



**USAID**  
FROM THE AMERICAN PEOPLE



Photo Credit: USAID LinkSME Activity

# USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES (LINKSME) ACTIVITY

## FINAL EVALUATION

### USAID Learns

**September 2023**

This report is made possible by the support of the American people through United States Agency for International Development (USAID). The content of this report is the sole responsibility of Social Impact, Inc. for USAID/Vietnam under USAID Learns and does not necessarily reflect the views of USAID or the United States Government.

## ABSTRACT

The USAID/Vietnam commissioned the USAID Learns to conduct a final evaluation of the USAID Linkages for Small and Medium Enterprises Activity (LinkSME) to identify lessons and effective approaches over its five pillars: Business Enabling Environment (BEE), Linkage, Government of Vietnam (GVN) coordination, Business Supporting Organizations (BSOs) and COVID-19 Responses. USAID Learns conducted the evaluation from May to October 2023, using a mixed-method approach, including Key Informant Interviews (KIIs), Focus Group Discussions (FGDs) and an online survey. In total, the Evaluation Team (ET) reached over 253 people for this evaluation. The findings show that: 1) the LinkSME Activity effectively contributed to the creation of a BEE although the efforts were more focused on broad-based business development and operation rather than exclusively focusing on facilitating SME - Lead Firm (SME-LF) linkage; 2) LinkSME flexibly applied a four-step approach to facilitate SME-LF linkage by sector and time that was highly relevant to the Vietnamese political context and LFs' demands. This has improved SME capacity in several areas, especially on linkage replicability; 3) LinkSME's coordination and implementation approach with the Office of Government (OOG) and the Ministry of Planning and Investment (MPI) was also effective but there remains room for improvement on planning and implementation; 4) LinkSME enhanced BSOs' capacity to facilitate SME linkages with five key interventions, but only a few active BSOs successfully facilitated new deals without LinkSME support; 5) LinkSME achieved initial successes in supporting Vietnamese SMEs on Access to Finance (A2F) and Digital Transformation (DX), not only for COVID-19 recovery, but also for their capacity improvement. Considering the inhibiting and facilitating factors in each pillar, the ET suggested nine groups of recommendations for current and future USAID interventions on economic growth and governance.

# USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES ACTIVITY (LINKSME) FINAL EVALUATION

## USAID Learns Activity

Contracted under 72044019C00003

**Submitted to:**

Le Tong Giang, Contracting Officer's Representative (COR)  
United States Agency for International Development/Vietnam  
15/F, Tung Shing Square  
2 Ngo Quyen Street  
Hoan Kiem District  
Hanoi, Vietnam

**Submitted by:**

USAID Learns Activity  
Social Impact, Inc.  
Level 6, BIDV Tower  
194 Tran Quang Khai Street  
Hoan Kiem District  
Hanoi, Vietnam

## CONTENTS

<b>ABSTRACT</b>	<b>ii</b>
<b>CONTENTS</b>	<b>iv</b>
<b>LIST OF BOXES</b>	<b>vi</b>
<b>LIST OF FIGURES</b>	<b>vi</b>
<b>LIST OF TABLES</b>	<b>vi</b>
<b>ACRONYMS</b>	<b>vii</b>
<b>EXECUTIVE SUMMARY</b>	<b>ix</b>
BACKGROUND AND PURPOSE	ix
METHODS	ix
FINDINGS AND CONCLUSIONS	x
RECOMMENDATIONS	xiii
<b>INTRODUCTION</b>	<b>1</b>
BACKGROUND	1
PURPOSE AND AUDIENCE	1
EVALUATION QUESTIONS (EQs)	2
<b>METHODOLOGY</b>	<b>4</b>
EVALUATION DESIGN	4
<b>FINDINGS</b>	<b>5</b>
EQ1: BEE PILLAR	5
EQ2: LINKAGES PILLAR	11
EQ3: GVN COORDINATION	19
EQ4: BSO CAPACITY SUPPORT	22
EQ5: COVID-19 RESPONSE	27
<b>CONCLUSIONS AND RECOMMENDATIONS</b>	<b>32</b>
CONCLUSIONS	32
RECOMMENDATIONS	33
<b>ANNEX I: FULL LISTING OF REFERENCES AND REPORTS UTILIZED</b>	<b>38</b>
REFERENCES	38
REPORTS UTILIZED	38
<b>ANNEX II: FULL LISTING OF PEOPLE INTERVIEWED</b>	<b>39</b>
<b>ANNEX III: DATA COLLECTION TOOLS</b>	<b>40</b>
A. KII GUIDE - USAID	40
B. KII AND FGD GUIDE – LINKSME IP	40
C. KII GUIDE – THE OOG	41
D. KII GUIDE – THE MPI	42
E. KII GUIDE – BSOs	43
F. KII GUIDE – LFs	44

G. KII GUIDE - BANKS	45
H. FGD GUIDE – BSOs	45
I. FGD GUIDE - SMEs	46
J. ONLINE QUESTIONNAIRE NO. 1 - SMEs RECEIVING INTENSIVE ASSISTANCE FROM LINKSME	47
K. ONLINE QUESTIONNAIRE NO. 2 - SMEs RECEIVING EXTENSIVE ASSISTANCE FROM LINKSME	51
<b>ANNEX IV: RESEARCH METHODS AND LIMITATIONS</b>	<b>53</b>
EVALUATION DESIGN	53
DOCUMENT REVIEW	53
KEY INFORMANT INTERVIEWS	53
FOCUS GROUP DISCUSSIONS	53
ONLINE MINI SURVEY	53
SAMPLING	53
DATA ANALYSIS	54
GENDER AND SOCIAL ANALYSIS PLAN	54
LIMITATIONS	55
ETHICAL CONSIDERATIONS	55
<b>ANNEX V: STATEMENT OF WORK</b>	<b>56</b>
BACKGROUND	56
OVERVIEW OF LINKSME	56
THEORY OF CHANGE	57
RESULTS FRAMEWORK	57
PURPOSE OF EVALUATION	58
KEY AUDIENCE/USERS	58
EVALUATION QUESTIONS	59
EVALUATION METHODS	60
DELIVERABLES	60
TEAM COMPOSITION	61
<b>ANNEX VI. EVALUATION REPORT GUIDANCE</b>	<b>64</b>
CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT	64
OTHER REQUIREMENTS	64
FINAL REPORT SECTIONS AND CONTENT	64
<b>ANNEX VII: RELATED DATA AND INFORMATION</b>	<b>66</b>
<b>ANNEX VIII: DISCLOSURE OF ANY CONFLICTS OF INTEREST</b>	<b>70</b>

## LIST OF BOXES

Box 1: Successful Case of Cutting Fish Product Quarantine Requirements .....	7
Box 2: Successful Case of Cutting APs in the Garment and Textile Industry .....	7
Box 3: Related SME Linkage Programs of Other Donors. <i>Source: USAID Learns Activity, 2023</i> .....	69

## LIST OF FIGURES

Figure 1: Key Results on Business-Friendly Regulations Being Enacted or Issued .....	5
Figure 2: Key Results on Streamlining and Provision of Business-Related Public Administrative Services at a Low Cost Through a National Digital AP System .....	8
Figure 3: Four facilitating factors in the BEE pillar .....	9
Figure 4: Two key inhibiting factors to the BEE pillar.....	10
Figure 5: Three facilitating factors for Vietnamese SMEs to participate in the supply chain .....	11
Figure 6: Three key factors hindering the accession of Vietnamese SMEs into the supply chain .....	13
Figure 7: Four-Step Approach to Facilitate LF-SME Linkage and Key Results .....	14
Figure 8: Capacity Improvement Aspects of SMEs with LinkSME Support.....	16
Figure 9: LinkSME's key figures on Linkage .....	17
Figure 10: Roles of BSOs in Supporting Vietnamese SMEs to Participate in the Supply Chain .....	17
Figure 11: Three emerging opportunities in Linkage pillar .....	18
Figure 12: Factors for effective GVN Coordination of LinkSME.....	19
Figure 13: Factors hindering effectiveness in GVN coordination of LinkSME .....	20
Figure 14: The capacity of BSOs to facilitate SMEs' Linkage - Improvements and Limitations.....	23
Figure 15: The most effective TA provided by LinkSME for BSO capacity development.....	24
Figure 16: The most challenging aspects of LinkSME's capacity support.....	25
Figure 17: Two key emergent needs for BSO Capacity Development .....	26
Figure 18: LinkSME's TA on A2F support for SMEs.....	28
Figure 19: LinkSME's TA on DX support for SMEs.....	30

## LIST OF TABLES

Table 1: Distribution of KIIs, FGDs, and Online Surveys .....	54
Table 2: Limitations and Mitigation Strategies .....	55
Table 3: Summary of Respondents and Survey Disaggregation.....	66
Table 4: Sample Profile by Sector and Assistance Group.....	66
Table 5: MEL Indicator Achievement by July 18, 2023 .....	67
Table 6: Mapping the BSO Readiness, Needs, and New Priorities for Capacity Development .....	68

## ACRONYMS

A2F	Access to Finance
AED	Agency for Enterprise Development
AMELP	Activity Monitoring, Evaluation, and Learning Plan
AP	Administrative Procedure
APCA	Administrative Procedure Control Agency
ASEAN	Association of Southeast Asian Nations
B2B	Business-to-Business
BEE	Business-Enabling Environment
BMO	Business Membership Organization
BSO	Business Support Organization
BSP	Business Service Provider
COR	Contracting Officer's Representative
COVID-19	Coronavirus Disease 2019
CSID	Centre for Supporting Industries Development
DARD	Department of Agricultural and Rural Development
DPI	Department of Planning and Investment
DOIT	Department of Industry and Trade
DQA	Data Quality Assessment
DX	Digital Transformation
EQ	Evaluation Question
ET	Evaluation Team
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FY	Fiscal Year
G2B	Government-to-Business
GESI	Gender and Social Inclusion
GIG	Vietnam Governance for Inclusive Growth Activity
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GVC	Global Value Chain
GVN	Government of Vietnam
HAWA	Handicraft and Wood Industry Association of Ho Chi Minh City
IESC	International Executive Service Corps
IFAD	International Fund for Agricultural Development
IP	Implementing Partner
IPS-C	Improving Private Sector Competitiveness
IR	Intermediate Result
JSC	Joint Stock Company
KII	Key Informant Interview
KPI	Key Performance Indicator
LF	Lead Firm
LOP	Lifecycle of Project
LinkSME	Linkages for Small and Medium Enterprises
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MEL	Monitoring, Evaluation, and Learning
MOF	Ministry of Finance
MOIT	Ministry of Industry and Trade
MPI	Ministry of Planning and Investment
ODA	Official Development Assistance
OOG	Office of the Government
OSS	One-Stop Shop

PD	Project Document
PO	Purchase Order
POC	Point of Contact
SME	Small and Medium Enterprises
SOW	Statement of Work
TA	Technical Assistance
TFP	Trade Facilitation Program
US	United States
USAID	United States Agency for International Development
USG	United States Government
VAMI	Vietnam Association of Mechanical Industries
VASI	Vietnam Association of Supporting Industries
VCCI	Vietnam Chamber of Commerce and Industry
VIA	Vietnam Industry Agency



# EXECUTIVE SUMMARY

## BACKGROUND AND PURPOSE

The United States Agency for International Development (USAID) Linkages for Small and Medium Enterprises (LinkSME) Activity, a \$25 million five-year initiative, aimed to improve the business environment for small and medium enterprises (SMEs) in Vietnam. The initiative, implemented by the International Executive Service Corps, focused on institutionalizing key reforms and strengthening the legal and regulatory framework for SME growth. The four components of the program included promoting institutional reform, promoting an e-government, improving SMEs' supply capacity, and accelerating digital transformation. The program also included a seventh pillar to aid SMEs in recovering from the Coronavirus Disease 2019 (COVID-19) pandemic. The LinkSME Monitoring, Evaluation, and Learning Plan aimed to achieve systemic changes in business relationships between SMEs and lead firms (LFs) and accelerate domestic SME growth.

USAID/Vietnam commissioned USAID Learns to conduct a final evaluation of the LinkSME Activity to identify lessons and effective approaches. The evaluation will inform the current activity, Improving Private Sector Competitiveness, and other USAID follow-on activities. Key audiences included USAID and implementing partners (IPs), Government of Vietnam (GVN) counterparts, and business support organizations (BSOs) and SMEs for learning about effective SME support and linkage.

The evaluation questions (EQs) focused on the impact of LinkSME technical assistance (TA) on policy and regulatory reforms on the business-enabling environment (BEE) pillar, the linkages pillar, GVN coordination, BSO capacity support, and the COVID-19 response. The BEE pillar examined the sustainable impact of LinkSME's assistance on strengthening the SME-LF business linkage. The linkages pillar explored the potential of Vietnamese SMEs in the supply chain and the role of BSOs in supporting them. GVN coordination focused on the effectiveness of LinkSME's coordination and implementation approach with the Office of the Government (OOG) and the Ministry of Planning and Investment (MPI). The evaluation also assessed BSO capacity support, while the COVID-19 response highlighted the support of the additional pillars of Digital Transformation (DX) and Access to Finance (A2F). Evidence was disaggregated with a gender and social inclusion (GESI) lens to understand how diverse groups may benefit differently.

## METHODS

The evaluation team (ET) used a mixed-method approach, including literature review, key informant interviews (KIIs), focus group discussions (FGDs), and a quantitative online survey. The ET collected beneficiary lists and reviewed the Activity's documents. The team then conducted 18 KIIs and 10 FGDs to gather insights on LinkSME's performance, perceived sustainable impacts, and lessons learned. The ET received 218 qualified responses from the online survey, which aimed to explore satisfaction, effectiveness, sustainability, lessons learned, and future assistance needs. The team conducted a validation workshop on July 28, 2023. In total, the ET reached 253 people for this evaluation, including 109 women.

The ET processed secondary data using Dedoose, collected quantitative data for the SME survey using SurveyMonkey, and analyzed it using R and Microsoft Power BI. The team assessed SME agreement with LinkSME's perceived impacts using the Likert scale. The ET incorporated gender and social considerations in both data collection and analysis.

## FINDINGS AND CONCLUSIONS

### EQ1: BEE PILLAR: TO WHAT EXTENT DID THE LINKSME TA ON POLICY AND REGULATORY REFORMS HAVE A PERCEIVED SUSTAINABLE IMPACT ON CREATING A BEE FOR STRENGTHENING THE SME-LF BUSINESS LINKAGE?

The LinkSME Activity contributed to the creation of a BEE to strengthen the SME-LF business linkage. It supported the GVN to formulate and implement 20 important regulations for the business environment, including some key legal documents on SME-LF linkage (exceeding the target by 17 percent). The Activity also developed regulatory reform tools and pilot models and strengthened the capacity of GVN partners, thereby facilitating the GVN's achievement in reducing regulatory compliance costs via cutting and simplifying over 2,300 business-related regulations; modernizing over 1,000 one-stop shops in Vietnam; and improving the functions of the National Public Service Portal. LinkSME also supported OOG in enhancing government-to-business interaction by improving the Business Regulation Reference and Consultation Portal. However, most of these regulations were generic business environment reforms with less focus on LF-SME linkage; social inclusion considerations were not pronounced on the National Public Service Portal; and there is yet a regulation that determines the rights and responsibilities of those involved to keep the Business Regulation Reference and Consultation Portal live and that promotes the engagement of the private sector.

The ET found four facilitating and two inhibiting factors in the BEE pillar. The facilitating factors were 1) the shared goals between USAID and GVN partners on private sector engagement and the good timing of BEE interventions related to linkage between SME and global value chains (GVCs); 2) the strong market demand for linkage between SMEs and GVCs; 3) the highly influential and relevant GVN partners; and 4) the close and trustful cooperation of GVN partners, USAID, and LinkSME staff. The two key inhibiting factors to LinkSME were 1) the broad-based BEE reforms of GVN partners instead of a focus on SME-LF linkage; and 2) the hesitation of SMEs in policy dialogues.

The USAID might consider three emergent opportunities related to the BEE: 1) continuing to support capacity building for GVN partners; 2) improving public e-services, both at the National Public Service Portal and at the ministerial portals; and 3) promoting government-to-business dialogues/consultations by improving the capacity and participation of the membership-based BSO in the reform, formulation, and implementation of regulations, especially those related to SME-GVC linkage.

### EQ2: LINKAGES PILLAR: TO WHAT EXTENT DID LINKSME UNLOCK THE POTENTIAL OF VIETNAMESE SMES TO PARTICIPATE IN THE SUPPLY CHAIN?

The evaluation found three facilitating factors for Vietnamese SMEs to participate in the supply chain: 1) SME technical capacities potentially meet the demand of international buyers; 2) international buyers are shifting demand to Vietnamese SME suppliers due to geopolitical considerations and diversifying supply chains as de-risking solutions; 3) the Vietnamese business environment is favorable, with relatively well-established regulatory frameworks for import and export, support policies for exporting companies, and lower tariffs from the United States (US) compared to major competitors. Three key factors hindering the accession of Vietnamese SMEs into the supply chain were: 1) the limited capability and knowledge of SMEs to the developed market; 2) the high demand from regular markets leading to low motivation for SMEs to upgrade their capability; and 3) BEE limitations.

LinkSME applied a four-step approach to facilitate SME-LF linkage. It included 1) LF identification; 2) supplier identification and pre-evaluation; 3) full supplier audits; and 4) intensive TA for linkages. The Activity flexibly used such an approach by sector and context. This approach was highly relevant to the political context and LFs' demands. The evaluation survey revealed that overall, 86 percent of SMEs that received LinkSME assistance found it effective, and 49 percent confirmed that they would further use, maintain, or join similar interventions in the future. The effectiveness level ranged from 71 percent with tools and/or manuals to 89 percent with intensive TA and pre-evaluation or

orientation. There were no differences in the responses by respondent gender and business type (whether woman-led or man-led; with a low or high female ratio).

LinkSME improved SME capacity in several areas, such as production, quality management, partnership, communication, and marketing. SMEs also enhanced their participation in global supply chains. Over the Activity's implementation, 1,562 SMEs received support from the US government, 63 improved local economy participation, 280 purchase orders were processed, and the private sector was engaged for \$31.8 million, exceeding targets.

Although BSOs played an important role in supporting SME-LF linkages, their contribution to support SMEs remained limited. Almost all the BSOs engaged in the Activity were business membership organizations, which were more appropriate for general support services, such as event organization and workshops or training.

Some of the opportunities/gaps that emerged for future intervention to consider include: 1) conducting a study to review and recommend a more lightweight and easy-to-use approach, capitalizing on the success of the current approach but promoting the uniqueness of local SMEs; 2) expanding from SME-LF to business-to-business (B2B) linkages; 3) supporting an assessment to review and propose a sectoral and geographical selection strategy based on the new context of the US-Vietnam comprehensive strategic partnership; 4) focusing on intensive assistance to facilitate B2B linkages; and 5) on-board support for new international buyers to Vietnam.

### **EQ3: GVN COORDINATION: WHAT ASPECTS OF LINKSME'S COORDINATION AND IMPLEMENTATION APPROACH WITH THE OOG AND THE MPI WERE EFFECTIVE IN IMPROVING THE BEE AND CAPACITY OF VIETNAMESE SMES? WHERE ARE THERE OPPORTUNITIES TO IMPROVE?**

LinkSME's implementation approach and coordination with the OOG and the MPI was effective. It was an important factor that facilitated activities and interventions under LinkSME to improve the BEE and capacity of Vietnamese SMEs. GVN partners are relevant: the OOG is charged with the role of coordinating efforts by ministries and provinces to reduce business-related regulations and compliance costs by 20 percent between 2021–2025, while the MPI's Agency for Enterprise Development (AED) is responsible for SME support programs and regulations. Line ministries like the Ministry of Agriculture and Rural Development and the Ministry of Industry and Trade are actively involved in regulatory reforms in sectors relevant to the ministries. The Activity's effectiveness was fostered by the trust and close cooperation between USAID, GVN partners, and IPs. The IP staff provided good-quality service and were well recognized by GVN partners. Communication between USAID, GVN partners, and IP was regular and smooth, contributing to the Activity's success. However, there are opportunities for improvement, such as simplified procedures for GVN project approval and planning, as well as stronger collaboration and harmonization between the USAID and the GVN in programming and designing monitoring, evaluation, and learning systems. The standardization of operational procedures, external peer review systems, and knowledge management could improve coordination between IP and GVN partners.

### **EQ4: BSO CAPACITY SUPPORT: TO WHAT EXTENT ARE BSOS READY TO FACILITATE SME LINKAGES?**

LinkSME enhanced BSOs' capacity to facilitate SME linkages by focusing on demand-driven approaches and standardized processes for supplier data management and performance management. Thirty-three BSOs signed memoranda of understanding with LinkSME, and some select BSOs joined the Activity for an SME pre-evaluation and audit. However, only a few active BSOs successfully facilitated new deals without LinkSME support. Effective LinkSME TA included demand-driven approaches, opportunities to practice and learn from international and national experts, supplier pre-evaluation tools, documented training materials, supplier database on AED's portal, and the use of business service providers in the design and delivery of BSO services. The most challenging aspects of LinkSME's capacity support included the unclear business models of GVN BSOs and limited access to GVN support programs/funds. Emergent needs and new priorities for capacity development include

developing business models for different types of BSOs and private sector engagement in facilitating SME linkages.

**EQ5: COVID-19 RESPONSE: GIVEN THE IMPACT OF COVID, LINKSME REVISED ITS TA APPROACH. HOW DID THE TWO ADDITIONAL PILLARS OF DX AND A2F SUPPORT SMES IN THEIR RECOVERY?**

Starting in the 2021 fiscal year, LinkSME 1) assisted the GVN in developing policies and A2F supporting programs for SMEs to recover from the COVID-19 pandemic; 2) partnered with seven banks regarding A2F; and 3) provided extensive and intensive TA for SMEs to improve their financial management and credit ratings, thus better facilitating A2F. This pillar achieved remarkable results but still had room for improvement.

