriously delayed (more than 6 months). Substantial corrective measures are required.

2.4.3 Analysis of progress made

Main activities under 04 results areas have not been developed yet, no progress has been made at this stage.

2.5 Performance output 3¹⁴

2.5.1 Progress of indicators

Since the M&E system of the project has not been defined yet (expected for Q2, after the recruitment of an international M&E expert that is anticipated to take place in March 2015), the following tables could not be filled by now. This will only be possible after the completion of a series of activities as follows:

- The recruitment of an international M&E expert and national experts in PMT in charge of the M&E;
- The preparation of a Result Chain, a Results Measurement Plan, a Results Measurement Frameworks for each results area of the BIPP and the definition of indicators (baseline and target).

Output 3: Potential S&T SMEs are incubated and supported through a seed fund (Innofund)					
Indicators	Baseline value	Value year N-1	Value year N	Target year N	End Target
Number of applications for support are approved and support provided through Innofund					
Sustainability review of Innofund completed					

2.5.2 Progress of main activities

Progress of <u>main</u> activities ¹⁵	Progress:			
	A	B	C	D
1 Design and establish systems for Innofund to act as a support fund providing capacity building				
2 Operate the Innofund (call for proposals, selection and funding)				
3 Undertake a study to assess the prospects, potential, operational costs and financial sustainability of operating Innofund as a permanent grant and/or loan-based instrument				
4 Provide support to incubators to assist their tenants with the preparation of applications for investment funding				

2.5.3 Analysis of progress made

¹⁴ If the Logical Framework contains more than three Outputs, copy-paste the 2.4 chapter and create 2.6 for Output 4, 2.7 for Output 5, etc.

¹⁵ A: The activities are ahead of schedule
 B: The activities are on schedule
 C: The activities are delayed, corrective measures are required.
 D: The activities are seriously delayed (more than 6 months). Substantial corrective measures are required.

Main activities under 04 results areas have not been developed yet, no progress has been made at this stage.

2.6 Performance output 4

2.6.1 Progress of indicators

Since the M&E system of the project has not been defined yet (expected for Q2, after the recruitment of an international M&E expert that is anticipated to take place in March 2015), the following tables could not be filled by now. This will only be possible after the completion of a series of activities as follows:

- The recruitment of an international M&E expert and national experts in PMT in charge of the M&E;
- The preparation of a Result Chain, a Results Measurement Plan, a Results Measurement Frameworks for each results area of the BIPP and the definition of indicators (baseline and target).

Output 4: A monitoring and evaluation framework is established and operated to ensure project results are captured and feedback into the policy development process					
Indicators	Baseline value	Value year N-1	Value year N	Target year N	End Target
Results chains exist for each key results area/sub-area and each has a set of clearly defined indicators - benchmark and target					
A result monitoring plan exists for BIPP and its results areas					
Monitoring reports are submitted to the PSC in accordance with the results monitoring plan					
Annual BIPP portfolio report submitted to PSC within two months of end of each year					

2.6.2 Progress of main activities

Progress of <u>main</u> activities ¹⁶	Progress:			
	A	B	C	D
1 Establish a BIPP monitoring system				
2 Operate the BIPP monitoring system				

2.6.3 Analysis of progress made

Main activities under 04 results areas have not been developed yet, no progress has been made at this stage.

¹⁶ A: The activities are ahead of schedule
 B: The activities are on schedule
 C: The activities are delayed, corrective measures are required.
 D: The activities are seriously delayed (more than 6 months). Substantial corrective measures are required.

2.7 Transversal Themes

Several transversal themes have been taken into account within the BIPP intervention with a wide range of target groups involved, especially TBIs throughout Vietnam and their pre-incubation or incubation clients (a researcher, an enterprise...).

2.7.1 Gender

When establishing the M&E systems for the BIPP, the indicators (baseline and target) for each key step in each results chain at process, output, outcome and impact level will be defined with gender disaggregation when appropriate, to show male/female participation.

Applicants from women for support from the Innofund will receive special consideration.

The Road Map on pre-incubation and incubation will seek to mainstream gender equality throughout the document.