LinkSME provided TA to six groups to support the MPI in developing and implementing DX assistance for SMEs. The assistance included 1) developing supporting packages under Decree No. 80; 2) developing tools and manuals for DX in different sectors and for SMEs in general; 3) conducting extensive training workshops for SMEs across the country; 4) providing intensive assistance to 30 SMEs to develop a DX roadmap and five SMEs to implement the DX solutions; and 5) boosting communications on DX to SMEs. The assistance yielded various successes for the DX of SMEs at the onset. Regardless, assistance is still needed to sustain the achievement.

## RECOMMENDATIONS

Pillar	Recommendations
<b>BEE</b>	<ol style="list-style-type: none"> <li>USAID should continue to support GVN partners on SME-GVC linkage by 1) assisting in the upgrade of public e-services mainstreamed with GESI approaches and focused on SME-GVC linkage; 2) improving the functions and operations of the Business Regulation Reference and Consultation Portal; 3) increasing the participation of membership-based business supporting organizations in the reform, formulation, and implementation of regulations, especially those related to SME-GVC linkage to represent the SME voices; and 4) allowing more use of social media to communicate the progress and results of BEE facilitation to the wider public.</li> </ol>
<b>Linkage</b>	<ol style="list-style-type: none"> <li>USAID and GVN partners should continue to promote and adapt the four-step linkage approach by 1) conducting a study to review and recommend a more lightweight and easy-to-use approach, capitalized on the success of the current approach but promoting the uniqueness of local SMEs; 2) expanding from SME-LF to B2B linkages; 3) supporting an assessment to review and propose a sectoral and geographical selection strategy based on the new context of the US-Vietnam comprehensive strategic partnership; 4) focusing on intensive assistance in facilitating B2B linkages; and 5) on-board support for new international buyers to Vietnam.</li> <li>USAID and GVN partners should engage BSOs more deeply in supporting capacity building and B2B matchmaking to increase the effectiveness and sustainability of business development and linkage services considering their capacity, the understanding of market requirements, and their networks with potential buyers.</li> </ol>
<b>GVN Coordination</b>	<ol style="list-style-type: none"> <li>USAID should promote further localization and local ownership, thereby contributing to higher effectiveness, impact, and sustainability. This could be possible by 1) selecting strong and relevant partners with a shared vision and priorities; 2) maintaining the demand-based approach that helps strengthen the ownership of GVN partners; and 3) increasing the level of TA work implemented by local consultants and BSOs.</li> <li>USAID should provide more technical support to the GVN on a result-based approach and move toward the same understanding and practices on how to measure and report results in TA activities.</li> <li>USAID and GVN partners should maintain and strengthen the trust between them through effective communication, with technically competent USAID LinkSME staff members capable of building rapport with GVN partners.</li> </ol>
<b>BSO</b>	<ol style="list-style-type: none"> <li>USAID should support BSO capacity development based on type, needs, and priorities, as well as the development of the business service market for SMEs, by 1) conducting studies and assessments on viable business models for BSOs and the business service market for SMEs per different type of BSO as market players; 2) providing capacity development TA for all market players and regulators of the business service market for SMEs; 3) engaging all relevant stakeholders in design and implementation processes, with clear engagement and financing strategies; and 4) encouraging adaptive and realistic planning with participatory, results-based, and resource-based approaches.</li> </ol>

Pillar	Recommendations
<b>A2F</b>	8. USAID should continue to support SME A2F via 1) policy advocacy with GVN partners and financial institutions for better A2F for SMEs; 2) continued cooperation with banks in more strategic and closer ways; 3) continued adaptation of A2F interventions from LinkSME projects to other USAID interventions in line with the context of the US-Vietnam comprehensive strategic partnership; and 4) boosted cooperation with other donors' projects to amplify A2F efforts.
<b>DX</b>	9. USAID should continue to support the GVN in 1) reviewing and adjusting policies that incentivize and support SME DX in target sectors; 2) further improving DX manuals and tools, as well as LinkSME training for publicization and/or institutionalization; and 3) boosting cooperation with other donors' projects to intensify DX efforts.

# INTRODUCTION

## BACKGROUND

Implemented by International Executive Service Corps (IESC), the United States Agency for International Development (USAID) Linkages for Small and Medium Enterprises (LinkSME) Activity was a \$25 million five-year activity from September 2018 to September 2023. Its key Government of Vietnam (GVN) counterparts were the Office of the Government (OOG) and the Ministry of Planning and Investment (MPI). LinkSME aimed to enhance the business-enabling environment (BEE) by institutionalizing key reforms and strengthening the legal and regulatory framework for small and medium enterprise (SME) growth across the nation. Overall, LinkSME supported the USAID/Vietnam objectives of 1) strengthening the framework for business linkages between SMEs and lead firms (LFs) and 2) enhancing Vietnamese SMEs' capacity to participate in supply chains.

To achieve these objectives, LinkSME implemented four components. The first three technical components were 1) promoting institutional reforms, streamlining regulations and administrative procedures (APs), and cutting down compliance cost to enhance the competitiveness of SMEs; 2) promoting an e-government to improve government-to-business (G2B) interactions and facilitate SME investment, business, and international integration; and 3) improving SMEs' supply capacity and strengthening business linkages between SMEs and global value chains (GVCs). The fourth component focused on how LinkSME's financial and administrative units supported its technical efforts. Under the components, six core pillars/workstreams were formed, including 1) reducing and simplifying rules and regulations; 2) facilitating G2B interactions; 3) developing the business support market and supporting the implementation of GVN policies and programs to assist businesses; 4) facilitating linkages; 5) facilitating Access to Finance (A2F); and 6) accelerating Digital Transformation (DX). In addition to these six, a seventh pillar ("Pillar 19") was added to assist SMEs in recovering from the negative impacts of the Coronavirus Disease 2019 (COVID-19) pandemic.

As defined in the LinkSME Monitoring, Evaluation, and Learning Plan that USAID approved on June 30, 2023, the theory of change is to achieve systemic changes in SME linkages with LFs; thus, focusing on facilitating individual firm-level transactions is necessary but insufficient. Rather, to achieve systemic changes, operating environment changes need to occur. If linkages and connections between the most-ready domestic SMEs and LFs are facilitated and the operating environment is improved, then more firms will broadly adopt this approach, thereby institutionalizing stronger SME-LF business relationships and accelerating domestic SME growth. The results framework of the USAID LinkSME Activity is available in Annex V.

## PURPOSE AND AUDIENCE

USAID/Vietnam engaged USAID Learns to conduct a final evaluation of the LinkSME Activity. The purpose of this evaluation was to capture lessons and effective approaches developed over the course of LinkSME implementation to more broadly inform the current activity—Improving Private Sector Competitiveness (IPS-C)—and other USAID follow-on activities in the sector. The evaluation also identified emerging areas where USAID/Vietnam could have an impact and how this would inform USAID/Vietnam's vision for economic growth and competitiveness in Vietnam. The primary audiences were USAID/Vietnam, specifically the Office of Governance and Economic Growth (OGEG), LinkSME, and IPS-C. Other stakeholders, notably those from the private sector and the GVN, may find utility from opportunities outlined in this report to collaborate with USAID/Vietnam to provide more effective SME support and linkage.

## EVALUATION QUESTIONS (EQs)

### I. BEE PILLAR

To what extent did the LinkSME technical assistance (TA) on policy and regulatory reforms have a perceived sustainable impact on creating a BEE for strengthening the SME-LF business linkage?<sup>1</sup>

- How did LinkSME assist its relevant partners in enhancing the BEE for strengthening the SME-LF business linkage? What sustainable impact did relevant partners achieve with support from LinkSME in creating a BEE for strengthening the SME-LF business linkage?
- What were the factors facilitating or inhibiting LinkSME's ability to assist its relevant partners in creating a sustainable BEE that bolsters the SME-LF business linkage? How did LinkSME capitalize on the facilitating factors? How did LinkSME and relevant partners overcome/address the inhibiting factors?
- Within and beyond LinkSME's scope, are there emerging opportunities under the BEE pillar worth exploring? Are there untapped areas where USAID can have impact?<sup>2</sup>

### 2. LINKAGES PILLAR

To what extent did LinkSME unlock the potential of Vietnamese SMEs to participate in the supply chain?

- What were the factors facilitating or inhibiting Vietnamese SMEs (under LinkSME's support) from participating in the supply chain?
- How did LinkSME unlock the potential of Vietnamese SMEs and facilitate linkages to domestic and international LFs? What value did the LinkSME assistance add?
- How did capacity improvement help Vietnamese SMEs participating in the supply chain? What roles did business support organizations (BSOs) play to support Vietnamese SMEs in participating in the supply chain?
- Within and beyond LinkSME's scope, are there emerging opportunities under the linkages pillar worth exploring? Are there untapped areas where USAID can have impact?<sup>3</sup>

### 3. GVN COORDINATION

What aspects of LinkSME's coordination and implementation approach with the OOG and the MPI were effective in improving the BEE and capacity of Vietnamese SMEs? Where are there opportunities to improve?

### 4. BSO CAPACITY SUPPORT

To what extent are BSOs ready to facilitate SME linkages?

- Did BSOs' capacity to facilitate SME linkages improve? If yes, how?
- What was the most effective LinkSME TA in developing the capacity of BSOs?
- What were the most challenging aspects of LinkSME's capacity support?<sup>4</sup>

---

<sup>1</sup> In the recommendations, provide guidance on what can be done to prioritize and better facilitate sustained policy results.

<sup>2</sup> Discuss how this can shape OGEG's vision for economic growth and competitiveness in Vietnam. Limit to the top one to two opportunities.

<sup>3</sup> Discuss how this can shape OGEG's vision for economic growth and competitiveness in Vietnam. Limit to the top one to two opportunities.

<sup>4</sup> In the recommendations, provide suggested pathways through these challenges.



- Are there emergent needs or new priorities for capacity development? How ready are BSOs to facilitate SME linkages to domestic and international LFs?<sup>5</sup>

## 5. COVID-19 RESPONSE

Given the impact of COVID-19, LinkSME revised its TA approach. How did the two additional pillars of DX and A2F support SMEs in their recovery?

Where possible, evidence to answer these EQs was disaggregated with a gender and social inclusion (GESI) lens to explain how diverse groups benefit differently or require more tailored consideration when designing approaches.

---

<sup>5</sup> Discuss how this can shape OGEG's vision for economic growth and competitiveness in Vietnam. Limit to the top one to two opportunities.

## METHODOLOGY

### EVALUATION DESIGN

The evaluation team (ET) used a mixed-methods approach, including a literature review, key informant interviews (KIIs), focus group discussions (FGDs), and a quantitative online survey. Before carrying out the data collection, the team conducted a literature review of the Activity's documents to understand its background and develop the evaluation design. In June 2023, the ET conducted 18 KIIs (with 27 people, including 15 women) and 10 FGDs (with 21 people, including 13 women) to gather in-depth insights on 1) LinkSME performance; 2) perceived sustainable impacts; and 3) lessons learned. The team also surveyed the SMEs that LinkSME extensively and intensively assisted. This survey captured the satisfaction of the SMEs, who were the end users of LinkSME; the effectiveness and sustainability of LinkSME's services; lessons learned; and the SMEs' future needs for assistance. The ET received a sample of 218 qualified responses. The data collection tools are available in Annex III, while the sample profile and response rate are in Tables 3 and 4 of Annex VII. USAID Learns conducted a validation workshop in July 2023 with USAID and the implementing partner (IP) to validate and solicit feedback on the evaluation findings, conclusions, and recommendations. In total, the evaluation reached 253 people via 28 discussions and 1 online survey.

Data analysis followed the evaluation questions and subquestions. The ET processed the data from KIIs and FGDs and secondary data using Dedoose. The team collected quantitative data via the SME survey using SurveyMonkey and conducted data analysis using R and Microsoft Power BI.

Due to the short duration of the evaluation time frame, the ET faced several limitations. With LinkSME's phase out being implemented during the evaluation, the ET could only reach a small sample size of SMEs through the survey. The data analysis time was also compressed from two months to one month to fit the availability of the LinkSME technical staff. The ET's mitigation methods included 1) acquiring rapid action and assistance from USAID, LinkSME, and USAID Learns during the evaluation phases; 2) LinkSME connecting the ET to its partners prior to the launch of the surveys; 3) the ET prioritizing KIIs and FGDs with the IPs, OOG, and MPI; and 4) USAID Learns mobilizing more resources for data analysis to meet the deadline. Assessing the perceived impact over time presented another limitation, particularly while BEE and regulatory changes were still ongoing. The mitigating actions included measuring perceptions of increased capacity, consistency of interest and commitment, and perceptions of commitment to continue providing the services (by BSOs); striving to establish links with LFs (by SMEs); and sourcing from Vietnamese SMEs (by LFs).

## FINDINGS

### EQI: BEE PILLAR

**TO WHAT EXTENT DID THE LINKSME TA ON POLICY AND REGULATORY REFORMS HAVE A PERCEIVED SUSTAINABLE IMPACT ON CREATING A BEE FOR STRENGTHENING THE SME-LF BUSINESS LINKAGE?**

**EQI.1. HOW DID LINKSME ASSIST ITS RELEVANT PARTNERS IN ENHANCING THE BEE FOR STRENGTHENING THE SME-LF BUSINESS LINKAGE? WHAT SUSTAINABLE IMPACT DID RELEVANT PARTNERS ACHIEVE WITH SUPPORT FROM LINKSME IN CREATING A BEE FOR STRENGTHENING THE SME-LF BUSINESS LINKAGE?**

The evaluation found that LinkSME assistance strengthened the BEE for SME-LF business linkage through four result categories: 1) LinkSME assistance resulted in the enactment or issuance of more business-friendly regulations (Intermediate Result or IR 1.1.1); 2) LinkSME helped its GVN partners with tools and capacity to reduce regulatory compliance costs for businesses (IR 1.1.2); 3) LinkSME contributed to GVN achievements in lowering the cost of business-related public administrative services through a national digital AP system (IR 1.2.1); and 4) LinkSME assisted the Administrative Procedure Control Agency (APCA) and the OOG in bolstering G2B dialogues and becoming more effective and outcome-oriented via the online Regulatory Consultation and Reference Portal (IR 1.2.2). Each category is described in more detail below.

#### **IR 1.1.1: More Business-Friendly Regulations Being Enacted or Issued**

LinkSME exceeded its target to assist GVN partners in developing or amending legal documents related to improving business development and operations, including LF-SME linkage (20/17 documents). KILs with GVN partners confirmed the effectiveness of LinkSME support to develop policies and regulations, especially with methodology and approaches for LF-SME linkage.

Figure 1: Key Results on Business-Friendly Regulations Being Enacted or Issued

**20/17** LinkSME exceeded its target to assist GVN partners in developing or amending legal documents.



For about four years, LinkSME continuously supported the MPI in formulating and monitoring the implementation of GVN’s [Resolution No. 02/NQ-CP](#) and [01/NQ-CP](#) on improving the business environment and strengthening national competitiveness.<sup>6</sup> These economic resolutions have been issued annually since 2014 to improve the business climate and sharpen national competitiveness according to international practices. In 2021, Resolution No. 02 included recommendations from the three LinkSME studies that reviewed five years of implementing Resolution No.02 and its former Resolution No.19/NQ-CP.<sup>7</sup> These resolutions reflect the GVN’s strong political commitment and systemic approach toward business environment reforms. The resolutions have also triggered affirmative actions from ministries and provincial governments to

<sup>6</sup> Resolution Nos. 02 and 01 are formerly known as Resolution No. 19/NQ-CP of 2014.

<sup>7</sup> These three studies included national competitiveness, non-cash payment, and property registration.

create a more enabling environment for SMEs and foreign direct investment (FDI) companies.<sup>8</sup> These improvements are linked to the usefulness of LinkSME's evidence-based assessments and policy development approaches for BEE and LinkSME facilitation over the shift in GVN mindsets to apply international rankings as a benchmark and stimulus for regulatory reforms.

**LinkSME also facilitated various important regulations for SME-LF linkage**—e.g., [Decree No. 80/2021/ND-CP](#) and [Circular No. 06/2022/TT-BKHDT](#) (hereinafter referred to as Decree No. 80 and Circular No. 06, respectively). Decree No. 80 was a key step in providing businesses the assistance promised under the SME Law. It dedicated a chapter on the criteria and assistance for SMEs participating in industry clusters and value chains. This decree is considered the regulatory framework for SME-LF linkage in Vietnam. In 2022, the MPI issued [Circular No. 06](#) to guide the detailed implementation of Decree No. 80, incorporating several LinkSME recommendations, such as selecting SMEs for GVN support packages. Both important regulations took into account LinkSME contributions, and the GVN partners expressed their appreciation for the LinkSME support on methodology, approach, and practices.

“LinkSME came at the right time when we were not clear about the methodology to support businesses to link up with the global value chain. LinkSME has international and realistic practices and approaches to select suitable enterprises to join and upgrade their capabilities to join in the value chain. So this is the first contribution of LinkSME to help us have the policy ideas. Secondly, the materials and tools of LinkSME helped us understand more about the approach and elaborate the approach in the Decree 80 in 2021. So LinkSME has helped us have practical experience to improve policy quality.”

- MPI representative

**The GVN, with the support of LinkSME, enacted more business-friendly regulations in support of the BEE for SMEs.** In 2021, LinkSME conducted assessments and consultations with SMEs, produced a literature review of international best practices on public procurement, and participated in the dialogue and consultation on GVN Resolution No. 79/NQ-CP regarding the procurement of medicine, chemicals, materials, and equipment during the COVID-19 pandemic. In addition, LinkSME supported the MPI with a study on international best practices in making public procurement more inclusive for SMEs. The study helped the MPI in the process of revising the Public Procurement Law to make public procurement more friendly to and supportive of SMEs.

### **IR 1.1.2: Reduced Regulatory Compliance Costs for Businesses**

LinkSME contributed to the GVN's achievement in reducing regulatory compliance costs for businesses. By using the tools developed with LinkSME TA, the GVN cut and simplified over 2,300 business-related regulations. However, most of these regulations were generic business environment reforms with less focus on LF-SME linkage.

**> 2,300**

**Business-related regulations were cut and simplified by using tools developed with LinkSME TA**

In addition, the APCA/OOG shared that with LinkSME's support, they have integrated international standards for AP reforms and created a citizen-centric public service system. The Activity also helped the agency in conducting Administrative Procedure Competitiveness Index assessments and reviewing and making proposals for AP reforms and business regulations in different sectors. By using the tools supported by LinkSME, ministries have simplified 51 specialized inspection-related APs. The evaluation's survey of over 218 enterprises in Vietnam in 2023 indicated that 47 percent of the SMEs perceived a reduction in their regulatory compliance costs thanks to the AP reforms. There were no differences in the responses by gender and business type (whether woman-led or man-led; with a low or high female ratio). Some industries (e.g., fishery and garment) immediately perceived the reduced regulatory

---

<sup>8</sup> Cung N. D. (2021). Business environment reform from 2014 to 2020: Results, lessons learned, and recommendations. Hanoi. LinkSME Report

compliance costs resulting from the AP reforms (see Box 1). Many of the simplified and cut APs, especially those in tax and labor, benefited the whole SME community in Vietnam. For example, to implement Resolution No. 68/NQ-CP of 2020 on Business-Related Regulatory Reform between 2020–2025 (hereinafter referred to as Resolution No. 68), in parallel with issuing Circular No. 19/2021/TT-BTC on e-tax procedures, the Ministry of Finance (MOF) integrated more than 180 e-tax public services in the National Public Service Portal. These e-tax services helped reduce compliance time and cost for enterprises, especially SMEs. By the end of 2020, 872,000 enterprises, of which more than 850,000 were SMEs, were using the MOF’s e-tax services.

In 2022, via the issuance of the [Circular No. 06/2022/TT-BNNPTNT](#), LinkSME helped APCA convince the Ministry of Agriculture and Rural Development (MARD) to remove an expensive quarantine requirement for imported fish products that was doing little for public health. The goal of this reform, which LinkSME supported with underlying research on international best practices, was likely to save fish processors millions of dollars per year and strengthen the competitiveness of Vietnamese fish product exports. MARD’s Circular No. 06/2022 is considered a bright spot for AP reform and cutting compliance costs for businesses.<sup>9</sup>

“With the exemption of quarantine for imported fish products for processing them for export, we have cut almost all laboratory tests, helping businesses, especially exporting enterprises in the fishery industry, to have more opportunities to boost their productions.”<sup>10</sup>

- MARD representative

#### Box 1: Successful Case of Cutting Fish Product Quarantine Requirements

In 2020, LinkSME provided TA to the review of the existing regulations impacting the textile and garment industry and then a national workshop on regulatory reforms to improve the BEE for companies in the sector. LinkSME also supported the formulation of Resolution No. 02 of 2022. Among many other measures, Resolution No. 02 emphasized the “acceleration of reforms in specialized inspection, which is applicable to imported and exported commodities and goods,” one of the major issues for enterprises in the textile sector and those in export-oriented sectors as found in the review implemented with LinkSME support. As a government resolution, Resolution No. 02 triggered proactive actions and reform measures among ministries and provincial governments.

As reported in Document No. 8577/BCT-KHTC of the Ministry of Industry and Trade (MOIT) on the progress in implementing Resolution Nos. 02 and 68, the ministry has removed 1,446 of 1,891 Harmonized System codes, resulting in the reduction of 76.5 percent of goods categories subject to specialized inspection. According to the MOIT, the removal and reduction of goods categories subject to specialized inspection has significantly contributed to an increase in exports and imports. Businesses in export-oriented sectors, such as textile, garment, woodworking/furniture, and fishery, have benefited tremendously from these reforms.

#### Box 2: Successful Case of Cutting APs in the Garment and Textile Industry

**However, budget and time constrained the provision of LinkSME assistance.** In some complex areas, LinkSME found it hard to conduct thorough and applicable studies for the APCA and

<sup>9</sup> Nguyễn, T. N. (2022, August 15). Mòn đi những lát cắt nghìn tỷ cho phục hồi?. CafeF. <https://cafef.vn/mon-di-nhung-lat-cat-nghin-ty-cho-phuc-hoi-20220815064652246.chn>

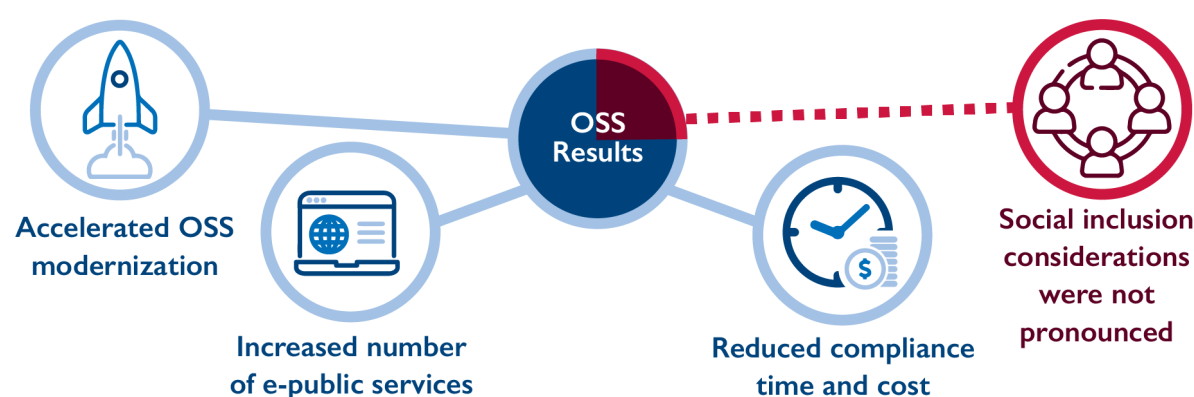
<sup>10</sup> <https://thuysanvietnam.com.vn/san-pham-thuy-san-da-qua-che-bien-se-duoc-mien-kiem-dich/>

related ministries given the limited timeline. The activity also faced challenges in providing proposals convincing enough for the corresponding ministries to cut and/or simplify their APs. For instance, LinkSME faced challenges in conducting holistic assessments on pharmaceutical procurements to provide evidence and recommendations to the APCA or the Ministry of Health in their AP reform.

### I.I.R 1.2.1: Streamlining and Provision of Business-Related Public Administrative Services at a Low Cost Through a National Digital AP System

Using the lessons learned from the one-stop shop (OSS) piloted with LinkSME support, GVN partners accelerated OSS modernization across the country. The GVN also started making efforts to increase the number of e-public services via the National Public Service Portal with LinkSME assistance. This helped reduce the compliance cost and time for local citizens and businesses within the DX context, although social inclusion considerations were not pronounced.

Figure 2: Key Results on Streamlining and Provision of Business-Related Public Administrative Services at a Low Cost Through a National Digital AP System



**Encouraged by the success gained from the OSS piloted with LinkSME TA, GVN partners accelerated the replication of OSS modernization across more than 1,000 OSSs in Vietnam.** To support provinces and ministries in improving their OSSs, LinkSME helped the APCA develop an implementation guideline to handle the APs.

**LinkSME also provided TA to the APCA/OOG to improve the functioning of the National Public Service Portal.** The portal has integrated 4,400 e-business services and 250 online public services with 13 ministries. Forty-eight percent of the SMEs surveyed agreed that they perceived a reduction in compliance costs thanks to the availability of electronic public services. There were no differences in the responses by gender and business type (whether woman-led or man-led; with a low or high female ratio). However, the portal design does not yet include social inclusion considerations. At the time of the evaluation, all 63 provincial e-public service portals were not accessible for people with visual disabilities and people of ethnic minorities.<sup>11</sup>

### IR 1.2.2: More Effective and Outcome-Oriented G2B Dialogues Facilitated by an Online Consultation Portal

**LinkSME provided TA for the APCA/OOG to upgrade the quality and performance of the [Business Regulation Reference and Consultation Portal](#)** by improving its user-friendliness and data management. The portal has incorporated 17,000 different regulations and is awaiting formalization by the GVN. The GVN has acknowledged that LinkSME contributed to the

**17,000**  
Regulations incorporated into the  
Business Regulation Reference  
and Consultation Portal

<sup>11</sup> UNDP (2023, July 11). First review of accessibility and user friendliness of 63 provincial e-service portals in 2023

portal in facilitating effective and outcome-oriented G2B dialogues and feedback between government and business.

“Basically, the regulations are published publicly. Citizens, enterprises, and BSOs can access, get informed, and provide feedback on existing regulations. There are interactions among BSOs, and between BSOs and government organizations, to come up with reform ideas. Whether their ideas are adopted or not will be shown publicly on this portal.”

- OOG representative

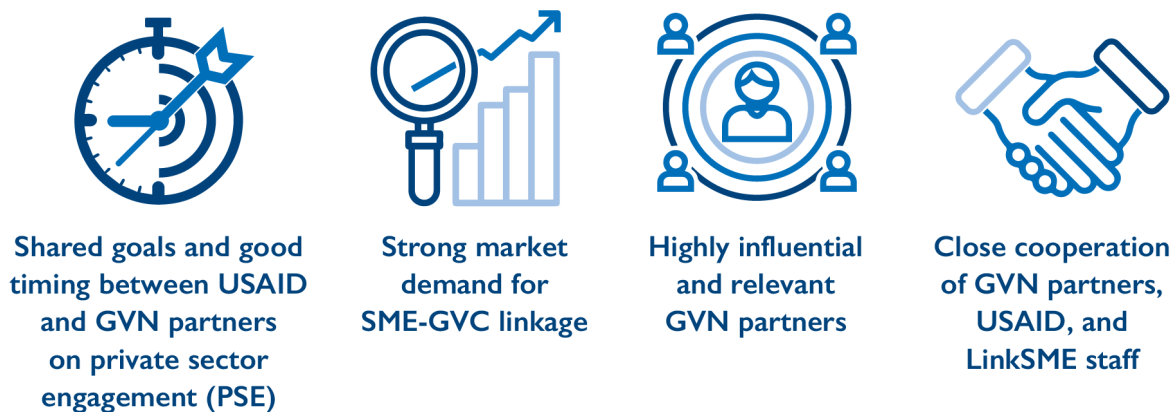
**However, there is no regulation yet determining the rights and responsibilities of those involved in keeping the portal live and promoting the engagement of the private sector.**

**EQ1-2. WHAT WERE THE FACTORS FACILITATING OR INHIBITING LINKSME'S ABILITY TO ASSIST ITS RELEVANT PARTNERS IN CREATING A SUSTAINABLE BEE THAT BOLSTERS THE SME-LF BUSINESS LINKAGE? HOW DID LINKSME CAPITALIZE ON THE FACILITATING FACTORS? HOW DID LINKSME AND RELEVANT PARTNERS OVERCOME/ADDRESS THE INHIBITING FACTORS?**

### Facilitating Factors and How LinkSME Capitalized on the Factors

The evaluation identified four facilitating factors in the BEE pillar as shown in Figure 3 and the parts below.

Figure 3: Four facilitating factors in the BEE pillar



**Shared goals and good timing.** For USAID/Vietnam, LinkSME was the first attempt to support the private sector in Vietnam, as aligned with the agency-wide PSE strategic approach. At the same time, GVN partners, specifically the MPI, are implementing the Law on Assistance for SMEs:

“LinkSME was rightly timed. It came in right at the moment when the GVN, especially the Agency for Enterprise Development (AED), was implementing the Law on Assistance for SMEs, and the GVN was encouraging the SMEs to participate in the GVC. ... Supporting SMEs is one of the three focuses of the Law.”

- MPI representative

**Strong market demand.** GVN efforts to link SMEs to the GVC are backed by the strong market demand for SME-GVC linkage. From global experience, to achieve sustainability, enterprises need to work together, collaborate, create joint ventures, and participate in each other’s supply chain. KILs with LFs and BSOs and FGDs with SMEs confirmed increasing demands from global markets for Vietnamese SMEs in different sectors (e.g., agro-processing, metals, automotive, and wood processing). In these KILs and FGDs, all four LFs, two of the seven SMEs, and one BSO observed the shifting of LFs from China to Vietnam.

**Influential and relevant GVN partners.** The OOG and MPI are two powerful drivers in the process of AP reform and SME Law implementation. The OOG is regarded as the main facilitator, whose roles are acknowledged as pushing and pressuring other ministries for AP reforms, coordinating with other government partners to engage with LinkSME's activities, and prioritizing tasks for the work plan. The MPI is the focal point for managing SME interventions on the ground to avoid overlapping efforts and is tasked with SME Law implementation.

**Close cooperation.** LinkSME was highly cooperative, adaptive to the context, and accommodating to the changing needs of GVN partners. It was open to structural change by adding regulation reforms to its pillars while working with the OOG. During the COVID-19 pandemic, LinkSME implemented the DX and A2F pillars to support SMEs in adapting and overcoming difficulties and provided on-demand assistance activities for the GVN.

### Inhibiting Factors and How LinkSME and Relevant Partners Overcame the Factors

The evaluation found two key inhibiting factors to LinkSME's BEE work as shown in Figure 4 and the parts below.

Figure 4: Two key inhibiting factors to the BEE pillar



**Broad-based BEE reforms of GVN partners instead of focusing on SME-LF linkage**



**Hesitation of SMEs in policy dialogues**

**Broad-based BEE reforms.** The regulatory reform was implemented at the macro level and benefited all enterprises, rather than only for SME-GVC linkage. The development of supply chains did not receive much attention either. Moreover, LinkSME set up limited formal mechanisms to utilize the information collected from the SMEs in the linkage pillar to inform policy discussions in the BEE pillar.

**SMEs refraining from policy dialogues.** LinkSME supported platforms for policy consultation with the private sector, but these policy consultation activities were typically for BSOs to discuss cross-cutting problems to improve the business environment for enterprises regardless of size and sector. In reality, the bottlenecks that SMEs encounter are usually sector- or market-specific:

“We are exporting fruits to high-end markets like Korea or Japan. There are practices that those who usually export to China are not required to comply with. Those are not their pain point, not their hot topic.”

- SME representative

Therefore, even though SMEs report their problems to BSOs or other associations, “about 70 percent of their problems are not able to be solved,” according to a BSO respondent. Moreover, SMEs are hesitant to speak up during policy discussion. They do not talk about their problems or achievements to avoid drawing attention, to be “safer.”

### **EQ1-3. WITHIN AND BEYOND LINKSME'S SCOPE, ARE THERE EMERGING OPPORTUNITIES UNDER THE BEE PILLAR WORTH EXPLORING? ARE THERE UNTAPPED AREAS WHERE USAID CAN HAVE AN IMPACT?**

**Given the current priority of the GVN and the interests of USAID, the opportunity exists to continue strengthening the capacity of GVN partners.** The capacity needs identified during data collection include digitalization, the application of best practices in regulatory reforms, and the development of tools to have regulatory reforms and administrative reform processes in Vietnam better support SME-GVC linkage. As the broad-based approach has eclipsed linking SMEs to the GVC,



more opportunities for impact remain under the **SME-GVC linkage agenda** in the future policy reform assistance related to PSE.

Given the strong GVN demand to turn Vietnam into a **DX center** where citizens can easily perform public services online, **opportunities include improving public e-service, both at the National Public Service Portal and the ministerial portals.** The portals can be more user-friendly and accessible for ethnic minorities and people with disabilities.

**Promoting consultation with businesses in policy can be achieved by improving the capacity and participation of membership-based BSOs** in the reform, formulation, and implementation of regulations, especially those related to SME-GVC linkage. Another option is to facilitate more direct G2B dialogues related to regulations via digital platforms.

## EQ2: LINKAGES PILLAR

### TO WHAT EXTENT DID LINKSME UNLOCK THE POTENTIAL OF VIETNAMESE SMEs TO PARTICIPATE IN THE SUPPLY CHAIN?

#### EQ2-1. WHAT WERE THE FACTORS FACILITATING OR INHIBITING VIETNAMESE SMEs (UNDER LINKSME SUPPORT) FROM PARTICIPATING IN THE SUPPLY CHAIN?

##### Facilitating Factors

The evaluation found three facilitating factors for Vietnamese SMEs to participate in the supply chain as shown in the Figure 5 below and described in detail in the following parts.

Figure 5: Three facilitating factors for Vietnamese SMEs to participate in the supply chain



SME internal capacities potentially meet the demand of international buyers



International buyers are shifting the demand to Vietnamese SME suppliers due to geopolitical considerations and de-risking supply chains



The Vietnamese business environment is favorable, with well-established regulatory frameworks for import and export, support policies for exporting companies, and lower tariffs from the United States (US) compared to major competitors

**Vietnamese SMEs have strong technical capacity, low labor costs, and commitment to learning and adapting to advanced technology and management systems.** The buyers who participated in LinkSME frequently shared that selected SMEs met technical requirements and could offer competitive prices due to low labor costs. Some SMEs could even introduce products with better quality than other common markets. Vietnamese SMEs proactively learned and adopted advanced technology and management systems, and their staff were motivated and determined learners, enabling short learning curves around communication and documentation requirements from the buyers.

“Regarding quality, many Vietnamese suppliers can even be evaluated better than Chinese ones—our traditional suppliers. I think Vietnam is very well suited. I've done a bit of work in Thailand, and I've looked into Malaysia and Indonesia... I do think Vietnam is the best. I think that there are certain things that need to happen in Vietnam for them to be able to really pick up, especially in my industry, home appliance and consumer electronics. But they have excellent workers, and they keep learning and adapting.”

- LF representatives

**International buyer demand is shifting to Vietnam.** Various articles reveal the increased demand from international buyers in Vietnam due to the US-China trade war.<sup>12,13,14</sup> KIIs and FGDs with LFs, BSOs, and SMEs confirmed that they witnessed this shift from China to Vietnam. COVID-19 also contributed to the increase of purchase orders (POs) from LFs demanding the stocktaking and diversification of their supplies as a de-risking solution. Notably, fewer buyers were LFs, while most were SMEs and Tier 1 or Tier 2 suppliers. A buyer representative shared that most LFs had the capacity to set up their own supply chain. They normally did not need support from interventions like LinkSME. Lower production cost is also a factor pulling buyers toward Vietnam.

“China is losing a lot of ground with North America right now, so maybe China will not go there anymore for five years. That’s why we tried to go to Vietnam more.”

“Among our traditional customers (LF), there are many businesses that want to move their supply from China to Vietnam.”

“I think there are lots of orders for Vietnam recently. It seemed very much like you had the China tariffs come in. So everyone was desperate to get into Vietnam. From what I saw during COVID, they had buyers waiting to try and get spots.”

- LF representatives

**The Vietnamese market environment is considerably favorable.** Regulatory frameworks for imports and exports are relatively well established. Vietnam has appropriate policies to promote and support exporting companies, such as customs and tax declaration services, and the GVN is ambitious and committed to supporting exports. Furthermore, Vietnam enjoys lower tariffs from the US government (USG) compared to major competitors like China and India.

“To be honest, I haven't had any issues with anything related to regulations in Vietnam.”

“The US government applies a 20 percent tax for China. It is lower for India, 4–5 percent or so, while no tax is applied for Vietnam.”

- LF representatives

## Inhibiting Factors

The ET found three key factors hindering the accession of Vietnamese SMEs into the supply chain as shown in Figure 6 and the parts below.

---

<sup>12</sup> Dang, D. A., & Anh, N. A. (2023, August). The effects of the United States–China trade war during the COVID-19 pandemic on global supply chains: Evidence from Viet Nam. ERIA Discussion Paper Series, 483.

<sup>13</sup> Dhar, B. K., et al. (2023, March/April). U.S.-China trade war and competitive advantage of Vietnam. *Thunderbird International Business Review*, (65)2, 255–263. <https://doi.org/10.1002/tie.22325>

<sup>14</sup> Lam, T. H., & Nguyen, D. P. (2019, December 6). The US-China trade war: Impact on Vietnam. *ISEAS Perspective*, 102.

Figure 6: Three key factors hindering the accession of Vietnamese SMEs into the supply chain



**The internal technical capabilities of Vietnamese SMEs are still insufficient to connect with the GVC.** Vietnamese SMEs have insufficient capability for production and supply chain management to meet international market standards, such as in terms of quality, corporate social responsibility (CSR), and environment-related issues. SMEs also lack experience in working with international buyers. These shortcomings lead to high production costs and low competitiveness in the supply chain. For example, a buyer shared that it can be difficult and time-consuming for SMEs to prepare a quotation addressing the needs of the buyer.

**Various inhibiting factors also come from external markets.** The high demand from regular or easygoing markets for some commodities (e.g., seafood, agricultural produce, and furniture) demotivates Vietnamese SMEs to upgrade their product quality. As Vietnam is an emerging supplier in the global supply chain, it takes time for SMEs and new buyers to understand, build trust, and adapt to each other's ways of working.

“For example, if we export to China, we have an advantage that China's consumption is very high, so we can bring a lot there... Korean, Japanese, Chinese, American markets don't have many environmental requirements, they only require standards like GlobalGAP and food hygiene and sanitary requirements in the places where they work. [...] The level of quality control for our farmers is still a bit lacking, they have not had much knowledge, it seems like they only focus on easygoing markets.”

- SME representative

**The business environment is also hindering SMEs' participation in the global supply chain,** with SMEs' small supply chains and volatility in global and domestic markets. Small supply chains mean fewer options for LFs and their SME partners to source materials or components that will satisfy their needs. The volatility, uncertainty, complexity, and ambiguity of both global and domestic markets, as well as the business environment, have caused multiple challenges for SMEs to participate in the supply chain and sustain production and sales. These challenges include the lockdown of social and economic activities during the COVID-19 pandemic, material supply disruptions, increased interest rates, stagnant real estate markets, and the depression of major economies.

“In China, we have an ecosystem of suppliers. So I can go to one supplier who does plastics really well, and I know that I'm going to be able to get the electronics or the motors from another supplier, whereas in Vietnam that supply chain is a lot smaller.”

- LF representative

“COVID-19 was a critical shock that disrupted the global supply chain, followed by the Russia-Ukraine conflict, and then the real estate crisis. Not only our company but also many others face the decline of purchase orders. It also caused critical difficulty to get new business partners. I think it is a common problem with multiple dimension consequences, regardless of our business capacity.”

- SME representative

## EQ2-2. HOW DID LINKSME UNLOCK THE POTENTIAL OF VIETNAMESE SMES AND FACILITATE LINKAGES TO DOMESTIC AND INTERNATIONAL LFS? WHAT VALUE DID LINKSME ASSISTANCE ADD?

LinkSME used a four-step business-to-business (B2B) matchmaking approach (Figure 7) to help SMEs identify potential LFs and SMEs, enabling them to participate in GVCs. This approach was highly relevant to the context and the needs of LFs, as entering new sourcing markets can be challenging due to limited supply capacity, market regulations, cultural differences, and communication methods. LinkSME provided intensive assistance to facilitate SME-LF linkages.

**The four-step linkage approach is considered a successful instrument.** To assist SMEs in realizing their opportunities, overcoming challenges, and unlocking their potential to participate in GVCs, LinkSME targeted SMEs that were almost ready for export by linking them up with international buyers. The four-step process helped systematically identify potential LFs and SMEs and provide intensive B2B matchmaking assistance. It included 1) LF identification; 2) supplier identification and pre-evaluation; 3) full supplier audits; and 4) intensive TA for linkages. LinkSME developed tools and/or checklists for the first three steps and closely supported SMEs in the last steps.

**LinkSME flexibly applied the mentioned approach by sector and context.** In the first year, based on its original activity design, LinkSME focused on the electronics and metals sectors. After the next two years, based on baseline studies on sectoral potential for SME-LF linkage, LinkSME expanded its support to the food processing, footwear, textiles, plastics, and wood-processing/furniture sectors. In the last two years, the Activity removed sectoral TA limitations. In the first two years, LinkSME concentrated on providing extensive TA (workshops, dialogues, training) in business development to reach out to the highest possible number of SMEs. Afterward, it focused more on intensive TA (pre-evaluation/orientation, intensive coaching) and technical topics (linkages, quality and process improvement, traceability and barcode, e-commerce) to improve linkage capabilities in the last three years.

Figure 7: Four-Step Approach to Facilitate LF-SME Linkage and Key Results

Step 1 LF Identification	Step 2 Supplier Identification and Pre-evaluation	Step 3 Full Supplier Audits	Step 4 Intensive TA for Linkages
Signing of Memoranda of Understanding (MOUs) with 46 LFs	Development of an SME Database with More Than 1,000 SMEs  Screening of 200 Relevant SMEs with Potential for SME-LF Linkage	Full Audit of 180 SMEs	Provision of Intensive TA for 129 SMEs, Including: <ul style="list-style-type: none"> <li>• 43 on Linkage and Others</li> <li>• 30 on DX</li> <li>• 70 on A2F</li> </ul>

**KIIs with GVN partners, BSOs, and LFs indicated that the four-step linkage approach and adaptive strategies were highly relevant to the context and the needs of buyers.** As previously stated in the BEE pillar, the AED/MPI acknowledged that the practical methodology and approach in B2B linkage assisted them in developing policy concepts, SME selection criteria, and the linking approach in Decree No. 80 of 2021 and Circular No. 06 of 2022. The AED/MPI also recognized the suitability of tailoring assistance strategy by sector and time. All interviewed BSOs appreciated the relevance and comprehensiveness of LinkSME's approach and assistance. They observed LinkSME's tools as professional, thorough, and valuable enough to be standardized, digitized, and publicized for further use. According to LFs, buyers faced multiple challenges when entering new sourcing markets, such as limited supply capacity, unfamiliar market regulations, cultural differences, and differing ways of working or communication. By accompanying and providing on-the-job support to SMEs and LFs, LinkSME helped business partners address practical issues and successfully build up their partnership.

“In the first years, the support was in the forms of large-scale, outreaching, and comprehensive activities because SMEs do not know who LinkSME is. That’s why LinkSME promoted outreach and communications a lot this time. After the first one or two years of outreach, LinkSME gained a clear position, status, and also directions from the first one or two years. In the following years, the activities were cored and much more professional.”

- MPI representative

“I can guarantee we wouldn't be in Vietnam at 100 percent if there wasn't LinkSME. There were multiple times where I was ready to leave the country. It was so difficult even just to get initial pricing... LinkSME really started to set up the country, especially for the manufacturers.”