2.7.2 Environment

The BIPP project is taking place in a context where environment is a significant issue both for Vietnam and for Belgian authorities with a clear demonstration of a series of five bilateral projects related to environment and climate change on going. A first set of 3 projects at province level dealing with water management and urbanisation in the context of climate change have been formulated in the provinces of Ha Tinh, Ninh Thuan and Binh Thuan. In addition to these 3 projects, a Technical Support Unit is in charge of providing expertise and know how throughout the projects implementation phase. The Support Unit could also be an asset and a reference for the BIPP project. The fifth project is a support to the implementation of the Green Economy Strategy of Vietnam which takes the shape of a 5 million euros Facility dedicated to finance pilot projects, show cases, case studies, capacity building and communication activities related to the green economy of Vietnam. The links between the Green Economy Facility and the BIPP projects may be expected to be high since they both relate to the necessity for Vietnam to invest in new (greener) ways of doing business, in new approaches in the use of raw material, water, or energy and in new market opportunities being more sustainable economically and ecologically. It is expected that both projects may benefit from each other's experiences and successes.

More specifically, the BIPP project will develop the following principles for all its activities:

- Applicants for the Innofund operating in areas of “green technology” will receive special consideration. Details and specific criteria will be provided in application documents and guidelines, and the jury in charge of selected projects proposals will pay due attention to the ecological qualities of applications with a view of promoting innovative concepts, designs, approaches and business paradigms
- All applications for the Innofund will be expected to adhere to specific environmental standards and regulations which will be specified in the tender documents.
- The Road Map on pre-incubation and incubation will seek to mainstream environmental protection throughout the document.
- Capacity building in the field of environment will be strongly supported, for both public bodies and private partners.

In order to verify and document the fact that the project is following these principles regarding environmental issues, specific criteria will be defined in the future monitoring framework designed within the project.

Expertise in the field of environment will be provided for through the project according to the specific needs identified to promote, select or support projects.

Exchanges and contacts with other incubators related to green issues will be encouraged in order to facilitate the creation of networks and draw synergies.

2.7.3 Other

The social economy can be broken down into three sub-sectors; the community sector, the voluntary sector and the social enterprise sector with the latter comprising businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

BIPP will have no impact – positive or negative – on the community or voluntary sectors. However, BIPP will support the operation of TBIs – which can operate as either standard commercial enterprises or social enterprises.

On other themes like children's right and HIV/AIDS, etc., the BIPP project will have no impact – positive or negative.

2.8 Risk management

Risk Identification			Risk analysis			Risk Treatment			Follow-up of risks	
Description of Risk	Period of identification	Risk category	Probability	Potential Impact	Total	Action(s)	Resp.	Deadline	Progress	Status
Government will not adopt necessary policy reforms	TFF	Implementation and management	Medium			The production of a guiding Road Map (linked to actions to increase awareness in policy makers) should allow policy makers to understand need for reform and move at a realistic pace of reform	PMU	Q2/2015		
Poor coordination between key Government stakeholders limits the effectiveness of reforms	TFF	Implementation and management	High			A review of areas where improved coordination is essential will be undertaken as such issues are identified through the Road Map on incubation and pre-incubation and the special Task Force established for this purpose will seek to resolve coordination issues	PMU	Q3/2015		
Two pilot TBIs are not operated in accordance with recommendations as to best practice and with their approved business plans	TFF	Implementation and management	Medium			TBIs must have their business plans prepared with support from qualified consultants and the business plans must be approved by the PSC	PMU CONSUL TBI	Q2/2015		

Selection of projects for support from Innofund is not undertaken on basis of technical need and to broaden knowledge for policy formulation	TFF	Implementation and management	Medium			Establishment of an Innofund selection committee operating against agreed selection criteria	PMU	Q2/2015		
Adequate knowledge and experience of technology business incubation does not exist in Vietnam to achieve result	TFF	Effectiveness	Medium			The project is designed to make use of international experience and best practice				
Adequate knowledge and experience of technology business incubation does not exist in Vietnam to achieve result	TFF	Effectiveness	Medium			The project is designed to make use of international experience and best practice				
Adequate knowledge and experience of technology business incubation does not exist in Vietnam to achieve result	TFF	Effectiveness	Medium			The project is designed to make use of international experience and best practice				
Adequate knowledge and experience of modern M&E techniques for private sector development does not exist in Vietnam to achieve result	TFF	Effectiveness	Medium			The project is designed to make use of international experience and best practice				
M&E is not viewed as an essential element of the project and the resultant findings are not adequately independent and meaningful	TFF	Effectiveness	Medium			M&E will be undertaken by the PMU: this should ensure the required degree of independence and professionalism	PMU			