- LF representative

**SMEs also highly appreciated the four-step B2B matchmaking**, particularly the intensive assistance. SMEs saw similarities between LinkSME's assessment method and the standard methods applied by their big customers. Using audits to assess SME needs, LinkSME provided tailored support ranging from introducing suppliers and buyers to assisting SMEs in formulating quotations and preparing for sample inspection. LinkSME also provided assistance to SMEs in developing strategies to improve their management, production, marketing, and sales capacity. With intensive assistance, SMEs adopted new methodologies and improved staff skills to catch up with the requirements of potential LF partners. The evaluation survey revealed that overall, 86 percent of the SMEs that received LinkSME services found them effective, and 49 percent confirmed that they will further use, maintain, or join in similar interventions in the future. The SMEs responded that intensive TA and pre-evaluation or orientation were the most effective forms of TA (at least 89 percent of the response thought it effective), followed by matching events (82 to 92 percent), training and/or workshops (77 to 85 percent), and tools and/or manuals (71 to 100 percent). There were no differences in the responses by respondent gender or business type (whether woman-led or man-led; with a low or high female ratio).

**Notwithstanding that success, KILs with related stakeholders pointed out that LinkSME assistance for SME-LF linkage still had some limitations.** The MPI expressed that the **original LF and SME selection criteria might be too rigorous**. Aside from LFs, other Tier 1 or Tier 2 buyers were also relevant for local SMEs. The original SME selection criteria were only suitable for export-ready SMEs, whereas the majority of Vietnamese SMEs were not eligible for such a criterion. On average, it took at least two years for a successful linkage following the original LinkSME approach. On that account, LinkSME adjusted the SME selection criteria to be more relevant after the first year of implementation and expanded the LFs to Tier 1 buyers for better outreach. BSOs also responded that the **approach and tools were time-consuming to conduct**, making it challenging to connect SMEs with international buyers in a timely manner. It should also be noted that the four-step linkage approach (typical with standardization and low production costs) might be quite different from other value chain development models (characterized by more value-added elements, including uniqueness and cultural/geographical factors). There are a lot of other efforts through projects of the European Union (EU),<sup>15</sup> the Swiss State Secretariat for Economic Affairs (SECO),<sup>16</sup> the German Agency for International Cooperation (GIZ),<sup>17</sup> the International Fund for Agricultural Development (IFAD),<sup>18</sup> and other organizations that LinkSME can cooperate with, learn from, and share with (refer to Box 3 of Annex VII for details).

---

<sup>15</sup> The EU's Multiannual Indicative Programme for Vietnam (2021–2027) and Multilateral Trade Assistance Project

<sup>16</sup> The Trade Policy and Export Promotion (SwissTrade) project (2021–2024)

<sup>17</sup> Strengthening Regional Structures for Small and Medium Enterprise Promotion in the ASEAN Region (2016–2025)

<sup>18</sup> Climate Smart Agricultural Value Chain Development in Ben Tre and Tra Vinh Provinces - Climate Smart Agriculture Transformation Project in the Mekong Delta (2021–2026) and the Building Forward Better: A Resilient Women and Youth Centered and Digitally Enhanced Value Chain Development Project in Vietnam (UNIDO and IFAD) (2021–2022)

Both the MPI and LinkSME participants expressed that the Activity’s **SME database was not standardized**. Some BSOs thought that it would be **difficult for the AED/MPI to maintain and update** SME information in the SME database after LinkSME’s completion since LinkSME collected a high level of details from the SMEs. **Sectoral limitation** was also an issue in the first two years while the Activity focused their efforts on the metals and electronics sectors only. Although they extended to more sectors starting from the third year, it took time for LinkSME to position itself in the new sectors and facilitate linkages. Other big BSOs also restrained LinkSME’s influence in some key exporting sectors of Vietnam. These BSOs included the Vietnam Association of Seafood Exporters and Producers and the Vietnam Textile and Apparel Association. One of the key issues encountered was that the SMEs were not willing to share their PO information and data to LinkSME for follow-ups and monitoring, evaluation, and learning (MEL). One reason is the non-disclosure agreements they sign with the buyers and accounting system of Vietnam. LinkSME had to collect the data on PO quantities and values via the confirmation emails of SMEs and/or buyers rather than their copied invoices or bills.

### EQ2-3. HOW DOES CAPACITY IMPROVEMENT HELP VIETNAMESE SMEs PARTICIPATING IN THE SUPPLY CHAIN?

LinkSME improved the capacity of SMEs in areas of production, quality management, partnership, communication, marketing, and public relations. SMEs also enhanced their participation in global supply chains (Figure 8).

Figure 8: Capacity Improvement Aspects of SMEs with LinkSME Support



**Key findings revealed that LinkSME helped participating SMEs improve their capacity** in terms of production, quality management, partnership and working with LFs, communications, marketing, and public relations skills. According to LFs, participating SMEs significantly improved their compliance with standards—e.g., ISO standards, 5S, Lean, Six-Sigma, and IATF 16949:2016—to better participate in global supply chains.

“LinkSME [became involved] at our initial stage by conducting audits and providing recommendations... We then accompanied them to provide support and supervision. Step by step, they can comply with our regulations, standardize their processes, and replicate to other production lines. Now, some products are even better than what we source from China while the prices are insignificantly higher. Our colleagues will increase our POs to Vietnamese partners in the coming years.”

- LF representative

Figure 9: LinkSME's key figures on Linkage



**Figure 9 shows key linkage figures of LinkSME.** All figures exceeded the targets, respectively: 950 SMEs, 49 SMEs, 155 POs, and \$29 million (see Table 5 of Annex VII). Sixty-five percent of the intensively assisted SMEs on market linkage responded that they improved their linkage capability, and 81 percent of those were confident that they could replicate the linkage in the future without LinkSME support. Notably, most of the linkages were still in their early stages, with LFs only piloting POs. It is likely that the revenue will significantly increase with time.

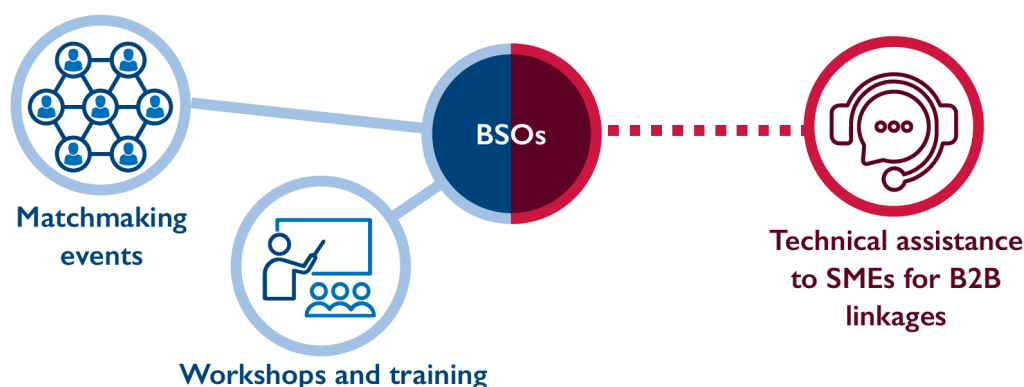
“With Firm A, we spent just this year around \$300,000. And, it is hard to tell Firm B because we are selling prototypes, so I think next year we’ll [spend] for sure \$1,000,000. And next year we’ll [spend] \$1,500,000–2,000,000. Maybe it is going to double in 2025. I think we’ll have a three-million-dollar business with them in the next two years, for sure. So thank you to all of you guys.”

- LF representative

#### EQ2-4. WHAT ROLES DO BSOs PLAY TO SUPPORT VIETNAMESE SMEs IN PARTICIPATING IN THE SUPPLY CHAIN?

Both buyers and SMEs confirmed that BSOs have important roles to play in supporting Vietnamese SMEs in participating in the supply chain. However, their contributions remain limited compared to their potential. Most of their support involves matchmaking event organization, as well as workshops and training. Only a few BSOs could provide intensive TA to SMEs for B2B linkages (Figure 10).

Figure 10: Roles of BSOs in Supporting Vietnamese SMEs to Participate in the Supply Chain



**The evaluation found that BSOs played important roles in capacity building and linkage support to SMEs.** All stakeholders thought that they could be important actors maintaining linkage support service beyond the LinkSME Activity. LFs and IP representatives confirmed that business associations had good information about their members. They therefore can be a good point of contact to link SMEs with LFs, supporting partners, and other stakeholders. Business associations are the right bodies to represent their members in policy and market forums. KIIs with SMEs revealed that sectoral business membership organizations (BMOs), such as the Vietnam Association of Supporting Industries (VASI) and Vietnam Association of Mechanical Industries, (VAMI) have linkage capacity and play active roles in supporting their members.

“We have been members of VASI and VAMI for over ten years. Besides USAID (LinkSME), we also receive support from these BSOs and [the Korea Trade-Investment Promotion Agency]. Besides workshops and general matchmaking events, VASI helped share our profile to potential partners, arranging meetings with potential buyers and suppliers, including factory visits, to facilitate partnerships to us.”

- SME representative

**However, just a few BSOs can be capable of supporting Vietnamese SMEs in participating in the supply chain.** The ET found that almost all of the BSOs engaged in LinkSME were BMOs, who were more relevant for general support, while the involvement of private business service providers (BSPs) remained limited. Our survey found that a majority of these BSOs’ TA for SMEs was event organization (42 percent); pre-evaluation and intensive assistance accounted for only 30 percent and 20 percent, respectively. Less than 15 percent of LinkSME linkages were established with the support of BSOs—and just from a few BSOs (e.g., VASI, Centre for Supporting Industries Development or CSID, and Handicraft and Wood Industry Association of Ho Chi Minh City or HAWA).

**EQ2-5. WITHIN AND BEYOND LINKSME'S SCOPE, ARE THERE EMERGING OPPORTUNITIES UNDER THE LINKAGES PILLAR WORTH EXPLORING? ARE THERE UNTAPPED AREAS WHERE USAID CAN HAVE AN IMPACT?**

The evaluation identified three emerging opportunities that may potentially bring about greater impact as shown in the Figure 11 and the parts below.

Figure 11: Three emerging opportunities in Linkage pillar



**More intensive TA for SMEs, with a focus on environmental, social, and governance (ESG) investing, internal process management, supply chain management, DX, A2F, and marketing and communications,** are emerging opportunities for future actions. Although technical capacity relatively meets requirements, SMEs are facing significant gaps in many other areas, especially to meet the standards and for compatibility with modern markets in terms of ESG investing, CSR, internal process management, supply chain management, DX, and A2F. Improved capacity in these areas can help SMEs increase their supply capacity. On the other hand, meeting these standards is also a good measure to reduce costs and increase competitiveness. Vietnam is an emerging sourcing market, but almost all Vietnamese SMEs lack an understanding of the norms and basic quality requirements in modern markets, as they are used to traditional trade and mass markets.

**The onboarding support and promotion of buyers' engagement in production/technology innovation and improvement with SMEs** can be an effective solution to build trust and lead to successful and sustainable partnerships. Many buyers are also newcomers and unfamiliar with the Vietnamese context, regulation, and culture, requiring orientation. In addition, working side-by-side can build mutual understanding and win-win partnerships.

**There is a need for SME-SME linkages, and the USG can consider supporting this B2B linkage besides SME-LF linkages.** The evaluation found that among new buyers coming to Vietnam, almost all were SMEs and Tier 1 or Tier 2 buyers. KIs with buyers revealed that one reason was that



LFs had their own capacity to search and establish partnerships, either on their own or by contracting third parties.

**There is a strategic need for the more in-depth involvement of private BSOs, including those from the buying market.** The evaluation found that the main reasons behind the limited roles of BSOs is the poor capacity of public BSOs and the lack of involvement of private BSOs. KILLS with SMEs and LFs indicated that except for some sectoral membership, business associations are incapable of providing intensive support. Almost all public BSOs were only capable of organizing events and coordinating support. According to the BSO respondents, public BSOs and membership business associations only offered general support, while private BSOs were normally for-profit enterprises specialized in technical and business development services. In addition, BSOs from buying markets often had a good understanding of market requirements and buyers’ networks. More and deeper engagement from these actors could strategically address the gaps and increase the effectiveness and sustainability of business development services.

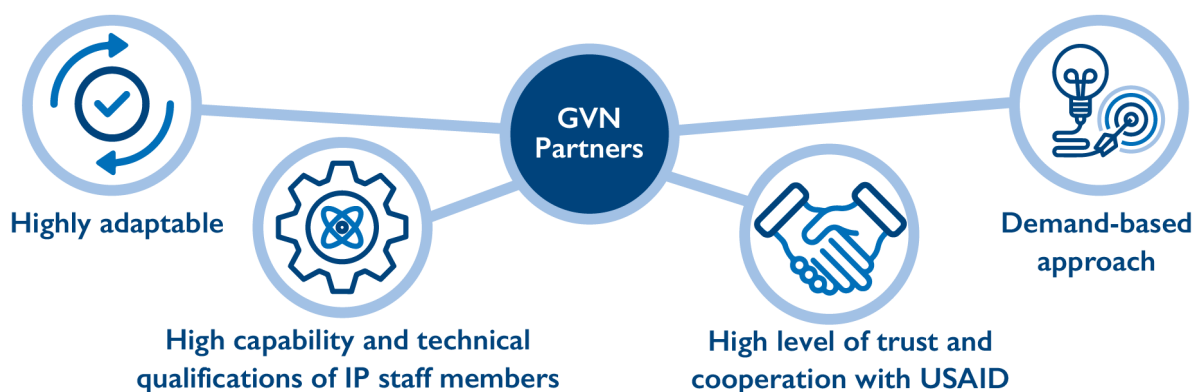
### EQ3: GVN COORDINATION

**WHAT ASPECTS OF LINKSME’S COORDINATION AND IMPLEMENTATION APPROACH WITH THE OOG AND THE MPI WERE EFFECTIVE IN IMPROVING THE BEE AND CAPACITY OF VIETNAMESE SMES? WHERE ARE THERE OPPORTUNITIES TO IMPROVE?**

#### EQ3-1. WHAT ASPECTS OF LINKSME’S COORDINATION AND IMPLEMENTATION APPROACH WITH THE OOG AND THE MPI WERE EFFECTIVE IN IMPROVING THE BEE AND CAPACITY OF VIETNAMESE SMES?

GVN partners under LinkSME were strong and relevant for BEE. Both IPs and GVN partners were highly adaptable to changes and evolution in the Activity design. Other important factors that contributed to the effectiveness of the coordination with GVN partners were the demand-based approach adopted by LinkSME, the high level of trust and close cooperation between USAID and GVN partners, and the high capability and technical qualifications of IP staff members (Figure 12). Details can be found in the parts below.

Figure 12: Factors for effective GVN Coordination of LinkSME



**Having strong, relevant, and influential partners proved advantageous in a regulatory reform activity like LinkSME.** Having the OOG and the MPI as partners was an important aspect that helped ensure the effectiveness of the Activity in improving the BEE and capacity of Vietnamese SMEs. The OOG, with its strong coordinating power for regulatory reforms, was the driving force behind all of the regulatory reforms under the GVN’s Resolution No. 68. Backed by this resolution, the OOG rallied all ministries and provincial governments to take stock, streamline, and reform business-related regulations and APs, with a clear target of reducing the number of business-related regulations by 20 percent and reducing regulatory compliance costs by 20 percent between 2021–

2025. Meanwhile, the AED under MPI was given the official mandate to be the focal point for SME support programs and formulate regulations to support SMEs, including on SME-supply chain linkages.

**Both IPs and GVN partners demonstrated a high level of adaptability to changes and evolution in the Activity design.** LinkSME adopted an approach driven by the demands, needs, and feedback of GVN partners. The inclusion of BEE and administrative reforms resulted in a significant evolution of the Activity design, the shift to the OOG as the main GVN partner, changes to the implementation structure, and adjustments to the operational mechanism. The IP and the GVN partners adapted to the evolution and changes, enabling the effective implementation of LinkSME.

**LinkSME adopted a demand-based approach, where GVN partners proposed concepts for TA and took strong ownership of the operation plan.** LinkSME was responsive to GVN feedback (e.g., the MPI suggestion to shift from experts provided by LinkSME to local BSOs to work on SME linkage, or the OOG request to use more local expertise in regulatory reform interventions).

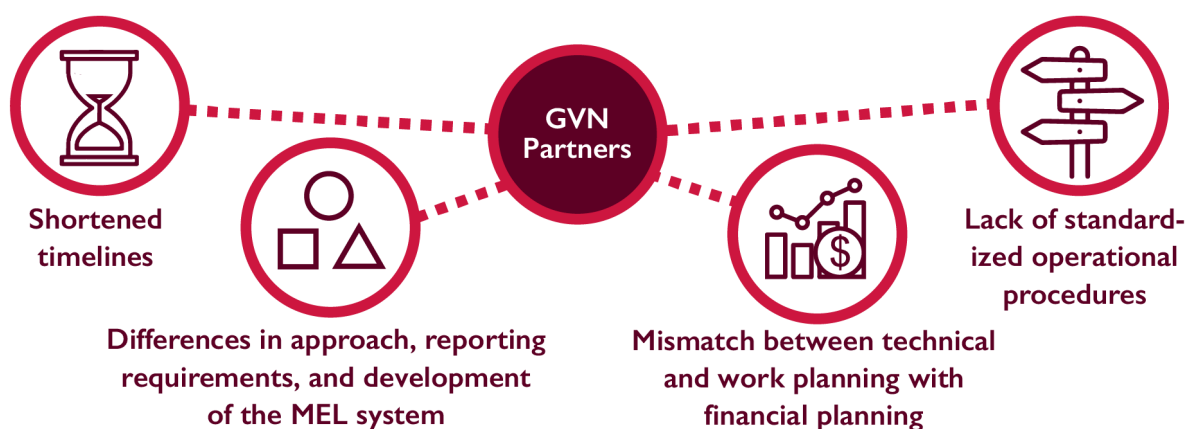
**The coordination and implementation approach benefited from a high level of trust between GVN partners, USAID, and IPs.** Cooperation under LinkSME built on the previous successful cooperation between USAID and the OOG through the USAID-funded STAR Project<sup>19</sup> and Vietnam Competitiveness Initiative.<sup>20</sup> Since then, USAID and the OOG have maintained mutual trust. This provided a solid foundation for the implementation of LinkSME. The IP then actively invested in and strengthened the cooperative working relationship with GVN partners, contributing to the effectiveness and efficiency of the Activity. **IP staff members were technically qualified and built strong rapport with GVN partners.** IP staff members were among the key factors for the effective cooperation with GVN partners under LinkSME.

**Communication between USAID, GVN partners, and the IP was effective.** The OOG and the MPI agreed that formal and informal communication was regular and smooth, making it an important factor toward effective coordination between USAID, the IP, and GVN partners.

### EQ3-2. ARE THERE OPPORTUNITIES FOR IMPROVEMENT IN LINKSME'S COORDINATION AND IMPLEMENTATION APPROACH WITH THE OOG AND THE MPI?

There is room for improvement in terms of coordination with the GVN (Figure 13). Under LinkSME, the implementation time was shortened due to the prolonged approval of the Activity and annual work plans. There remained differences in the approach to the conceptualization of interventions and activities, in reporting requirements, and in the development of the MEL system. The design of LinkSME evolved significantly after it started, and the mismatch between technical and work planning and financial planning caused unnecessary friction. LinkSME operational procedures were not standardized.

Figure 13: Factors hindering effectiveness in GVN coordination of LinkSME



<sup>19</sup> This project supported the OOG in the implementation of the US-Vietnam Bilateral Trade Agreement.

<sup>20</sup> This initiative supported the OOG in the implementation of Project 30, a national project on administrative reform in the early 2010s.

**Implementation time was reduced by one year due to the prolonged approval of the GVN and delayed annual work plan approval.** LinkSME commenced in September 2018 but was officially approved by GVN only in September 2019.<sup>21</sup> The combined annual work plans of fiscal year (FY) 2022 and FY 2023 were five months late into the second quarter of the FY. LinkSME staff also shared that it took six months and several reports and consultations to obtain GVN approval for the additional DX and A2F funds. The delays were due to the change in the main GVN partner of LinkSME, the different procedures and processes required either by USAID or the GVN for project and work plan approval, and the prolonged discussion between the IP and GVN partners on the draft work plan. The IP, USAID, and GVN partners were unsatisfied with the delayed approval and believed that the procedures for such an approval should be simplified and shortened. In addition, the reporting requirements of USAID and the GVN differed significantly in terms of both content and format.

“The reporting requirements by GVN and USAID are so much different, requiring a considerable workload by LinkSME staff. These requirements can be harmonized without compromising the reporting needs of GVN and USAID.”

- LinkSME representative

**Gaps remain in how USAID and the GVN decide on programming and measure results.**

There remain differences in the approach to the conceptualization of interventions and activities, in reporting requirements, and in the development of the MEL system. While USAID and IPs focused on USAID indicators, GVN partners were more concerned with indicators related to their own key performance indicators (KPIs), like the number of regulations promulgated, reviewed, or reformed. GVN partners were also more interested in input indicators, such as funds disbursed, number of expert days utilized, and number of activities implemented, as the GVN was required to report on them under prevailing regulations on Official Development Assistance (ODA) management. This situation demonstrated the need for stronger harmonization between USAID and the GVN in programming and measuring results. Both sides can move toward the same understanding and principles in measuring results while meeting their own reporting needs. Such an effort will help achieve higher effectiveness in TA Activities.

**The design and structure of LinkSME evolved significantly over the course of implementation,<sup>22</sup> and technical and work planning did not match financial planning well under the Activity.** As adaptive as LinkSME was to the demands of its counterparts and the COVID-19 situation, the significant evolution of its design and structure caused significant reorganization, workload extension, and subsequent pressure on time and human resources. Program participants from different groups generally agreed that the complex structure, especially in finance, resulted in the misplanning and underdelivering of assistance to GVN stakeholders. By the time of this evaluation, LinkSME completed only 95 of their 200 planned tasks; more than half of the planned tasks had not been finished.

“We kept planning for activities under the project without knowing the resources which are available for implementing them. After long discussions and after being included in the operation plan, many of [the activities] were not financed and implemented with a simple response that there was no resource available. This caused disappointment on the partner’s side.”

- GVN partner representative

---

<sup>21</sup> USAID LinkSME received both ODA project approval and registration from the GVN, per GVN Decision No. I203/QD-TTG dated September 16, 2019.

<sup>22</sup> LinkSME’s structure was notably changed by the end of year one, away from the three-phase approach contemplated at inception (Phase 1: focus on firm-level linkages in two sectors; Phase 2: expansion into five sectors; and Phase 3: policy focus incorporating lessons learned). The project document (PD) eliminated the phased approach, with policy focus beginning immediately. The PD further structured the project into four components, essentially policy, government-business interaction, linkages, and management.

LinkSME representatives also indicated that a better and realistic understanding of USAID budget programming would get everyone on the same page. Regarding the misplanning, LinkSME mitigated the challenge by working more closely with their home office.

“IESC, specifically the project office, developed a coping method, which is working more closely with the home office and requiring them to provide information on how budget was being spent, how much remained, how the budget was allocated to technical assistance and each component. Lately, I have seen some improvements.”

- LinkSME program participant

Lessons included learning to manage the expectation of stakeholders, to agree on general solid principles in the planning process to avoid too much divergence from the statement of work, and to maintain the complementary nature and linkages between components.

**LinkSME operational procedures were not standardized.** LinkSME had a quality control system in place for deliverables but based it mostly on internal team appraisal. The requirements and templates for external peer review for studies were absent. The SME database was not in a standardized format. A knowledge management system was still in development when LinkSME was closing down. The IP and GVN partners also did not share the same management information system (MIS) under LinkSME. The absence of standardized operational procedures, external peer review systems, knowledge management, and jointly used MIS inhibited the efficiency of the coordination between IPs and GVN partners when planning for activities and interventions, approving deliverables and products, and managing the products and knowledge produced under this TA Activity.

#### EQ4: BSO CAPACITY SUPPORT

##### TO WHAT EXTENT ARE BSOS READY TO FACILITATE SME LINKAGES?

##### EQ4-I. DID BSOS' CAPACITY TO FACILITATE SMES' LINKAGES IMPROVE? IF YES, HOW?

BSO capacity to facilitate SME linkages improved to some extent with LinkSME support but still has key limitations as shown in Figure 14 and described in the following parts.

Figure 14: The capacity of BSOs to facilitate SMEs' Linkage - Improvements and Limitations



BSO knowledge of LF-SME linkage support methods increased



Organizational capacity strengthened, especially human resources, expertise, networks, and brand

However,



Few BSOs could successfully facilitate new deals without LinkSME support



Most BSOs were unable to assist SMEs to become more competitive and self-sustaining

**LinkSME-supported BSOs improved their knowledge of LF-SME linkage support methods.** The BSOs became more familiar with the demand-driven approach and standardized process of providing sourcing services to both suppliers and buyers, especially for supplier data management and supplier performance management. Through the arrangement of the AED, MOUs were signed between LinkSME and 33 BSOs. The selected BSOs then accompanied LinkSME to pre-evaluate and audit the SMEs. All the supported LFs and BSOs recognized that the four-step process to facilitate linkages was in line with supply change management requirements.

**All interviewed BSOs strengthened their organizational capacity.** Specifically, LinkSME trained and certified ten in-house staff among several BSOs as lead auditors. Some BSOs expanded their networks with LFs, consultants, and experts and strengthened their brand.

**However, few active BSOs could successfully facilitate new deals without LinkSME support.** According to LinkSME reporting (cumulative as of 18 July 2023), BSOs replicated 24 linkages without direct LinkSME assistance, compared with the target of 20 linkages.<sup>23</sup> BSOs replicating linkages without LinkSME support were mainly limited to the sector associations (VASI, HAWA, CSID). The “replicated linkages,” as defined by the Activity, are the repetition of small POs from existing buyers.

**Most of the BSOs were unable to assist the beneficiary SMEs (either directly or indirectly) to become more competitive and self-sustaining or near self-sustaining.** Several LinkSME IRs and sub-objectives<sup>24</sup> define how LinkSME aimed to strengthen BSOs in their role, demonstrating the importance of this component. Unfortunately, there are neither indicators nor available data for monitoring and evaluating the sustainable capacity of BSOs and the relevant types of capacity to support SMEs.

<sup>23</sup> Indicator EG2.2.2 CUSTOM - Number of replicated linkages by BSOs without direct LinkSME assistances

<sup>24</sup> These include the following: IR. 2.1.2: “BSOs and private firms are assisting beneficiary SMEs (either directly or indirectly) with respect to the above on a self-sustaining, or near self-sustaining, basis” under Sub-objective 2.1: “SMEs with greater capacity to enter into manufacturing supply relationships with lead firms, or to otherwise compete domestically and/or internationally”; as well as IR 2.2.2: “BSOs and/or private firms are assisting beneficiary SMEs (either directly or indirectly) with respect to the above on a self-sustaining, or near self-sustaining, basis” under Sub-objective 2.2: “Manufacturing SMEs with emerging or established linkages with lead firms reflected through purchase orders, repeat business, supply contracts, etc.”

## EQ4-2. WHAT HAS BEEN THE MOST EFFECTIVE TA PROVIDED BY LINKSME TO DEVELOP THE CAPACITY OF BSOs?

Although LinkSME provided modest financial support, the engaged BSOs highly appreciated LinkSME's TA and found it relevant to their capacity development. The TA recognized as effective included:

Figure 15: The most effective TA provided by LinkSME for BSO capacity development



**All stakeholders recognized the demand-driven approach as a new and practical way of supporting SME linkages**, since it tries to assist SMEs in meeting the real demand and, in particular, the specific requests of buyers/LFs. LinkSME TA started from the demand side and then identified suppliers and assessed their performance, which made the matching more focused and effective.

**LinkSME's learning and practice opportunities enabled the engaged BSOs to learn from experienced international and national experts** on supplier identification, assessment, audit, matchmaking event organization, and SME training. BSOs learned about KPIs, cost calculation, 5S, B2B sales and marketing, e-commerce, barcodes, traceability, IATF 16949, ISO 9001/2015, and more. However, given LinkSME's limited budget and time frame, the Activity only implemented 7 out of 33 planned activities, leaving the large demand of BSOs and SMEs unmet. In the long term, the BSOs confirmed that they have become well aware of SME supply chain needs for certain types of qualified business services, but due to their limited capacity and budget, it is difficult for them to absorb and apply the types of services demonstrated by LinkSME.

**LinkSME transferred the documented supporting tools and training materials for SMEs to the AED for uploading to its portal (<https://business.gov.vn>)** for the use of other SMEs and BSOs. The capacity of the AED to maintain and update this source of knowledge, however, is still an issue raised by respondents.

All stakeholders expect the **supplier databases and support portals**, which LinkSME supported with relevant information and resources for SME linkages, to be available and accessible. LinkSME updated [the supplier database](#), which will be transferred to the AED. Meanwhile, the AED is already updating [the consultant portal](#). According to the AED and the BSOs, the transfer process from LinkSME to the AED is still incomplete.

**LinkSME mobilized services by BSPs, including BSPs as organizations and as individual consultants, under service contracts** to deliver major TA, such as training, assessments, research activities, and meeting facilitation with LFs. Engaged BSOs and SMEs considered this approach a positive sign for the engagement of the private sector in supporting the development of SME linkages. However, the BSPs have not been engaged as IPs or program participants that would benefit from TA and capacity development.

### EQ4-3. WHAT WERE THE MOST PERPETUALLY CHALLENGING ASPECTS OF LINKSME'S CAPACITY SUPPORT?<sup>25</sup>

The most challenging aspects of LinkSME's capacity support are shown in Figure 16 and described in the parts below.

Figure 16: The most challenging aspects of LinkSME's capacity support



**Most of the GVN BSOs and associations operated with unviable business models** that prevented them from absorbing capacity and growing with their own value propositions and comparative advantages as market players among BSPs. They all depended on the government budget or subsidies. Regardless, the GVN expects that most of them, except government agencies and centers, would become self-sustaining organizations in the near future.

The BSO Evaluation Report, undertaken by LinkSME in December 2020 with a survey of 40 BSOs (mainly GVN BSOs and associations, not including private sector BSPs), showed that Vietnamese BSOs were not strong enough to provide technical support to their member companies. With a four-step support process for SMEs to participate in the supply chain, few BSOs were qualified to perform all four steps. Most of them could only implement up to step 2 or 3.<sup>26</sup>

**The BSO Evaluation Report, however, did not undertake an in-depth analysis of BSO organizational capacity.** With limited human resources and technical expertise, most of the BSOs' technical support to SMEs were usually delivered by the contracted (private) BSPs or freelance consultants. Due to the lack of financial resources, it was difficult for the BSOs to mobilize highly qualified expertise for their services. Most of the BSOs and association leaders were not yet able to identify their positioning and value proposition based on mandates for viable business models that can help sustain their services, both for sector/supply chain-related policy advocacy and business services.

“Most of those BSOs do not have enough resources or commitment to participate in project support activities when they do not receive financial support.”

- LinkSME and BSO representatives

“Most BSOs, when supporting businesses, only deploy support, such as organizing events for businesses to participate in or holding some exchange meetings, but then there is no mechanism to follow up with businesses. They don't have resources to follow up on that.”

- LinkSME and SME representatives

“LinkSME had an intention to engage BSP actors but was not able to design and implement this activity. So this group is considered a missing group in the project's interventions.”

- LinkSME representative

**SMEs and BSOs struggle to finance capacity support** and access GVN support programs and funds. Moreover, viable BSO business models are lacking. Apart from the subsidy approach, the ET

<sup>25</sup> In the recommendations, provide suggested pathways through these challenges.

<sup>26</sup> The report of LinkSME Task Code: C3-2-001 - Access capacity and identify priority/focus areas for support and build capacity for BSOs

team discussed market-based solutions for developing a service market for SMEs with different types of stakeholders, including BSOs, SMEs, and government agencies. They all believed that such a market already existed and should be developed but had no clear vision to actualize it. Most of the stakeholders asked for more funds and expertise from external projects like LinkSME. While LinkSME demonstrated an approach to provide support to SME linkages, it is not a viable business model in the long term.

From the perspectives of the two key market players, SMEs (from the demand side of the business service market) and public/private BSOs (from the supply side of the business service market), their limited access to GVN support programs and funds is due to **the lack of regulations, information, and supporting platforms for market players from both the demand and supply sides of the business service market**. This observation implies that the enhancement of these market factors can help develop the business service market for SMEs, in which GVN subsidies can be used to promote all types of market players to participate in this market under appropriate regulation. This mechanism provides a new opportunity for sustaining results in the long term.

**EQ4-4. ARE THERE EMERGENT NEEDS OR NEW PRIORITIES FOR CAPACITY DEVELOPMENT? HOW READY ARE BSOs TO FACILITATE SMEs' LINKAGES TO DOMESTIC AND INTERNATIONAL LFs?**

In addition to new capacity development priorities, BSOs and SMEs identified two key emergent needs, which are described in Figure 17 and the following parts.

Figure 17: Two key emergent needs for BSO Capacity Development



**BSOs need to develop specific types of capacity based on viable business models and their value proposition.** There are four main types of BSOs operating in Vietnam, with different mandates and advantages:

1. GVN BSOs include trade and investment promotion agencies/centers under the MPI, MOIT, MARD, Departments of Planning and Investment (DPIs), Departments of Industry and Trade (DOITs), Departments of Agricultural and Rural Developments (DARDs), cities, and provinces (Provincial People’s Committees). These BSOs are fully funded, can access GVN funds, and are the implementers of various government programs to support SMEs. The AED of the MPI and Vietnam Industry Agency (VIA) of the MOIT are the two typical agencies. However, LinkSME did not engage the VIA.
2. General BMOs include Vietnam Chamber of Commerce and Industry (VCCI), VinaSME, youth business associations, and women business associations. These organizations provide general membership support and capacity services but do not specialize in facilitating SME linkages.
3. Industry/sector associations (BMOs) include VASI, HAWA, CSID, etc. These types of BSOs have more technical and networking advantages in specific industries, sectors, and supply chains.
4. International and domestic private sector BSPs include certification organizations (VinaCert, ISOCert, QUACERT, and many other Vietnamese consulting companies; KMR of South Korea,



etc.), multi-services companies (Bureau Veritas of the United Kingdom); Intertek of the US, etc.), and freelance consultants.

At the higher level, the business service market requires a BEE, in which market factors such as **regulations, information, and supporting platforms** (for market players from both the demand and supply sides of the business service market) need to be developed and enhanced continuously.

To achieve this, different types of BSOs require different types of capacity. Table 6 in Annex VII maps the areas where BSOs are providing services that facilitate SME linkages to domestic and international LFs. The table also highlights the emergent needs/new priorities for capacity development based on the value propositions and capacity needs of each type of BSO. Specifically:

- **GVN BSOs** are providing public services and supplier data, channeling GVN funds to support the development of SME information. They need to be supported for the development of a regulation framework, strategy to support SMEs, (public) service packages, supporting platforms, and data for supporting SME linkages. Possible interventions include mechanisms for (public and private) BSOs to access GVN funds, market regulations, capacity building for regulators, completing the databases and portals that support SME linkages, and the development of public service packages.
- **BMOs** are providing membership services, protecting members' rights and interests, and representing a collective voice for advocacy. They need support in terms of organizational capacity, membership management, policy advocacy capacity, access to GVN funds, the strategic use of GVN grants/funds, the development of BMO business models, service packages for members, market information, buyer and supplier data, tools for technical support, and business service packages. Possible interventions include studies on BSO business models, TA for organizational development and membership management, policy advocacy in specific industries/supply chains, the development of service packages and business models, market/business intelligence, information on market regulations, and capacity building for market players.
- **BSPs** are providing most of the business services but relying only on service fees. They need market information, buyer and supplier data, the capacity to develop and deliver their service packages, and instructions on accessing GVN funds for SMEs via contracts and competitive selection. Possible interventions include support for the development of service packages and business models, market/business intelligence, information on market regulations, and capacity building for market players.

## EQ5: COVID-19 RESPONSE

**GIVEN THE IMPACT OF COVID-19, LINKSME REVISED ITS TA APPROACH. HOW HAVE THE TWO ADDITIONAL PILLARS OF DX AND A2F SUPPORTED SMES IN THEIR RECOVERY?**

### A2F

The ET found that the A2F pillar of LinkSME, which started from FY2021, has received some remarkable results but still left room for improvement. Details are shown in the paragraphs below.

Figure 18: LinkSME's TA on A2F support for SMEs



Assisted the GVN in developing policies and A2F supporting programs for SMEs to recover from the COVID-19 pandemic



Partnered with seven banks on A2F facilitation



Provided extensive and intensive TA for SMEs to improve their financial management and credit ratings, thus better facilitating A2F

**LinkSME assisted the GVN in issuing and implementing various regulations related to finance, specifically tax exemption and reduction, debt restructuring, and non-cash payment.** In FY2022 and FY2023, LinkSME supported the issuance of Resolution No. 406/NQ-UBTVQH15 on taxation policies to support businesses and people affected by the COVID-19 pandemic; Decree No. 15/ND-CP on tax exemption and reduction to support socioeconomic recovery and development programs; and Decision No. 1361/QD-TTg on reforming APs in the banking sector. The **tax payment extension policies** actually supported businesses and households equivalent to being granted 0 percent interest credit for more than VND304,000 billion (**\$13 billion equivalent**) from 2020–2022. The **tax exemption and reduction policies** supported businesses and households with VND40,000 billion in 2020 and 2021 (**\$1.5 billion equivalent**). Meanwhile, the 2022 VAT reduction package supported businesses and households by about VND51,400 billion (**\$2 billion equivalent**). This contributed to Vietnam's economic growth by 2.93 percent in 2020 and 2.58 percent in 2021, while economic growth for many countries in the world was negative during this period.<sup>27</sup> Data from [the General Statistics Office](#) also indicated an increase in the total export turnover of Vietnamese goods, especially to the US, from early 2020 to the end of 2022. Specifically, there was a gradual increase from \$282,628 in 2020 to \$371,304 in 2022. This signaled an economic recovery and the positive impacts of the fiscal and monetary policies of the GVN.<sup>28</sup> KIIs with banks confirmed that the debt restructuring policies helped the banking system and SMEs overcome the difficulties tied to COVID-19—e.g., through the removal of bad debts and the facilitation of A2F for SMEs and banks in operation. LinkSME support on this policy is considered a success.

**LinkSME closely supported the MPI on their A2F program**, specifically by 1) developing an action plan for the AED to support SMEs in accessing finance; 2) producing a handbook on accessing financial sources; 3) adding an A2F landing page in the MPI/AED business portal; 4) conducting a wide range of training, especially online training during the COVID-19 pandemic, on business restructuring, debt restructuring, and accessing alternative and new finance sources. KIIs with the MPI reflected that LinkSME TA resulted in outreach impacts and very useful events and activities for businesses.

**LinkSME exceeded their target on A2F for SMEs, although there is still a lot of room for improvement.** The Activity helped 24 SMEs to have increased A2F (108 percent higher than the target). This result is thanks to LinkSME's support to 70 SMEs (20 in 2022 and 50 in 2023) via training and assistance. The evaluation survey showed that 79 percent of SMEs rated LinkSME's A2F TA as effective, ranging from tools/manuals (61 percent) to intensive technical assistance (89 percent). About half of the surveyed SMEs said that they will further use or engage in similar A2F activities, especially on matching events and training or workshops, after LinkSME ends. LinkSME attained few initial successes with its debt restructuring support. For example, PYS Travel obtained equity financing worth

<sup>27</sup> Le, X. T., & Ngo, T. T. (2022). Impact of tax policies to support businesses and business households during and after the COVID-19 pandemic. *Financial Journal*, 1, 9/2022. <https://tapchitaichinh.vn/tac-dong-cua-chinh-sach-thue-ho-tro-doanh-nghiep-ho-kinh-doanh-trong-va-sau-dai-dich-covid-19.html>

<sup>28</sup> Pham, T. T. V. (2021, January 18). Financial policies to support businesses in responding to the COVID-19 pandemic. 12/2020. [https://mof.gov.vn/webcenter/portal/vclvcstc/pages\\_r//chi-tiet-tin?dDocName=MOFUCM195005](https://mof.gov.vn/webcenter/portal/vclvcstc/pages_r//chi-tiet-tin?dDocName=MOFUCM195005)

VND3 billion (\$125 thousand equivalent) from an outside investor, who also granted the agency a loan of equal amount, payable in five years.

“The A2F support of LinkSME is very good. That means the connection is very good, and there is a lot of support and effort from there. The only thing is that the difficulty here still lies with the bank. The lending requirements and criteria of the banks associated with the [SME supporting] fund are difficult for businesses. LinkSME's role to show connection as well as act as advisor to us, I find very good and enthusiastic.”

- SME representative

“We received feedback from various businesses that they have not attended any other classes that were so practical and close to their situations like the courses provided by LinkSME. The Activity experts also supported businesses in accessing loans and had very successful lessons.”

- MPI representative

**To help SMEs improve A2F, LinkSME also cooperated and assisted seven banks with several types of TA**, including 1) providing training courses for bank staff to increase their understanding of target sectors; 2) organizing A2F seminars combining matching events and workshops/dialogues between SMEs and banks; and 3) training and/or intensive support for SMEs on cost calculation, financial management, credit rating improvement, debt restructuring, and access to new/alternative capital sources. All interviewed bank senior management and staff confirmed that the training sessions were relevant and effective; the training course helped them provide advice that better fit with the typical needs of the target sectors. Through LinkSME's matchmaking events, the banks found very good customers and raised their visibility. They therefore highly appreciated such events as a bridge between them and SMEs and thought that this type of assistance should be continued in the future. However, KIs with banks revealed that on a scale of 0–10, most SMEs introduced by LinkSMEs were rated around 6–8 in terms of meeting the banks' credit eligibility.

**Despite these successes, LinkSME faced various inhibiting factors for A2F.** The MPI responded that some planned activities were left undone due to **the budget uncertainty of LinkSME** in its last one and a half years. This therefore reduced the comprehensiveness and systematicness of A2F interventions. The level of outreach and extent to which SMEs received credits from banks remained limited. Although the Activity achieved its target, all interviewed SMEs responded that **limited financial capacity** remained a major inhibiting factor for SMEs to participate in the supply chain. **Interest rates in both formal and informal markets were too high and unstable.** The GVN and international financial institutions provided concession loans for COVID-19 recovery and SME support fund, but their concession rates became insignificantly lower compared to commercial rates once various fees were calculated. SMEs also responded that **accessing such financial products was not easy** because almost all requirements were similar to commercial financial products. Both bankers and SMEs confirmed that SMEs **remained marginalized from international financial mechanisms like green finance.** They had **few options for capital mobilization**, mainly due to limited management capacity and limited financial health and assets to get access to long-term financial products (e.g., stock market, green finance, credit assurance, etc.). LinkSME also explored financial leasing opportunities, but this service did not materialize.