Poor coordination of activities between results areas 1, 2 and 3 is not undertaken: all three results areas are operated in a “silo” manner that limits essential exchange of experience and data between the three results areas	TFF	Effectiveness	Medium			The implementation of Consultancy support for results areas 1, 2 and 3 will be contracted as a single service contract to ensure that the essential linkage is maintained	PMU	Q2/2015		
Supported TBI are not financial sustainable	TFF	Effectiveness	Medium			International support team to draft the business plans. The approval of the business plan is a precursor for future support.	PMU CONSUL TBI	Q2/2015		
Innofund ceases to operate at the end of the project	TFF	Effectiveness	Medium			BIPP will encourage the Government to adapt its existing funding instruments (NAFOSTED etc.) or established a new State funding instrument to provide on-going Innofund-type support	PMU			
No on-going M&E feeding into policy formulation after the end of the project	TFF	Effectiveness	Low			The PMU will develop systems and capacity within MOST to undertake further M&E work	PMU			
Operational funding is not used for the right purposes	TFF	Fiduciary	Medium			Approved Business plans before signature of execution agreement Management and monitoring expert per result (verification of justification for operational	PMU TBI			

						funding) Reporting by TBI				
Misuse of Innofund	TFF	Fiduciary	Medium			<p>Innofund funding will only be based on approved proposals. The Innofund will mainly support the soft component (expertise).</p> <p>Strict guidelines for the Innofund will be put in place</p> <p>Reporting obligations of beneficiaries of the Innofund (progress reports, financial reports and final reports),</p> <p>Monitoring expert of result 3 will monitor the correct use of the Innofund grants.</p>	PMU CONSUL.			

3 Steering and Learning

3.1 Strategic re-orientations

Not applicable

3.2 Recommendations

During the 1st meeting, the project Steering Committee has given its endorsement on the Action and Financial Plans of 2015 of the BIPP PMU as well as on several necessary modifications to some points in the TFF so as to make it relevant to the practical conditions, facilitating the implementation of the Project.

Recommendations	Actor	Deadline
<p><i>Modification of HR planning:</i></p> <ul style="list-style-type: none"> - Recruitment of individual consultants; - Broadening the scope of the main consultant (for R1: international expert in incubation and S&T policy) towards a profile and mandate that will also provide management advice to the PMU; - The tasks of both Vietnamese experts (one technical expert and one management/monitoring expert) for each result will be integrated into one single function; - Creation of a sub-budget line from A_04_02 for a full time position of a secretary/translator; - Consultancy support to the preparation of POM, using the budget line A_01_07. 	PSC	Q2/2015

3.3 Lessons Learned

Lessons learned	Target audience
Priority should be given to the establishment of a two-way effective information exchange among stakeholders so as to have a mutual understanding of the project implementation modalities as well as approaches. for technical inputs.	MOST, Representation

4 Annexes

4.1 Quality criteria

For each of the criteria (Relevance, Efficiency, Effectiveness and Potential Sustainability) a number of sub-criteria and statements about those sub-criteria have been formulated. By choosing the statement that fits your intervention best (add an 'X' to select a statement), you can calculate the total score for that specific criterion (see below for calculation instructions).