**From the banks' perspective, there is room for A2F improvement.** They confirmed that the LinkSME approach to A2F was relevant; however, the **unhealthy financial situation and poor financial management** of SMEs remained a big challenge. **Continuation of providing capacity building for SMEs** to improve their credit ratings according to banks' criteria is a suitable strategy. **Bank credit officers** could be a highly relevant resource **for A2F coaching** for SMEs. The credit growth limits (rooms) of each bank is also a factor restraining their credit capacity; changes in such rooms are stipulated by the State Bank of Vietnam in their consideration of national inflation pressure. However, within the context of Vietnam becoming a comprehensive strategic partner of the US in September 2023, **SME-LF linkage replicability is considered a good indicator** for improving the SMEs' credit ratings, especially with big LFs in the value chain. The existence of “big fish” in the

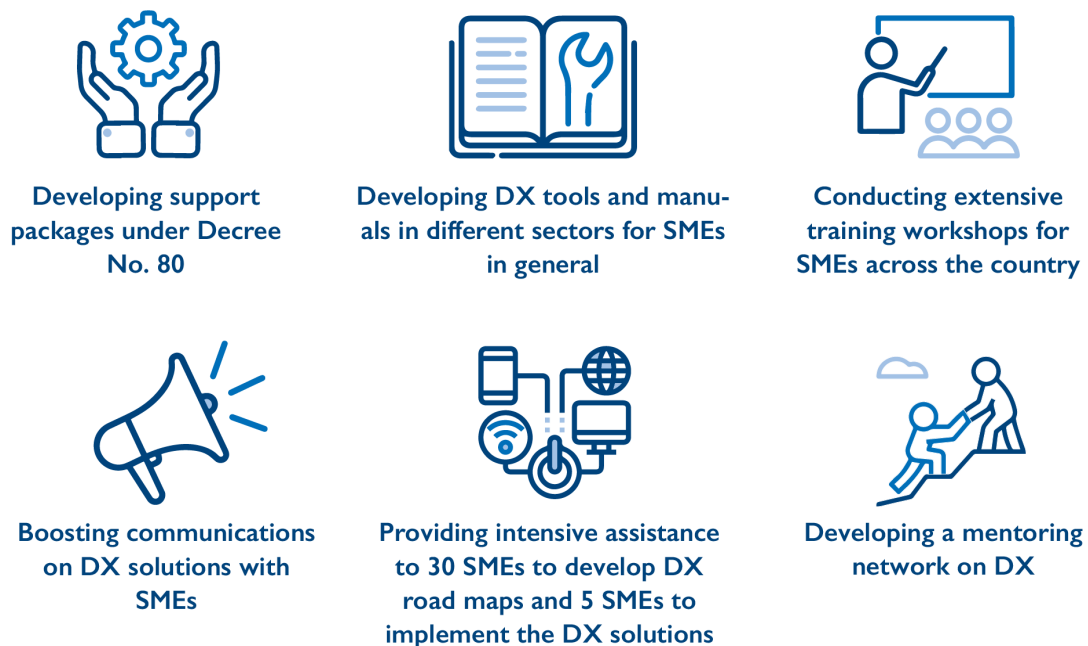
market—e.g., FDIs on semiconductors—promises a pull effect across the value chain, and the SMEs involved in such a value could have preferential interest rates from some banks. KIIs with the banks also revealed that **bank staff training should be improved** in terms of practicality, updated with the latest market and sectoral trends. ESG investing is also a promising direction for cooperation with banks, although this was not pronounced and focused on within LinkSME. There are a lot of other efforts by projects of the European Union (EU), Swiss State Secretariat for Economic Affairs (SECO), Swiss Agency for Development and Cooperation (SDC), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), International Fund for Agricultural Development (IFAD), etc., which USAID interventions can cooperate with, learn from, and share with, especially on ESG investment.

**From the SME perspective, A2F interventions become a need not only as a COVID-19 response but also for thriving in the future.** Via the evaluation survey, the SMEs rated A2F tools and manuals at the lowest level of effectiveness (61 percent) in comparison to other types of assistance. Both online surveys and KIIs with SMEs revealed that they appreciated the matchmaking events and hands-on training and coaching of LinkSME TA more than the manuals and tools. KIIs with SMEs revealed that they did not witness the direct impact of A2F. According to them, high interest rates (even for concession loans) remained the major obstacle for SMEs to get access to finance.

### DX

LinkSME provided six groups of TA to support the MPI in developing and implementing DX assistance for SMEs (Figure 19). The assistance yielded various successes but still needed further endeavors to sustain the achievement. Details are explained in the following paragraphs.

Figure 19: LinkSME’s TA on DX support for SMEs



**Since the beginning of FY2021, LinkSME has supported the MPI in developing and implementing DX assistance for SMEs.** The assistance can be divided into six types of interventions. First, under Decree No. 80 on SME support, LinkSME supported the MPI in experimenting with supporting packages for businesses on costs to hire specialized DX consultants or for purchasing solutions. Second, the Activity supported the MPI in developing several DX manuals/handbooks for enterprises and readiness assessment tools; three manuals for SMEs in the agro-processing and manufacturing sectors were published. Two other manuals for the logistics and food processing and distributing sectors were still being drafted at the time of this evaluation. Third, they provided 20 DX training sessions for 20 provinces across the country. Fourth, LinkSME assisted the MPI in developing a DX mentoring network, including providing a Yellow Book on service

providers and a list of independent DX consultants or mentors for SMEs. Such materials were fed into the DX landing page of the AED business portal. Fifth, LinkSME offered intensive DX assistance for SMEs—i.e., through the pre-evaluation of their readiness for DX and orientation on the DX road map. Sixth, LinkSME supported the MPI on DX communications activities, including 1) incorporating DX features on the MPI website; 2) providing DX manuals and a Yellow Book on DX service providers for SMEs so that the MPI can make them accessible for users; and 3) creating successful case studies as role models or pioneer enterprises on DX to inspire other SMEs to follow suit.

**LinkSME assistance contributed to the success of the MPI’s DX program for SMEs.**

Accordingly, by June 2023, the manuals, training videos, and sharing of experiences on the DX landing page had garnered more than two million views. More than 1,600 businesses self-assessed their readiness for DX to establish implementation directions. Through the program, more than 10,000 businesses in 40 provinces received direct DX training workshops.<sup>29</sup> According to LinkSME reporting, by the end of FY2022, more than 600 SMEs had downloaded the tools and guidelines. The businesses were provided with a foundation and in-depth knowledge of the leadership mindset when transforming digitally; re-engineering processes, DX business models, and applying digital technology to expand their markets; and applying DX in agricultural and logistics value chains. The training series contributed to creating a change in the awareness and actions of SMEs about DX, helping them clearly understand the benefits of applying DX in their business models and manufacturing. LinkSME intensively supported 30 SMEs, connecting 25 with DX solution service providers to develop their DX road maps, which met the target by 100 percent. They assisted the other 5 SMEs in implementing DX solutions in the road map. In the evaluation survey, 87 percent of recipients responded that DX support was effective. Of these, 38 percent shared that they will adopt DX in their business operation and management. The MPI expressed their appreciation over the DX readiness self-assessment tools that helped skip several steps, from SME identification to screening, and the manuals that were very useful for them to improve their intelligence on DX and adapt the manuals for their supported SMEs. KIIs also confirmed that the SMEs took serious actions to adopt DX to improve their production and business management and operation.

**Similar to A2F, there is still room for improvement in this pillar.** The MPI responded that due to the budget uncertainty of LinkSME in FY2022 and FY2023, their comprehensive work plan on DX was not completed. Although LinkSME contributed to the shifting of the SMEs’ mindset towards DX, the implementation of DX solutions remained in its infancy. High investment cost was the key issue restraining the implementation of DX solutions. Some SMEs thought that the DX solutions could be improved in terms of practicality or viability; some solutions were too ambitious for them to internalize. The number of local service providers joining the DX support package under Decree No. 80 was also limited because there was no free service for businesses. However, international service providers participated in the package and provided free support packages for businesses introduced by LinkSME and the DX office of the MPI. Above all, time was also a constraint that limited LinkSME’s interventions and results on DX.

---

<sup>29</sup> Nguyễn H. (2023, June 7). 10.000 doanh nghiệp tại 40 địa phương được hỗ trợ đào tạo về chuyển đổi số. Báo CôngThương. <https://congthuong.vn/10000-doanh-nghiep-tai-40-dia-phuong-duoc-ho-tro-dao-tao-ve-chuyen-doi-so-257209.html>

# CONCLUSIONS AND RECOMMENDATIONS

## CONCLUSIONS

**EQ1: BEE PILLAR: TO WHAT EXTENT DID THE LINKSME TA ON POLICY AND REGULATORY REFORMS HAVE A PERCEIVED SUSTAINABLE IMPACT ON CREATING A BEE FOR STRENGTHENING THE SME-LF BUSINESS LINKAGE?**

The LinkSME Activity contributed to the creation of a BEE to strengthen the SME-LF business linkage. It supported the GVN to formulate and implement 20 important regulations for the business environment, including some key legal documents on SME-LF linkage (exceeding the target by 17 percent). The Activity also developed regulatory reform tools and pilot models and strengthened the capacity of GVN partners, thereby facilitating the GVN's achievement in reducing regulatory compliance costs via cutting and simplifying over 2,300 business-related regulations; modernizing over 1,000 one-stop shops in Vietnam; and improving the functions of the National Public Service Portal. LinkSME also supported OOG in enhancing government-to-business interaction by improving the Business Regulation Reference and Consultation Portal. However, most of these regulations were generic business environment reforms with less focus on LF-SME linkage; social inclusion considerations were not pronounced on the National Public Service Portal; and there is yet a regulation that determines the rights and responsibilities of those involved to keep the Business Regulation Reference and Consultation Portal live and that promotes the engagement of the private sector.

**EQ2: LINKAGES PILLAR: TO WHAT EXTENT DID LINKSME UNLOCK THE POTENTIAL OF VIETNAMESE SMES TO PARTICIPATE IN THE SUPPLY CHAIN?**

LinkSME applied a four-step approach to facilitate SME-LF linkage. It included 1) LF identification; 2) supplier identification and pre-evaluation; 3) full supplier audits; and 4) intensive TA for linkages. The Activity flexibly used such an approach by sector and context. This approach was highly relevant to the political context and LFs' demands. The evaluation survey revealed that overall, 86 percent of SMEs that received LinkSME assistance found it effective, and 49 percent confirmed that they would further use, maintain, or join similar interventions in the future. The effectiveness level ranged from 71 percent with tools and/or manuals to 89 percent with intensive TA and pre-evaluation or orientation. There were no differences in the responses by respondent gender and business type (whether woman-led or man-led; with a low or high female ratio).

LinkSME improved SME capacity in several areas, such as production, quality management, partnership, communication, and marketing. SMEs also enhanced their participation in global supply chains. Over the Activity's implementation, 1,562 SMEs received support from the US government, 63 improved local economy participation, 280 purchase orders were processed, and the private sector was engaged for \$31.8 million, exceeding targets.

**EQ3: GVN COORDINATION: WHAT ASPECTS OF LINKSME'S COORDINATION AND IMPLEMENTATION APPROACH WITH THE OOG AND THE MPI WERE EFFECTIVE IN IMPROVING THE BEE AND CAPACITY OF VIETNAMESE SMES? WHERE ARE THERE OPPORTUNITIES TO IMPROVE?**

LinkSME's implementation approach and coordination with the OOG and the MPI was effective. It was an important factor that facilitated activities and interventions under LinkSME to improve the BEE and capacity of Vietnamese SMEs. GVN partners are relevant: the OOG is charged with the role of coordinating efforts by ministries and provinces to reduce business-related regulations and compliance costs by 20 percent between 2021–2025, while the MPI's Agency for Enterprise Development (AED) is responsible for SME support programs and regulations. Line ministries like the Ministry of Agriculture and Rural Development and the Ministry of Industry and Trade are actively involved in regulatory reforms in sectors relevant to the ministries. The Activity's effectiveness was fostered by

the trust and close cooperation between USAID, GVN partners, and IPs. The IP staff provided good-quality service and were well recognized by GVN partners. Communication between USAID, GVN partners, and IP was regular and smooth, contributing to the Activity’s success. However, there are opportunities for improvement, such as simplified procedures for GVN project approval and planning, as well as stronger collaboration and harmonization between the USAID and the GVN in programming and designing monitoring, evaluation, and learning systems. The standardization of operational procedures, external peer review systems, and knowledge management could improve coordination between IP and GVN partners.


**EQ4: BSO CAPACITY SUPPORT: TO WHAT EXTENT ARE BSOS READY TO FACILITATE SME LINKAGES?**



LinkSME enhanced BSOs' capacity to facilitate SME linkages by focusing on demand-driven approaches and standardized processes for supplier data management and performance management. Thirty-three BSOs signed memoranda of understanding with LinkSME, and some selected BSOs joined the Activity for an SME pre-evaluation and audit. However, only a few active BSOs successfully facilitated new deals without LinkSME support.

**EQ5: COVID-19 RESPONSE: HOW DID THE TWO ADDITIONAL PILLARS OF DX AND A2F SUPPORT SMES IN THEIR RECOVERY?**




Starting in the 2021 fiscal year, LinkSME 1) assisted the GVN in developing policies and A2F supporting programs for SMEs to recover from the COVID-19 pandemic; 2) partnered with seven banks regarding A2F; and 3) provided extensive and intensive TA for SMEs to improve their financial management and credit ratings, thus better facilitating A2F. LinkSME provided TA to six groups to support the MPI in developing and implementing DX assistance for SMEs. The assistance included 1) developing supporting packages under Decree No. 80; 2) developing tools and manuals for DX in different sectors and for SMEs in general; 3) conducting extensive training workshops for SMEs across the country; 4) providing intensive assistance to 30 SMEs to develop a DX road map and five SMEs to implement the DX solutions; and 5) boosting communications on DX to SMEs.



**RECOMMENDATIONS**


KEY RECOMMENDATIONS	SPECIFIC SUGGESTIONS
<b>BEE Pillar</b>	
 <p>I. Continue to support GVN partners on SME-GVC linkage</p>	<ul style="list-style-type: none"> <li>• In an activity like LinkSME, USAID and GVN partners should lay stronger focus on SME-GVC linkage and less on a broad-based regulatory reform to better reflect the objective of the activity.</li> <li>• During data collection for the activity design or planning, USAID should identify the capacity needs of GVN partners on highly prioritized topics to ensure the relevance and coherence of the design and planning to local demand. The topics to be considered include 1) digitalization and 2) best practices and tool development for regulatory reforms and administrative reform processes in Vietnam, with a focus on SME-GVC linkage.</li> <li>• USAID should further support the upgrade of public e-services at both national and ministerial portals, integrating GESI approaches to ensure accessibility for everyone.</li> </ul>

KEY RECOMMENDATIONS	SPECIFIC SUGGESTIONS
	<ul style="list-style-type: none"> <li>• USAID should continue to support the improvement and operation of the business regulation reference and consultation portal.</li> <li>• USAID should support the policy advocacy for increasing the participation of membership-based business supporting organizations in the reform, formulation, and implementation of regulations, especially those related to SME-GVC linkage, to represent the voices of SMEs.</li> <li>• Besides using traditional media targeting business, USAID should allow more use of social media to communicate the progress and results of BEE facilitation to the wider public.</li> </ul>
<b>Linkage Pillar</b>	
 <p>2. Continue to promote and adapt the four-step linkage approach</p>	<ul style="list-style-type: none"> <li>• USAID should continue to support a study that includes a comparative review of the approach and tools in comparison with other SME-LF linkage models in Vietnam, as well as recommendations for a more lightweight and easy-to-use approach capitalized on the success of the current approach but promoting the uniqueness of local SMEs.</li> <li>• The B2B matchmaking may not necessarily involve SMEs and LFs but can expand to SME-SME linkages given a higher potential and chances for success.</li> <li>• USAID should continue to support an assessment to review and propose a sectoral and geographical selection strategy based on the new context of the US-Vietnam comprehensive strategic partnership. The focus could be on some sectors with a high potential for GVC, such as metals, electronics, automotives, and IT, rather than sectors that are currently strong at GVC and already have strong BSOs in place.</li> <li>• The topics for intensive assistance can be B2B matchmaking, supply chain management, quality and efficiency management, and the application of global standards required by the international market—e.g., ESG investment and CSR. USAID should set the target of assistance to be the achievement of standard certifications for GVC accession.</li> <li>• Orientation can be beneficial, especially for buyers new to the Vietnam sourcing market.</li> </ul>
	<ul style="list-style-type: none"> <li>• More BSO participation including those from buying markets could help increase the effectiveness and sustainability of business development and linkage services considering their capacity, understanding of market requirements, and networks with potential buyers.</li> </ul>



KEY RECOMMENDATIONS	SPECIFIC SUGGESTIONS
<p>3. Engage BSOs deeper in supporting capacity building and B2B matchmaking</p>	
GVN Coordination Pillar	
<div style="text-align: center;">  </div> <p>4. Further strengthen localization and local ownership, thereby contributing to higher effectiveness, impact, and sustainability</p>	<ul style="list-style-type: none"> <li>● It is important for USAID to select strong and relevant partners. In addition to being relevant to the concepts of the Activity and interventions, the mandated prioritized mission of the partners are decisive factors in ensuring the ownership of GVN partners and sustainability of interventions.</li> <li>● USAID and IPs should maintain the demand-based approach as adopted under LinkSME because it helps to strengthen the ownership of GVN partners.</li> <li>● USAID and IPs should take measures that allow local consultants, local BSOs, and local institutions to implement a higher level of TA work.</li> </ul>
<div style="text-align: center;">  </div> <p>5. Provide more technical support to the GVN with a result-based approach and move toward the same understanding on how to measure and report results in TA Activities</p>	<ul style="list-style-type: none"> <li>● USAID and IPs should integrate introductory sessions of a result-based approach in different events with GVN and other partners.</li> <li>● GVN partners should harmonize project conceptualization, intervention planning, reporting, and system monitoring to move toward a result-based approach. USAID should discuss and agree with GVN partners right at the conceptualization phase of any TA Activity.</li> </ul>
<div style="text-align: center;">  </div> <p>6. Maintain and strengthen the trust between USAID and GVN partners</p>	<ul style="list-style-type: none"> <li>● USAID should maintain and strengthen trust with GVN partners, which has been an important factor in facilitating the effectiveness of LinkSME. IPs should contribute to this through effective communication and technically competent staff members capable of building rapport with GVN partners.</li> </ul>

KEY RECOMMENDATIONS	SPECIFIC SUGGESTIONS
<b>BSO Pillar</b>	
 <p>7. Support BSO capacity development based on their types, needs, and priorities, as well as the development of the business service market for SMEs</p>	<ul style="list-style-type: none"> <li>• USAID should conduct studies on viable business models for BSOs.</li> <li>• USAID should conduct studies on the business service market for SMEs per different type of BSOs as market players.</li> <li>• USAID should provide capacity development TA for all market players and regulators of the business service market for SMEs.</li> <li>• USAID should engage all relevant stakeholders in design and implementation processes, with clear engagement and financing strategies.</li> <li>• USAID should encourage adaptive and realistic planning with participatory, results-based, and resource-based approaches.</li> </ul>
<b>A2F and DX</b>	
 <p>8. Continue to provide A2F support for SMEs</p>	<ul style="list-style-type: none"> <li>• USAID should continue to work with the MPI and in consultation with financial institutions and SMEs to co-design policies and interventions that enable more systemic changes in terms of A2F for SMEs. This may include access to climate and green finance mechanisms.</li> <li>• USAID should consider collaborating with financial institutions and provide technical support for them to design more SME-friendly financial products for target sectors.</li> <li>• IPS-C might consider continuing the legacies of LinkSME in supporting SMEs to improve their financial management and capabilities for A2F, especially for the SMEs receiving B2B linkage support. Simultaneous A2F and linkage support can accelerate SME growth and B2B linkage in the GVC and can be a good indicator for banks' acceptance of loans. SMEs prefer interactive and hands-on intensive assistance rather than manuals and tools; online A2F training should be standardized, promoted, and changed into the format of an asynchronous course.</li> <li>• USAID should continue to support banks in improving their sectoral intelligence for risk management and credit appraisal and by connecting them with SMEs through matchmaking events. Bank credit officers can be the most suitable coaches for SMEs because of their knowledge on loan criteria and requirements.</li> <li>• There are a lot of other efforts from the projects of the EU, SECO, SDC, GIZ, IFAD, etc., which USAID interventions can cooperate with, learn from, and share, especially on ESG investment.</li> </ul>

KEY RECOMMENDATIONS	SPECIFIC SUGGESTIONS
 <p data-bbox="197 837 533 898">9. Intensify DX support for SMEs</p>	<ul data-bbox="593 286 1401 1167" style="list-style-type: none"> <li>• DX has been proven to be an instrumental measure to improve management capacity, production efficiency, and cost saving and increase the competitiveness of SMEs. More intensive DX support for SMEs is needed. In addition to TA on DX planning, more intensive TA is needed, including capacity building for DX service providers.</li> <li>• USAID should continue to support the GVN in reviewing and adjusting policies that incentivize and support DX for SMEs in target sectors.</li> <li>• DX implementation is costly. USAID should consider promoting the incentivization model of the supporting package under Decree No. 80 for SMEs and other support as such of LinkSME's. The legacies are worth continuing.</li> <li>• LinkSME's manuals and tools are considered of good value for SMEs. These should be promoted, improved both in form and substance, and be publicized or institutionalized for wider replication; DX training could be changed to an asynchronous format for better usage and a wider outreach.</li> <li>• There are a lot of other efforts by the projects of other donors and USAID activities for SMEs that USAID can cooperate with, learn from, and share. USAID and GVN partners should coordinate and support a study to get aligned on these interventions within the context of the US-Vietnam comprehensive strategic partnership.</li> </ul>

## UTILIZATION PLAN

In July 2023, the ET shared findings, conclusions, and recommendations with IPs and USAID to validate the analysis and inform report drafting. During the separate out-briefs with USAID, the APCA/OOG, the AED/MPI, and IPS-C, the team presented its finalized findings, conclusions, and recommendations to widely disseminate the evidence surfaced by the evaluation and strengthen future collaboration. The draft of the evaluation report was also shared with USAID and the IPs for feedback.

As primary users of the evaluation report, USAID—including the Front Office, the Program Development Office, and technical offices—can use the evaluation's findings and recommendations to formulate future activity designs in Vietnam in SME support. USAID can also use the evaluation results to communicate with current IPs about new synergistic or priority activities for their remaining implementation period. The evaluation can result in the early engagement of GVN counterparts in future programs specifically focused on addressing emergent SME needs.