1. RELEVANCE: The degree to which the intervention is in line with local and national policies and priorities as well as with the expectations of the beneficiaries				
<i>In order to calculate the total score for this quality criterion, proceed as follows: 'At least one 'A', no 'C' or 'D' = A; Two times 'B' = B; At least one 'C', no 'D' = C; at least one 'D' = D</i>				
Assessment RELEVANCE: total score	A	B	C	D
1.1 What is the present level of relevance of the intervention?				
X	A	Clearly still embedded in national policies and Belgian strategy, responds to aid effectiveness commitments, highly relevant to needs of target group.		
...	B	Still fits well in national policies and Belgian strategy (without always being explicit), reasonably compatible with aid effectiveness commitments, relevant to target group's needs.		
...	C	Some issues regarding consistency with national policies and Belgian strategy, aid effectiveness or relevance.		
...	D	Contradictions with national policies and Belgian strategy, aid efficiency commitments; relevance to needs is questionable. Major adaptations needed.		
1.2 As presently designed, is the intervention logic still holding true?				
	A	Clear and well-structured intervention logic; feasible and consistent vertical logic of objectives; adequate indicators; Risks and Assumptions clearly identified and managed; exit strategy in place (if applicable).		
X	B	Adequate intervention logic although it might need some improvements regarding hierarchy of objectives, indicators, Risk and Assumptions.		
	C	Problems with intervention logic may affect performance of intervention and capacity to monitor and evaluate progress; improvements necessary.		
	D	Intervention logic is faulty and requires major revision for the intervention to have a chance of success.		

2. EFFICIENCY OF IMPLEMENTATION TO DATE: Degree to which the resources of the intervention (funds, expertise, time, etc.) have been converted into results in an economical way				
<i>In order to calculate the total score for this quality criterion, proceed as follows: 'At least two 'A', no 'C' or 'D' = A; Two times 'B', no 'C' or 'D' = B; at least one 'C', no 'D' = C; at least one 'D' = D</i>				
Assessment EFFICIENCY : total score	A	B	C	D
2.1 How well are inputs (financial, HR, goods & equipment) managed?				
	A	All inputs are available on time and within budget.		

B	Most inputs are available in reasonable time and do not require substantial budget adjustments. However there is room for improvement.
C	Availability and usage of inputs face problems, which need to be addressed; otherwise results may be at risk.
D	Availability and management of inputs have serious deficiencies, which threaten the achievement of results. Substantial change is needed.
2.2 How well is the implementation of activities managed?	
A	Activities implemented on schedule
B	Most activities are on schedule. Delays exist, but do not harm the delivery of outputs
C	Activities are delayed. Corrections are necessary to deliver without too much delay.
D	Serious delay. Outputs will not be delivered unless major changes in planning.
2.3 How well are outputs achieved?	
A	All outputs have been and most likely will be delivered as scheduled with good quality contributing to outcomes as planned.
B	Output delivery is and will most likely be according to plan, but there is room for improvement in terms of quality, coverage and timing.
C	Some output are/will be not delivered on time or with good quality. Adjustments are necessary.
D	Quality and delivery of outputs has and most likely will have serious deficiencies. Major adjustments are needed to ensure that at least the key outputs are delivered on time.

3. EFFECTIVENESS TO DATE: Degree to which the outcome (Specific Objective) is achieved as planned at the end of year N				
<i>In order to calculate the total score for this quality criterion, proceed as follows: 'At least one 'A', no 'C' or 'D' = A; Two times 'B' = B; At least one 'C', no 'D' = C; at least one 'D' = D</i>				
Assessment EFFECTIVENESS : total score	A	B	C	D
3.1 As presently implemented what is the likelihood of the outcome to be achieved?				
A	Full achievement of the outcome is likely in terms of quality and coverage. Negative effects (if any) have been mitigated.			
B	Outcome will be achieved with minor limitations; negative effects (if any) have not caused much harm.			
C	Outcome will be achieved only partially among others because of negative effects to which management was not able to fully adapt. Corrective measures have to be taken to improve ability to achieve outcome.			
D	The intervention will not achieve its outcome unless major, fundamental measures are taken.			
3.2 Are activities and outputs adapted (when needed), in order to achieve the outcome?				
A	The intervention is successful in adapting its strategies / activities and outputs to changing external conditions in order to achieve the outcome. Risks and assumptions are managed in a proactive manner.			
B	The intervention is relatively successful in adapting its strategies to changing external conditions in order to achieve its outcome. Risks management is rather passive.			

C	The intervention has not entirely succeeded in adapting its strategies to changing external conditions in a timely or adequate manner. Risk management has been rather static. An important change in strategies is necessary in order to ensure the intervention can achieve its outcome.
D	The intervention has failed to respond to changing external conditions, risks were insufficiently managed. Major changes are needed to attain the outcome.

4. POTENTIAL SUSTAINABILITY: The degree of likelihood to maintain and reproduce the benefits of an intervention in the long run (beyond the implementation period of the intervention).				
<i>In order to calculate the total score for this quality criterion, proceed as follows: At least 3 'A's, no 'C' or 'D' = A ; Maximum two 'C's, no 'D' = B; At least three 'C's, no 'D' = C ; At least one 'D' = D</i>				
Assessment POTENTIAL SUSTAINABILITY : total score	A	B	C	D
4.1 Financial/economic viability?				
A	Financial/economic sustainability is potentially very good: costs for services and maintenance are covered or affordable; external factors will not change that.			
B	Financial/economic sustainability is likely to be good, but problems might arise namely from changing external economic factors.			
C	Problems need to be addressed regarding financial sustainability either in terms of institutional or target groups costs or changing economic context.			
D	Financial/economic sustainability is very questionable unless major changes are made.			
4.2 What is the level of ownership of the intervention by target groups and will it continue after the end of external support?				
A	The steering committee and other relevant local structures are strongly involved in all stages of implementation and are committed to continue producing and using results.			
B	Implementation is based in a good part on the steering committee and other relevant local structures, which are also somewhat involved in decision-making. Likelihood of sustainability is good, but there is room for improvement.			
C	The intervention uses mainly ad-hoc arrangements and the steering committee and other relevant local structures to ensure sustainability. Continued results are not guaranteed. Corrective measures are needed.			
D	The intervention depends completely on ad-hoc structures with no prospect of sustainability. Fundamental changes are needed to enable sustainability.			
4.3 What is the level of policy support provided and the degree of interaction between intervention and policy level?				
A	Policy and institutions have been highly supportive of intervention and will continue to be so.			
B	Policy and policy enforcing institutions have been generally supportive, or at least have not hindered the intervention, and are likely to continue to be so.			
C	Intervention sustainability is limited due to lack of policy support. Corrective measures are needed.			
D	Policies have been and likely will be in contradiction with the intervention. Fundamental changes needed to make intervention sustainable.			
4.4 How well is the intervention contributing to institutional and management capacity?				
A	Intervention is embedded in institutional structures and has contributed to improve the institutional and management capacity (even if this is not an explicit goal).			
B	Intervention management is well embedded in institutional structures and has somewhat contributed to capacity building. Additional expertise might be required. Improvements in order to guarantee sustainability are possible.			

C	Intervention relies too much on ad-hoc structures instead of institutions; capacity building has not been sufficient to fully ensure sustainability. Corrective measures are needed.
D	Intervention is relying on ad hoc and capacity transfer to existing institutions, which could guarantee sustainability, is unlikely unless fundamental changes are undertaken.

4.2 Decisions taken by the steering committee and follow-up

Provide an overview of the important strategic decisions taken by the steering committee and the follow-up of those decisions¹⁷.

Decision to take					Action			Follow-up	
Decision to take	Period of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status
<p><i>Modification of HR planning:</i></p> <ul style="list-style-type: none"> - Recruitment of individual consultants; - Broadening the scope of the main consultant (for R1: international expert in incubation and S&T policy) towards a profile and mandate that will also provide management advice to the PMU; - The tasks of both Vietnamese experts (one technical expert and one management/monitoring expert) for each result will be integrated into one single function; - Creation of a sub-budget line from A_04_02 for a full time position of a secretary/translator; - Consultancy support to the preparation of POM, using the budget line A_01_07. 					TORs are under revision	PMU	End of January	On-going	

¹⁷ You can use the table of this template, or you can replace it by your own format (e.g. from your operational monitoring), as long as it provides the same information.

4.3 Updated Logical framework

There are no changes to the Logical framework.

4.4 MoRe Results at a glance

Not available at this stage.