## ANNEX I: FULL LISTING OF REFERENCES AND REPORTS UTILIZED

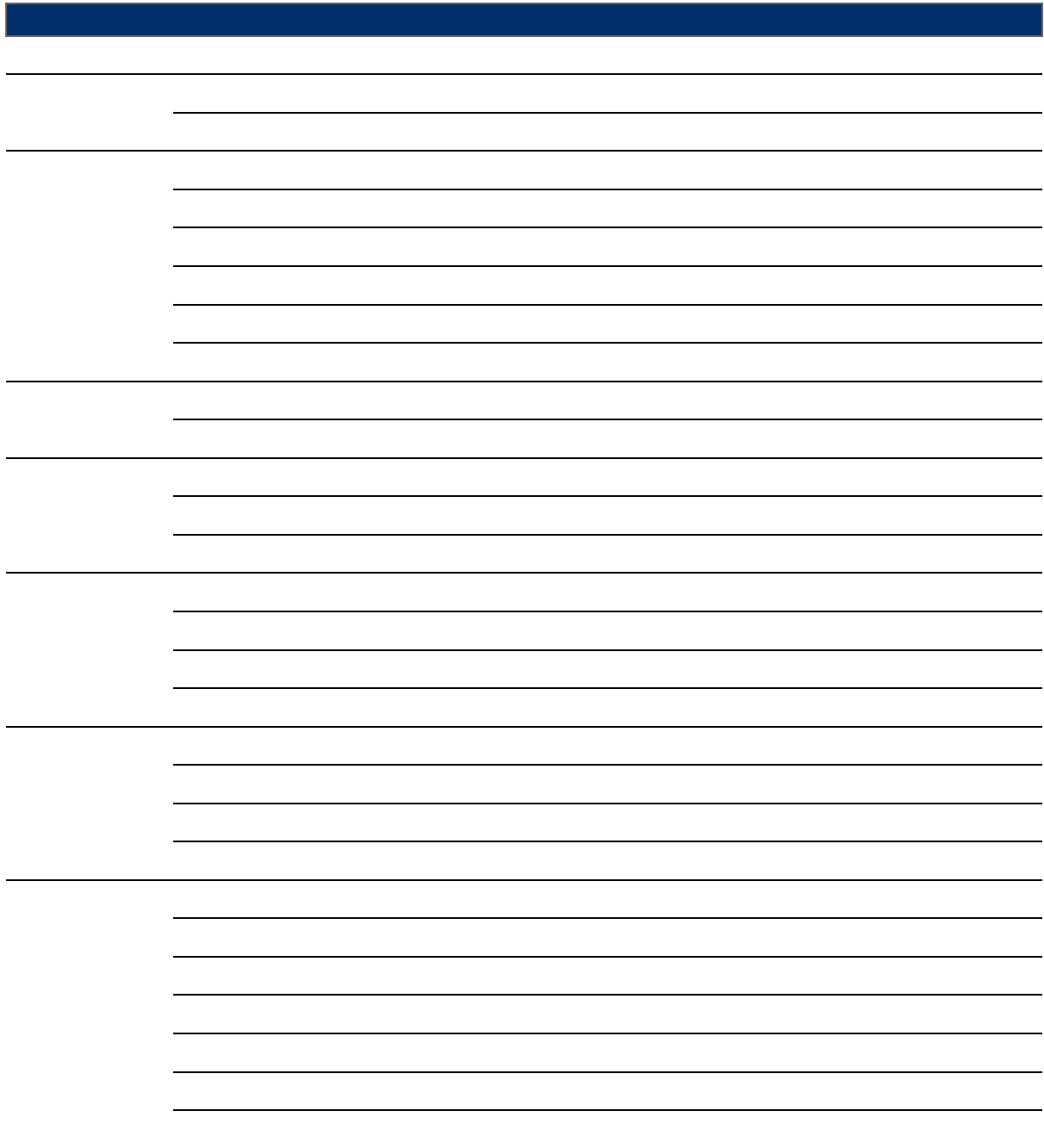
### REFERENCES

- Cung N. D. (2021). Business environment reform from 2014 to 2020: Results, lessons learned, and recommendations.
- Dang, D. A. & Anh, N. A. (2023, August). The effects of the United States–China trade war during the COVID-19 pandemic on global supply chains: Evidence from Viet Nam. ERIA Discussion Paper Series, 483.
- Dhar, B. K. et al. (2023, March/April). U.S.-China trade war and competitive advantage of Vietnam. *Thunderbird International Business Review*, (65)2, 255–263. <https://doi.org/10.1002/tie.22325>
- Lam, T. H., & Nguyen, D. P. (2019, December 6). The US-China trade war: Impact on Vietnam. *ISEAS Perspective*, 102.
- Le, X. T., & Ngo, T. T. (2022). Impact of tax policies to support businesses and business households during and after the COVID-19 pandemic. *Financial Journal*, 1, 9/2022. <https://tapchitaichinh.vn/tac-dong-cua-chinh-sach-thue-ho-tro-doanh-nghiep-ho-kinh-doanh-trong-va-sau-dai-dich-covid-19.html>
- Nguyễn, H. (2023, June 07). 10.000 doanh nghiệp tại 40 địa phương được hỗ trợ đào tạo về chuyển đổi số. *CôngThương*. <https://congthuong.vn/10000-doanh-nghiep-tai-40-dia-phuong-duoc-ho-tro-dao-tao-ve-chuyen-doi-so-257209.html>
- Nguyễn, T. N. (2022, August 15). Mòn đi những lát cắt nghìn tỷ cho phục hồi?. *CafeF*. <https://cafef.vn/mon-di-nhung-lat-cat-nghin-ty-cho-phuc-hoi-20220815064652246.chn>
- Pham, T. T. V. (2021, January 18). Financial policies to support businesses in responding to the COVID-19 pandemic. 12/2020. [https://mof.gov.vn/webcenter/portal/vclvcstc/pages\\_r//chi-tiet-tin?dDocName=MOFUCMI95005](https://mof.gov.vn/webcenter/portal/vclvcstc/pages_r//chi-tiet-tin?dDocName=MOFUCMI95005)
- UNDP (2023, July 11). First review of accessibility and user friendliness of 63 provincial e-service portals in 2023

### REPORTS UTILIZED

1. Contract document and associated scope of work
2. Analysis or research used to inform the design of LinkSME
3. Activity Monitoring, Evaluation, and Learning Plan (AMELP)
4. Internal and external monitoring and evaluation (M&E) reports
5. Annual progress reports and work plans
6. Other LinkSME internal reports or summaries related to implementation
7. Relevant national/sectoral policies and plans from Vietnamese partners
8. Relevant documents from other donors in the sector
9. USAID [Evaluation Policy](#), pages 7–11
10. Vietnam Governance for Inclusive Growth Activity (GIG) Evaluation
11. Trade Facilitation Program (TFP) evaluation
12. List of SMEs receiving assistance

## ANNEX II: FULL LISTING OF PEOPLE INTERVIEWED



The table area consists of a dark blue header bar at the top, followed by a series of horizontal lines that define the rows of the table. The lines are spaced evenly down the page, suggesting a large number of entries in the listing.

The full listing of people interviewed was submitted separately in line with data de-identification policies. Please contact Mai Pham at [mai.pham@socialimpact.com](mailto:mai.pham@socialimpact.com) to request the data.

## ANNEX III: DATA COLLECTION TOOLS

### A. KII GUIDE - USAID

#### 1. Purpose of the Interview:

- To consult on LinkSME's reported achievements, design and implementation arrangement, and sustainable impacts
- To consult on lessons learned for intervention approaches, operation, and partnership (with GVN agencies, BSOs, LFs, SMEs, donors, and other stakeholders/actors) for exploring possible emerging areas where USAID/Vietnam can have an impact

#### 2. Targeted Group: USAID staff in charge of LinkSME

#### 3. Interview Duration and Method: 45–60 minutes, in-person or online interview

#### 4. Interview Questions:

- What do you think about **the design/planning** of LinkSME, its evolving structure, the theory of change and results framework, and the AMELP? What could be learned from it from the perspective of the donor?
- Which lesson learned should be drawn on **stakeholder engagement and the coordination** of LinkSME?
- Among the six key pillars (the BEE pillar, linkages pillar, GVN coordination, BSO capacity support, DX, and A2F), which to you were **most successful, important, and highly relevant** to USAID/Vietnam's development objectives on economic governance? Which **were the most challenging and need further improvement**? What do you think about the utilization of LinkSME's deliverables? Which deliverables could IPS-C or other activities of USAID build on?
- What are the **most remarkable things** that you are aware of in the way LinkSME moved things forward or conducted their interventions?
- What were the **risk, inhibiting, and enabling factors** to LinkSME? How did they capitalize on the enabling factors and overcome the risks/inhibiting factors?
- Do you think that the **operations** of LinkSME were smooth in how they contributed to the success or challenges of the Activity?
- How did the project address **GESI** issues by pillar and by time?
- How did the project **coordinate with other USAID activities** in Vietnam? What do you think about the knowledge management and transfer of LinkSME and other USAID activities?

#### 5. General Information of the Respondent: Full name, gender, age, position in USAID, email address, phone number

### B. KII AND FGD GUIDE – LINKSME IP

#### 1. Purpose of the Interview:

- To consult on the self-assessment of LinkSME staff on its performance and impacts
- To capture the lessons learned from LinkSME for current and future activities, projects, and strategy of USAID/Vietnam within the sector
- To consult on the online survey regarding targeted groups and survey questionnaires

#### 2. Targeted Group: LinkSME staff, IESC

#### 3. Interview Duration and Method: 90 minutes, offline/online

#### 4. Interview Questions:

For the six key pillars of LinkSME (BEE pillar; linkages pillar; GVN coordination; BSO capacity support; DX, and A2F) regarding the COVID-19 response, the following questions will be asked:

- What were the **main interventions** that LinkSME did in the pillar or workstream? Were the interventions planned from the beginning or did they arise as an adaptive solution to changes in context and demands?
  - Who were the **key stakeholders** of LinkSME in the pillar? Did they **effectively contribute** to the project's achievements? In what ways? Were there any relevant stakeholders/actors who were not engaged in the project? How was the communication and coordination of LinkSME with them? Where are there opportunities to improve?
  - Which **internal and external factors** do you think could **facilitate or inhibit** your service delivery process to be **on time, under budget, and with quality**? Were there any adjustments in the project intervention approach or implementation arrangement to address these obstacles? Were the adjustments effective?
  - What would be the **most important results/deliverables** in the pillar? Who were the end users and how did they feel about the results? Were there any **perceived sustainable impacts** from such efforts or results? How do you think will these be utilized after the Activity and do you think it will be sustained?
  - How were those changes **identified and measured**? Do you think the baseline/monitoring data and the AMELP system can well reflect those changes?
  - How did the project address **GESI** issues, specifically the participation of vulnerable groups (women, youth, people with disabilities, etc.)?
  - What do you think about the **operations** of LinkSME and how your **knowledge** was managed and transferred?
  - Which tapped and untapped **areas** should USAID explore more?
  - Please provide us with a list of laws, policies, regulations, or standards formally proposed, adopted, or implemented that have contributed to creating a BEE for strengthening the SME-LF business linkage as supported by LinkSME. Is there any documentation of the outcome in terms of cost- and time-saving from the reforms of the regulation as it was mentioned by you in the in-brief meeting?
5. **General Information of the Respondent:** Full name, gender, age, position, email address, phone number

## C. KII GUIDE – THE OOG

### 1. Purpose of the Interview:

- To gather the OOG's feedback on the performance of USAID LinkSME and its impacts on the BEE and capacity development of Vietnamese SMEs
- To capture the lessons learned on the cooperation and coordination between USAID LinkSME and the OOG for current and future activities of USAID/Vietnam

### 2. Targeted Group: Leaders and key points of contact (POCs) of the OOG on LinkSME

### 3. Interview Duration and Method: 60–90 minutes, offline/online interview

### 4. Interview Questions

#### 4.1. BEE: To what extent did LinkSME TA on policy and regulatory reforms contribute to creating a BEE for strengthening the SME-LF business linkage?

- Can you describe **the history of cooperation** between the OOG and LinkSME regarding the BEE: the shared goals/needs, interventions, organizational structure, plans, and coordination?
- Among all LinkSME assistance regarding **regulation development and implementation**, which were the most effective interventions and remarkable results (e.g., resolutions or regulations)? Which **regulations**? What were the **benefits** of such interventions/results? What **limitations need to be improved** or resolved? How did you cooperate with LinkSME to overcome such limitations?
- How did LinkSME assist you in the **implementation and reforms** of regulations enabling SMEs to link with the supply chain? Which limitations need to be improved? How did you cooperate with LinkSME to overcome such limitations?

- What were **the factors facilitating LinkSME's ability** to assist you on the BEE that other projects should learn from? Can you describe it in three words?
- Within and beyond LinkSME's scope, are there **emerging opportunities on the BEE worth exploring**? Are there untapped areas where USAID can have an impact?

#### 4.2. COVID-19 Response:

- How did LinkSME support the **adoption and implementation of regulation development** to facilitate trade during COVID-19? Which were the most effective interventions and the most remarkable results in reducing and simplifying rules and regulations and facilitating business-to-Government interactions?
- Besides the adoption and implementation of regulations, how did LinkSME support the MPI and SMEs in response to the COVID-19 pandemic, particularly on **DX** and **A2F** for SMEs in their recovery? What were the most important benefits from the interventions?

**4.3. GVN Coordination:** What aspects of LinkSME's coordination and implementation approach with the OOG were effective? Where are there opportunities to improve? What do you think about the **operational procedures** of LinkSME?

**5. General Information of the Respondent:** Full name, gender, age, position, email address, phone number

### D. KII GUIDE – THE MPI

#### 1. Purpose of the Interview:

- To gather the MPI's feedback on the performance of USAID LinkSME and its impacts on the BEE, market linkages, and the capacity development of Vietnamese BSOs and SMEs
- To capture the lessons learned on the cooperation and coordination between USAID LinkSME and the MPI for current and future activities of USAID/Vietnam

**2. Targeted Group:** Leaders and key POCs of the AED/MPI

**3. Interview Duration and Method:** 60–90 minutes, offline/online interview

#### 4. Interview Questions

##### 4.1. Market Linkages:

- Can you describe **the history of cooperation** between the MPI and LinkSME regarding the BEE for enterprise development and market linkage?
- How did **LinkSME help in facilitating market linkages** in Vietnam? Did LinkSME understand the needs, perceptions, and behaviors of SMEs in facilitating their linkages via BSOs?
- Which results (e.g., databases, assessment tools/manual, linkages, training) of LinkSME helped **unlock the potential of Vietnamese SMEs** to participate in the supply chain that other projects should learn from? What were **the factors that facilitated or inhibited** Vietnamese SMEs (under LinkSME's support) from participating in the supply chain?
- Within and beyond LinkSME's scope, are there **emerging opportunities** under the linkages pillar worth exploring? Are there **untapped areas** where USAID can have an impact?

**4.2. BSO Capacity Support:** To what extent are BSOs ready to facilitate SMEs' linkages?

- What **roles do BSOs play** to support Vietnamese SMEs in participating in the supply chain?
- What was **the most effective TA** provided by LinkSME to develop the capacity of BSOs and how did BSOs' **capacity improve**? How ready are BSOs to facilitate SMEs' linkages to domestic and international LFs?
- What were **the most challenging aspects** of LinkSME's capacity support?
- Are there **emergent needs or new priorities** for capacity development?

**4.3. BEE:** To what extent did LinkSME TA on policy and regulatory reforms contribute to creating a BEE for strengthening the SME-LF business linkage?



- Did LinkSME support you in **regulation development and policy reforms**? If yes, what were the most effective interventions and the most remarkable results in reducing and simplifying rules and regulations and facilitating business-to-government interactions? Which **regulations** were involved? What do you think about the **benefits** from such interventions/results? What **limitations needed to be improved** or resolved and how did you cooperate with LinkSME to overcome such limitations?
- What were **the factors facilitating LinkSME's ability** to assist you on the BEE and market linkages that other projects should learn from?
- Within and beyond LinkSME's scope, are there **emerging opportunities on the BEE and market linkage worth exploring**? Are there untapped areas where USAID can have an impact?

#### 4.4. COVID-19 Response:

- How did LinkSME support the **adoption and implementation of regulation development** to facilitate trade during COVID-19? What were the most effective interventions and remarkable results in reducing and simplifying rules and regulations and facilitating business-to-government interactions?
- Besides the adoption and implementation of regulation, how did LinkSME support the MPI and SMEs in response to the COVID-19 pandemic, particularly on **DX** and **A2F** for SMEs in their recovery? What were the most important benefits from the interventions?

**4.5. GVN Coordination:** What aspects of LinkSME's coordination and implementation approach with the MPI were effective? Where are there opportunities to improve? What do you think about the **operational procedures** of LinkSME?

**5. General Information of the Respondent:** Full name, gender, age, email address, phone number

## E. KII GUIDE – BSOs

### 1. Purpose of the Interview:

- To gather feedback on the performance of USAID LinkSME and its impacts on the BEE, market linkages, and capacity development of Vietnamese BSOs and SMEs

**2. Targeted Group:** Leaders and key POCs of the institution

**3. Interview Duration and Method:** 90 minutes, offline/online interview

### 4. Interview Questions:

#### 4.1. Market Linkages:

- For interventions that are still in the early stages, what have been the initial results?
- Of these interventions, which have been the **most successful? Why?**
- **Which have been the most challenging interventions? Why?**
- Have you **facilitated linkages** to domestic and international LFs successfully on your own without LinkSME support? Of the initial results and impacts described, which will be sustained and why?
- Please give two to three key lessons learned from your work with LinkSME.
- Within and beyond LinkSME's scope, are there **emerging opportunities** under the linkages pillar worth exploring? Are there **untapped areas** where USAID can have an impact?

#### 4.2. BSO Capacity Support:

- **How did LinkSME support you in capacity development?** What was the **most effective TA** provided by LinkSME to develop the capacity of BSOs and **its results** (e.g., services, members, clients, systems)? What were the most important **values and perceived impacts**?
- What were the most challenging? Why?

- What new linkage services can your BSO offer to member/user SMEs with assistance from LinkSME? Are these linkage services **self-sustaining or near self-sustaining** (fees collected are sufficient to cover the delivery costs of the service)? Please describe and provide some details.
- Is your BSO committed to **providing the above services to SMEs on a sustainable basis**?
- Does your BSO **participate in any advocacy work** for regulatory reforms that contributes to creating a BEE for strengthening the SME-LF business linkage?  
If yes, what are the policy and regulatory reforms that your BSO has advocated for and contributed to in order to create a BEE for strengthening the SME-LF business linkage?  
Please provide us some details.
- Are there **emergent needs or new priorities** for capacity development? How ready are BSOs to facilitate SME linkages with domestic and international LFs?

**5. General Information of the Respondent:** Full name, gender, age, email address, phone number

## F. KII GUIDE – LFs

### I. Purpose of the Interview:

- To seek LFs' views on the relevance and effectiveness of LinkSME's intervention approaches and deliverables;
- To explore the expectations of LFs on the capacity of Vietnamese SMEs and other key players in active supply chains and in the business environment
- To consult on possible emerging areas where USAID/Vietnam can have an impact and how this informs USAID/Vietnam's vision for economic growth and competitiveness in Vietnam.

**2. Targeted Group:** Managing directors or the management team members of selected LFs

**3. Interview Duration and Method:** 45–60 minutes, online interview

### 4. Interview Questions:

- How did **LinkSME support your firm** in linking with Vietnamese SMEs? Do you feel that the support was **useful and impactful** in **unlocking the potential** of Vietnamese SMEs and facilitating linkages to domestic and international LFs? What **value** did LinkSME assistance add?
- What was the **most effective TA** provided by LinkSME? What were **the most important benefits** you and your SME partners received **from LinkSME assistance**?
- Do you believe that your firm's **capacity** to work with SMEs upon linking with them and linking them with the supply chain improved with support from LinkSME?  
If yes, please describe and provide us some details.
- Is your firm **committed and interested** in working with SMEs by linking with and sourcing from them?  
If yes, please describe and provide us some details.
- Do you believe that the **capacity of the BSO** that your firm works with has improved its ability to support SMEs after linking with them and with the supply chain?  
If yes, please describe and provide us some details.
- Do you believe that the **capacity of the SME** that your firm works with has improved its ability to source from such SMEs or to link them with the supply chain?  
If yes, please describe and provide us some details.
- Do you believe that it is **easier and less costly** now compared to four years ago before LinkSME started **searching** for SMEs and **sourcing** from them?  
If yes, please describe and provide us some details.
- What were the **factors facilitating** Vietnamese SMEs in participating in domestic and international supply chains? What were the inhibiting factors?

- Are there **emerging opportunities** under the linkages pillar worth exploring? Are there **untapped areas** where USAID can have an impact?

**5. General Information of the Respondent:** Full name, gender, age, position, email address, phone number

## G. KII GUIDE - BANKS

### 1. Purpose of the Interview:

- To seek banks' views on the relevance and effectiveness of LinkSME's intervention approaches and deliverables, as well as their expectations on the capacity of Vietnamese SMEs, on the business environment, and on various types of support from the GVN and other actors to the SMEs
- To consult on possible emerging areas where USAID/Vietnam can have an impact and how this informs USAID/Vietnam's vision for economic growth and competitiveness in Vietnam

**2. Targeted Group:** POCs of selected banks

**3. Interview Duration and Method:** 45–60 minutes, online interview

### 4. Interview Questions:

- How did LinkSME support your bank in reaching out to SMEs and expanding the loan portfolio to them, especially in the effort to recover and increase trade after COVID-19?
- What was the most effective TA provided by LinkSME? What were the most important benefits your bank and SME clients received from LinkSME assistance?
- Are you aware of any laws and regulations adopted or implemented to facilitate trade during the COVID-19 pandemic with LinkSME assistance? Did they have any impact on your bank or your lending to SMEs?
- After LinkSME assistance, did your bank become willing to take greater risks by offering unsecured loans to SMEs? If yes, please provide more details.
- Do you agree that the SMEs that were your clients or potential clients that LinkSME assisted improved their **balance sheet** through **debt restructuring** with assistance? If yes, please provide more details.
- Do you agree that the SMEs that were your clients or potential clients and that LinkSME assisted improved their **credit worthiness**? If yes, please provide more details.
- What were the most important benefits the bank and your SME clients received with LinkSME support?
- What were the **factors facilitating** Vietnamese SMEs to access finance? What were the inhibiting factors?
- Are there **emerging opportunities** under the linkages pillar worth exploring? Are there **untapped areas** where USAID can have an impact?