Logical framework's results or indicators modified in last 12 months?	
Baseline Report registered on PIT?	
Planning MTR (registration of report)	mm/yyyy (estimate)
Planning ETR (registration of report)	mm/yyyy (estimate)
Backstopping missions since 01/01/2012	

4.5 “Budget versus current (y – m)” Report

Please see the annex attached for more information.

4.6 Communication resources

Not available at this stage.

Budget vs Actuals (Year to Month, by Quarter) of VIE1204711

Project Title : **Support to the Innovation and Development of Business Incubators Policy Project**

Budget Version : **C01**

Year to month : 31/12/2014

Currency : **EUR**

YtM : **Report includes all closed transactions until the end date of the chosed closing**

Status	Fin Mode	Amount	2013	2014				Total	Total Exp.	Balance	% Exec
				Q1	Q2	Q3	Q4				
A SPECIFIC OBJECTIVE - THE		3.226.500,00	0,00			0,00		0,00	0,00	3.226.500,00	0%
01 Result 1 - Enhanced legal		564.000,00	0,00			0,00		0,00	0,00	564.000,00	0%
01	Development of a circular	COGEST	16.000,00	0,00			0,00		0,00	16.000,00	0%
02	Development of a Road	COGEST	6.000,00	0,00					0,00	6.000,00	0%
03	Review of the areas where	COGEST	15.000,00	0,00					0,00	15.000,00	0%
04	Study tour to view	COGEST	30.000,00	0,00					0,00	30.000,00	0%
05	Networking, awareness	COGEST	35.000,00	0,00					0,00	35.000,00	0%
06	HR Result 1 - Permanent	COGEST	120.000,00	0,00					0,00	120.000,00	0%
07	consultancy contract	COGEST	342.000,00	0,00					0,00	342.000,00	0%
02 Result 2 - Incubator policy		819.000,00	0,00						0,00	819.000,00	0%
01	Support to the preparation	COGEST	5.000,00	0,00					0,00	5.000,00	0%
02	Support to the operational	COGEST	255.000,00	0,00					0,00	255.000,00	0%
03	Procurement of essential	COGEST	20.000,00	0,00					0,00	20.000,00	0%
04	Provision o advisory	COGEST	2.500,00	0,00					0,00	2.500,00	0%
05	Support to the preparation	COGEST	5.000,00	0,00					0,00	5.000,00	0%
06	Support ot the operational	COGEST	205.000,00	0,00					0,00	205.000,00	0%
07	Provision of advisory	COGEST	2.500,00	0,00					0,00	2.500,00	0%
08	HR Result 2 -Permanent	COGEST	144.000,00	0,00					0,00	144.000,00	0%
	REGIE	748.500,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	713.249,43	5,00
	COGEST	3.251.500,00	0,00			0,00		0,00	0,00	3.251.500,00	0,00
	TOTAL	4.000.000,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	3.964.749,43	1,00

Budget vs Actuals (Year to Month, by Quarter) of VIE1204711

Project Title : **Support to the Innovation and Development of Business Incubators Policy Project**

Budget Version : **C01**

Year to month : 31/12/2014

Currency : **EUR**

YtM : **Report includes all closed transactions until the end date of the chosed closing**

	Status	Fin Mode	Amount	2013	2014				Total	Total Exp.	Balance	% Exec
					Q1	Q2	Q3	Q4				
09 consultancy contract		COGEST	180.000,00	0,00						0,00	180.000,00	0%
03 Result 3 - Incubator policy			1.424.500,00	0,00						0,00	1.424.500,00	0%
01 Design and establish		COGEST	13.500,00	0,00						0,00	13.500,00	0%
02 Operate the Innofund		COGEST	1.082.000,00	0,00						0,00	1.082.000,00	0%
03 Undertake a study to		COGEST	35.000,00	0,00						0,00	35.000,00	0%
04 Provide support to		COGEST	18.000,00	0,00						0,00	18.000,00	0%
05 HR Result 3 - Permanent		COGEST	96.000,00	0,00						0,00	96.000,00	0%
06 Consultancy for R3 - within		COGEST	180.000,00	0,00						0,00	180.000,00	0%
04 Result 4 - A monitoring and			419.000,00	0,00						0,00	419.000,00	0%
01 Establish a BIPP monitoring		COGEST	5.000,00	0,00						0,00	5.000,00	0%
02 Operate the BIPP		COGEST	360.000,00	0,00						0,00	360.000,00	0%
03 HR - Consultance		COGEST	54.000,00	0,00						0,00	54.000,00	0%
X RÉSERVE BUDGÉTAIRE (MAX			75.000,00	0,00						0,00	75.000,00	0%
01 Réserve budgétaire			75.000,00	0,00						0,00	75.000,00	0%
01 Réserve budgétaire		COGEST	25.000,00	0,00						0,00	25.000,00	0%
02 Réserve budgétaire REGIE		REGIE	50.000,00	0,00						0,00	50.000,00	0%
Z GENERAL MEANS			698.500,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	663.249,43	5%
01 HR costs			408.000,00	0,00		2.623,32	6.046,71	12.838,57	21.508,60	21.508,60	386.491,40	5%
		REGIE	748.500,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	713.249,43	5,00
		COGEST	3.251.500,00	0,00			0,00		0,00	0,00	3.251.500,00	0,00
		TOTAL	4.000.000,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	3.964.749,43	1,00

Budget vs Actuals (Year to Month, by Quarter) of VIE1204711

Project Title : **Support to the Innovation and Development of Business Incubators Policy Project**

Budget Version : **C01**

Year to month : 31/12/2014

Currency : **EUR**

YtM : **Report includes all closed transactions until the end date of the chosed closing**

	Status	Fin Mode	Amount	2013	2014				Total	Total Exp.	Balance	% Exec
					Q1	Q2	Q3	Q4				
01 Coordinators		REGIE	180.000,00	0,00			292,94	5.525,29	5.818,23	5.818,23	174.181,77	3%
02 Financie and administration		REGIE	228.000,00	0,00		2.623,32	5.753,77	7.313,28	15.690,37	15.690,37	212.309,63	7%
02 Investissements			17.000,00	0,00			3.570,85	2.678,56	6.249,41	6.249,41	10.750,59	37%
01 Office equipment		REGIE	5.000,00	0,00						0,00	5.000,00	0%
02 IT equipment		REGIE	12.000,00	0,00			3.570,85	2.678,56	6.249,41	6.249,41	5.750,59	52%
03 Running costs			106.000,00	0,00		595,94	2.098,98	720,07	3.414,99	3.414,99	102.585,01	3%
01 Communication		REGIE	18.000,00	0,00						0,00	18.000,00	0%
02 Office consumables		REGIE	30.000,00	0,00		595,94	2.037,39	738,78	3.372,11	3.372,11	26.627,89	11%
03 Missions / Transport		REGIE	22.500,00	0,00			50,48		50,48	50,48	22.449,52	0%
04 External communication		REGIE	10.000,00	0,00						0,00	10.000,00	0%
05 Training		REGIE	0,00	0,00						0,00	0,00	??%
06 Financial costs		REGIE	1.500,00	0,00			11,11	-11,95	-0,84	-0,84	1.500,84	0%
07 VAT costs		REGIE	0,00	0,00						0,00	0,00	??%
08 Other running costs		REGIE	24.000,00	0,00				-6,76	-6,76	-6,76	24.006,76	0%
04 Audit et Suivi et Evaluation			167.500,00	0,00	791,72	3.128,09	41,78	115,98	4.077,57	4.077,57	163.422,43	2%
01 Monitoring and evaluation		REGIE	70.000,00	0,00		557,36			557,36	557,36	69.442,64	1%
02 Audit		REGIE	60.000,00	0,00						0,00	60.000,00	0%
03 Backstopping		REGIE	37.500,00	0,00	791,72	2.570,73	41,78	115,98	3.520,21	3.520,21	33.979,79	9%
		REGIE	748.500,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	713.249,43	5,00
		COGEST	3.251.500,00	0,00			0,00		0,00	0,00	3.251.500,00	0,00
		TOTAL	4.000.000,00	0,00	791,72	6.347,35	11.758,32	16.353,19	35.250,57	35.250,57	3.964.749,43	1,00