**5. General Information of the Respondent:** Full name, gender, age, position, email address, phone number

## H. FGD GUIDE – BSOS

### 1. Purpose of the Interview:

- To explore the perception of the organization on the performance and sustainable impacts of LinkSME on creating a BEE for strengthening the SME-LF business linkage and supporting SMEs in their post-COVID-19 pandemic recovery
- To consult on how and to what extent BSOS are ready to facilitate SME linkages
- To consult on possible emerging areas where USAID/Vietnam can have impact and how this informs USAID/Vietnam's vision for economic growth and competitiveness in Vietnam

**2. Targeted Group:** Leaders and key POCs of the BSO

**3. Interview Duration and Method:** 60–90 minutes, online interview

### 4. Interview Questions

#### 4.1. Market Linkages:

- For interventions that are still in the early stages, what have been the **initial results**?
- Of these interventions, which have been the **most successful? Why?**
- **Which have been the most challenging interventions? Why?**
- Have you **facilitated linkages** to domestic and international LFs successfully on your own without LinkSME support? If yes, please provide more details.
- Of the initial results and impacts described, which will be **sustained and why?**
- Provide two to three key lessons learned from your work with LinkSME.
- Within and beyond LinkSME's scope, are there **emerging opportunities** under the linkages pillar worth exploring? Are there **untapped areas** where USAID can have an impact?

#### 4.2. BSO Capacity Support:

- **How did LinkSME support you in capacity development?** What was the **most effective TA** provided by LinkSME to develop the capacity of BSOs and **its results** (e.g., services, members, clients, systems)? What was the most important in terms of **values and perceived impacts**?
- **What were the most challenging? Why?**
- What new linkage services do you offer to member/user SMEs with assistance from LinkSME? Are these services **self-sustaining or near self-sustaining** (fees collected are sufficient to cover the delivery costs of the service)? If yes, please provide more details.
- Is your BSO committed to providing the above services to SMEs on a sustainable basis?
- Does your BSO **participate in any advocacy work** for regulatory reforms that contribute to creating a BEE for strengthening the SME-LF business linkage? If yes, what are the policy and regulatory reforms that your BSO have advocated for and contributed to in order to create a BEE for strengthening the SME-LF business linkage? Please provide more details.
- Are there **emergent needs or new priorities** for capacity development? How ready are BSOs to facilitate SMEs' linkages to domestic and international LFs?

5. **General Information of the Respondents:** Full name, gender, age, position, email address, phone number

### I. FGD GUIDE - SMEs

#### 1. Purpose of the Discussion:

- To seek the views of the LinkSME-supported SMEs on the relevance and effectiveness of LinkSME's supports and deliverables
- To explore the insights of SMEs, including on SME and value chain status during the COVID-19 pandemic and at present, as well as their expectations about support from different actors (LFs, BSOs, BSPs, the GVN), on the business environment, and on the recent promotion packages/policies of the GVN to SMEs
- To consult on possible emerging areas where USAID/Vietnam can have an impact and how this informs USAID/Vietnam's vision for economic growth and competitiveness in Vietnam.

2. **Targeted Group:** Owners, managing directors, management staff of selected SMEs

3. **Duration and Method:** 60–90 minutes, online or in-person discussion

#### 4. Discussion Questions

##### 4.1. Positioning a Specific SME:

- What are your **key products/services? Sector/industry? Destination markets? Company size** (revenue, number of workers)?

- Which **supply chain** has your company participated in?
- Which **LF** are you working with in the supply chain?
- Are you also providing your products/services to **other LFs** in the same sector or **exporting directly or indirectly** (via trading companies) to the markets?

#### 4.2. LinkSME Performance and Impact:

- Since **when have you engaged** with LinkSME? What assistance have you received from **the Activity** (types of assistance received directly and via LFs, BSOs, and GVN agencies)?
- Have you received any **DX** and/or **A2F TA** from LinkSME **during and after the COVID-19 pandemic**? How did your company's status **improve** after receiving that support?
- What assistance by LinkSME **was most beneficial** to your SME and what **was not**? Why and why not?

#### 4.3. Participation of Vietnamese SMEs in Supply Chains:

- What **factors are preventing** you from participating in domestic and international supply chains (your own capacity, business environment, business services, financial services, etc.)? How are you **planning to overcome it**?
- What **facilitating factors** did you expect that did not occur?

#### 4.4. Stakeholders/Actors and Capacity Development:

- As an SME, have you **received any other types of support** from the government or international donors' projects besides LinkSME?
- Have you received **support from BSOs** directly or via LinkSME? Did they provide what you need?
- Do you feel **the improvement of BSOs' services** when they work with LinkSME? Can they maintain those services without LinkSME support?
- Have you ever **paid for business services** from **private sector companies** (consulting/market research/business matching, etc.) when trying to enter a market, expand your business, approach a LF, etc.? If yes, how would you **compare** their services to the **services provided by the public/government-owned BSOs**?

#### 5. General Information of the Respondents: Full name, gender, age, position, email address, phone number

### J. ONLINE QUESTIONNAIRE NO. 1 - SMES RECEIVING INTENSIVE ASSISTANCE FROM LINKSME

#### GENERAL INFORMATION

1. Your company's year of establishment \_\_\_\_\_
2. Your company's active location in Vietnam (*multiple answers allowed*)
 

<input type="checkbox"/> North	<input type="checkbox"/> Central	<input type="checkbox"/> South
--------------------------------	----------------------------------	--------------------------------
3. Your company's main business sector
 

<input type="checkbox"/> Agroprocessing	<input type="checkbox"/> Electronics	<input type="checkbox"/> Metals
<input type="checkbox"/> Plastics	<input type="checkbox"/> Textiles and garment	<input type="checkbox"/> Woods and wood processing
<input type="checkbox"/> Automotive parts	<input type="checkbox"/> Other (please specify) _____	
4. Your annual revenue in 2022 in VND \_\_\_\_\_
5. How much of your company's capital is of Vietnamese ownership?
 

<input type="checkbox"/> 50% or lower	<input type="checkbox"/> Over 50%
---------------------------------------	-----------------------------------
6. Is your company owner or managing director any of the following:
 

<input type="checkbox"/> Woman	<input type="checkbox"/> Person with disability	<input type="checkbox"/> Ethnic minority
<input type="checkbox"/> None of the above		
7. Number of full-time employees in your company

- 50 or less                       51–100                       101–200  
 201–500                       More than 500
8. Ratio of female staff in your company
- Less than 30%                       30–50%                       Above 50%

## LINKSME SUPPORT FOR SMEs

9. What years did your company engage with LinkSME? (multiple answers allowed)

- 2019                       2022                       2021  
 2020                       2023

10. Did LinkSME support your company frequently?

- No                       Yes, so how is the frequency?

11. In which areas and through what kinds of assistance did LinkSME support your company? (multiple answers allowed)

	Training and/or Workshops	Tools and/or Handbooks	Matching Events	Pre-evaluation/Or entation	Intensive TA
DX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A2F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linkage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-commerce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Traceability and Blockchain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____					

12. How did LinkSME provide such assistance?

- Directly by LinkSME only                       By LinkSME in association with BSOs  
 [please provide the name of the BSO(s) \_\_\_\_\_]

## PERCEPTION OF SMEs ON THE SUSTAINABLE IMPACTS OF LINKSME

13. Do you agree that compliance cost and time reductions for your company can be attributed to:

	Disagree	Partially Disagree	Neutral	Agree	Strongly Agree
Streamlined regulations and APs for SME registration and operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of more public e-services for SMEs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. What kind of assistance from LinkSME do you think was effective for your company? (can skip the assistance that is not applicable to you)

	Training and/or Workshops	Tools and/or Handbooks	Matching Events	Pre-evaluation/Orientation	Intensive TA
DX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A2F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linkage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-commerce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Traceability and Blockchain

15. What kind of assistance from LinkSME do you think will continue to be used for your company? (can skip the assistance that is not applicable to you)

	Training and/or Workshops	Tools and/or Handbooks	Matching Events	Pre-evaluation/Orientation	Intensive TA
DX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A2F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linkage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-commerce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Traceability and Blockchain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. Has your business performance improved thanks to the assistance of LinkSME? (multiple answers allowed)

- Improved market linkages
- Improved A2F capability
- Improved DX strategies and implementation
- Improved traceability and branding

Can you describe your improved business performance?

---

17. Do you agree that your company can continue to strengthen your position in the supply chain in the future even without further support by LinkSME?

- Disagree    Partially Disagree    Neutral    Agree    Strongly Agree

18. Regarding the BSO whose services you are using to link up with the supply chain or in which you are a member, can you perceive:

	Not Applicable	Disagree	Partially Disagree	Neutral	Agree	Strongly Agree
Their improved service quality?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Their improved policy advocacy performance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The replicability of the linkages without LinkSME?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Their commitment to work with SMEs in linking up with the supply chain?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify the improvements \_\_\_\_\_

19. What kinds of external assistance does your company still need to improve your competitiveness in the supply chain? \_\_\_\_\_

## **CONTACT INFORMATION (OPTIONAL)**

Company name, address, respondent name, respondent position, respondent contact detail (phone number, email address)



## K. ONLINE QUESTIONNAIRE NO. 2 - SMES RECEIVING EXTENSIVE ASSISTANCE FROM LINKSME

### GENERAL INFORMATION

1. Your company's year of establishment \_\_\_\_\_
2. Your company's active location in Vietnam (*multiple answers allowed*)
 

<input type="checkbox"/> North	<input type="checkbox"/> Central	<input type="checkbox"/> South
--------------------------------	----------------------------------	--------------------------------
3. Your company's main business sector
 

<input type="checkbox"/> Agroprocessing	<input type="checkbox"/> Electronics	<input type="checkbox"/> Metals
<input type="checkbox"/> Plastics	<input type="checkbox"/> Textiles and garment	<input type="checkbox"/> Woods and wood processing
<input type="checkbox"/> Automotive parts	Other (please specify) _____	
4. How much of the capital of your company is of Vietnamese ownership?
 

<input type="checkbox"/> 50% or lower	<input type="checkbox"/> Over 50%
---------------------------------------	-----------------------------------
5. Is your company owner or managing director any of the following:
 

<input type="checkbox"/> Woman	<input type="checkbox"/> Person with disability	<input type="checkbox"/> Ethnic minority
<input type="checkbox"/> None of the above		
6. Number of full-time employees in your company
 

<input type="checkbox"/> 50 or less	<input type="checkbox"/> 51–100	<input type="checkbox"/> 101–200
<input type="checkbox"/> 201–500	<input type="checkbox"/> More than 500	
7. Ratio of female staff in your company
 

<input type="checkbox"/> Less than 30%	<input type="checkbox"/> 30–50%	<input type="checkbox"/> Above 50%
--	---------------------------------	------------------------------------

### LINKSME SUPPORT FOR THE SME

8. Did you frequently join the capacity building events of LinkSME? Once / Several times
9. Which type of assistance did you receive from LinkSME? (*multiple answers allowed*)

	Training	Workshops/ Dialogues	Matching Events	Tools and Handbooks
Market Linkage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A2F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Policy and Regulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____				

10. Which year(s) of the event did you join? (*multiple answers allowed*)

2019     
  2020     
  2021     
  2022     
  2023

11. Were you satisfied with the event's:

	Dissatisfied	Partially Dissatisfied	Neutral	Satisfied	Strongly Satisfied
Agenda and Content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Speakers/Lecturers/ Coaches	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logistics & Post- Event Follow-Ups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tools and Handbooks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Which information or knowledge did you gain from such event(s) and material(s)? \_\_\_\_\_

13. Which information or knowledge from such event(s) and material(s) did you apply in your daily business? \_\_\_\_\_

14. Will you continue to join or refer others to join similar events by LinkSME?  
 Yes                       No                       Other, please specify \_\_\_\_\_

15. Do you think that such LinkSME event(s) and material(s) meets your demand?  
 Yes                       No                       Other, please specify \_\_\_\_\_

16. Which areas do you think should LinkSME improve in when it comes to such an event?  
 Agenda and Content       Speakers/ Lecturers/ Coaches       Logistics & Post-Event Follow-Ups      Other, please specify \_\_\_\_\_

17. Which topics do you need to know more about from other similar projects? \_\_\_\_\_

18. Do you agree that compliance cost and time reductions for your company can be attributed to:

	Disagree	Partially Disagree	Neutral	Agree	Strongly Agree
--	----------	--------------------	---------	-------	----------------

Streamlined regulations and APs for SME registration and operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Availability of more public e-services for SMEs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

**CONTACT INFORMATION (OPTIONAL)**

Company name, address, respondent name, respondent position, respondent contact details (phone number, email address)

## ANNEX IV: RESEARCH METHODS AND LIMITATIONS

### EVALUATION DESIGN

The evaluation will employ a mixed-method approach using both quantitative and qualitative data collection and analysis. Data will be triangulated from different sources, including secondary data from a desk review and LinkSME indicator data and primary data collected from KIIs, FGDs, and an online survey. To form the basis of methodology, the ET has developed an Evaluation Design Matrix in consultation with USAID Learns, which provides a framework and methodology for 1) defining the specific issues to be addressed in each evaluation question; 2) the information required to answer each related subquestion; 3) the sources of information; and 4) the scope and methodology for data collection and data analysis. Based on the matrix, tools for each of the data collection methods and stakeholder groups were developed.

### DOCUMENT REVIEW

The ET conducted a desk review of available literature, including activity documents, sectoral assessments, and other analysis that were used to determine interventions. The ET will also incorporate secondary quantitative data provided by LinkSME from quarterly and annual reports, performance indicators, and assessments.

### KEY INFORMANT INTERVIEWS

Eighteen KIIs will be conducted with a wide range of LinkSME stakeholders, including USAID, LinkSME, GVN counterparts (APCA/OOG, AED/MPI), BSOs (membership, public, private BS providers), LFs, and banks (see Table 1). KIIs will gather in-depth discussions on 1) LinkSME performance; 2) perceived sustainable impacts; and 3) lessons learned. The KIIs are also to gather in-depth qualitative information from key informants who are knowledgeable about the topics and to discuss sensitive issues in a more private way than FGDs or questionnaires.

### FOCUS GROUP DISCUSSIONS

Ten FGDs will be conducted with LinkSME, BSOs, and SMEs receiving intensive TA. The FGDs will dig deeper into the EQs by discussing with stakeholder groups both the performance of LinkSME and the perceived sustainable impacts of the Activity.

### ONLINE MINI SURVEY

The ET will conduct three perception surveys with SMEs to quantify and measure the level of changes and progress that will be captured by qualitative data, including the surveys on 1) the [SMEs receiving intensive assistance from LinkSME](#); 2) the [SMEs receiving extensive assistance from LinkSME](#); and 3) the SMEs receiving assistance from LinkSME on DX and A2F support.

### SAMPLING

Sampling of SMEs for FGDs is based on the priority of the number of intensive TA interventions, in different sectors, firm size, women-owned firms, and region. Sampling of BSOs covers three types of BSOs and in different regions and BSO lists. The sampling strategy is detailed in Table 1 below.

Table I: Distribution of KIIs, FGDs, and Online Surveys

Group	Avail. Contacts	KIIs	FGDs	Online Survey	Remarks
<b>USAID</b> <i>(Former and Current CORs and PRO Officers)</i>	4	1			3 persons/1 KII
<b>LinkSME</b> <i>(28 Staff as Reported in the Year 3 Annual Report)</i>	28	4	1		7–10 persons/5 sessions
<b>GVN Counterparts</b> <i>(APCA/OOG, AED/MPI, and Others if Appropriate)</i>	13	2			6–8 persons/2 KIIs
<b>BSOs</b> <i>(3 Types: MBOs, Public BSOs, Private BSPs)</i>	30	3	2		10–20 persons/5 sessions
<b>LFs</b> <i>(46 LFs, Focusing on 14 Active LFs)</i>	14	5			4–12 persons/5 KIIs
<b>SMEs Receiving Intensive TAs</b>	139		7	80	35–40 persons/7 FGDs + 1 survey
<b>SMEs Receiving Extensive TAs</b> <i>(Capacity-Building Events, Training Sessions, Dialogues)</i>	1,498			250	95% confidence, margin of error: 0.05
<b>SMEs Receiving TA on DX and A2F</b>				40	
<b>Banks</b> <i>(7 Banks Engaged)</i>	7	3			3–9 persons/KIIs

## DATA ANALYSIS

Data analysis and presentation will follow the evaluation questions and subquestions. Secondary data and data from KIIs and FGDs will be processed via Dedoose. The quantitative data for the SME survey will be collected using the SurveyMonkey platform and analyzed using R and Microsoft Power BI. This will provide the data related to the perception of SMEs on multiple dimensions of LinkSME, especially the perception of the achievement of the project objectives and impacts.

The ET will use a validation event to bring together key respondents to make sense of findings and jointly develop recommendations. Validation of findings with the OOG and MPI will be implemented by sending the final draft of the reports and asking them for comments.

## GENDER AND SOCIAL ANALYSIS PLAN

The team will incorporate gender and social considerations in both data collection and analysis. As described in the table for data collection, data on women-owned and women-led SME beneficiaries and employment by gender will be disaggregated when possible. Microenterprises will also be included in FGDs and KIIs.

## LIMITATIONS

Table 2: Limitations and Mitigation Strategies

Limitations	Mitigation Strategies
LinkSME is phasing out, and thus there is time pressure for the evaluation.	<ul style="list-style-type: none"> <li>● USAID, LinkSME, and USAID Learns provide strong support.</li> <li>● The ET is connected with LinkSME’s partners before rolling out the surveys.</li> <li>● KIIs and FGDs with IPs, the OOG, and the MPI are prioritized.</li> </ul>
There are challenges in assessing perceived sustainable impacts of a development project that is not yet ended, especially for interventions in BEE and regulatory reforms.	<ul style="list-style-type: none"> <li>● The perceived sustainable impact is to be measured by perceptions on improved capacity, continuity of interest and commitment, perception of commitment to further offering of the services (e.g., by BSOs), working on linking with LFs (by SMEs), sourcing from Vietnamese SMEs (by LFs), etc.</li> <li>● KIIs, FGDs, and especially the perception surveys are to be used to assess perceived sustainable impacts.</li> <li>● The dimensions of the perceived sustainable impact of LinkSME and how they are measured and evaluated are in Annex IV.</li> </ul>

## ETHICAL CONSIDERATIONS

The ET will adhere to the USAID’s standards of systematic inquiry, competence, integrity and honesty, respect for people, and responsibility for general and public welfare.

## ANNEX V: STATEMENT OF WORK

### USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES ACTIVITY FINAL EVALUATION STATEMENT OF WORK

#### BACKGROUND

This Statement of Work (SOW) describes the conditions of work for an external final evaluation of the USAID-funded Linkages for Small and Medium Enterprises (USAID LinkSME) Activity. Implemented by International Executive Service Corps (IESC) in partnership with the Government of Vietnam (GVN) Office of the Government (OOG) and Ministry of Planning and Investment (MPI), LinkSME is a \$25 million five-year contract from September 2018 to September 2023.

The purpose of this evaluation is to capture lessons and effective approaches developed over the course of LinkSME implementation to inform the current activity—Improving Private Sector Competitiveness (IPS-C)—and other USAID follow-on activities in the sector more broadly.

#### OVERVIEW OF LINKSME

Activity Name	USAID Linkages for Small and Medium Enterprises (LinkSME)
Prime Implementer	International Executive Service Corps
Government of Vietnam counterparts	Office of the Government Ministry of Planning and Investment
Contract #	Contract No. 72044018C00002
Total Estimated Ceiling of the Evaluated Activity	\$24.95 million, not including award fee
Life of Activity	September 2018 to September 2023
Active Geographic Regions	The activity is based in Hanoi and provides support to businesses nationwide.
Country Development Cooperation Strategy Development Objective(s)	Direct contribution to Intermediate Result (IR)1: Business-enabling environment improved; IR 3: Innovation ecosystem enhanced; and IR 4: Market linkages strengthened
USAID Office	USAID/Vietnam, Office of Governance and Economic Growth (OGEG)

LinkSME is supporting the following USAID/Vietnam objectives:

1. Strengthen the SME-LF business linkage framework
2. Enhance Vietnamese SMEs' capacity to participate in supply chains

To achieve these objectives, LinkSME implements four components. Three components focus on technical assistance. The fourth focuses on how LinkSME's financial and administrative unit ("the Project Office" in the Project Foundation Document) supports the technical efforts. The formal names of the three technical components are as follows:

- Component 1: Promoting Institutional Reform, Streamlining Regulations and Administrative Procedures, Cutting Down Compliance Cost to Enhance the Competitiveness of SMEs
- Component 2: Promoting an E-Government to Improve Government-to-Business Interactions, and Facilitate SMEs' Investment, Business and International Integration
- Component 3: Improving SMEs' Supply Capacity and Strengthening Business Linkages between SMEs and Global Value Chains

Internally and in discussions with USAID, LinkSME refers to work under Components 1 and 2 as Business-Enabling Environment (BEE) and work under Component 3 as Market Linkages. LinkSME breaks down work under BEE into Reducing and Simplifying Rules and Regulations (primarily work under Component 1) and Facilitating Business-to-Government Interactions (primarily work under Component 2). Market Linkages breaks down into Developing the Business Support Market and Supporting the Implementation of GVN Policies and Programs to Assist Businesses, Facilitating Linkages, Facilitating Access to Finance, and Accelerating Digital Transformation. The two components under BEE and the four workstreams under Market Linkages form the six core technical pillars of the project.

## THEORY OF CHANGE

As defined in the LinkSME Monitoring, Evaluation, and Learning Plan from January 2022, the theory of change is to achieve systemic changes in SME linkages with lead firms; thus, focusing on facilitating individual firm-level transactions is necessary but insufficient. Rather, to achieve systemic changes, operating environment changes need to occur. If linkages and connections between these most-ready domestic SMEs and lead firms are facilitated and the operating environment is improved, then more firms will broadly adopt this approach thereby institutionalizing stronger SME-lead firm business relationships and accelerating domestic SME growth.

## RESULTS FRAMEWORK

<b>USAID LinkSME Purpose</b> <b>Accelerate the growth rate of Vietnamese small and medium enterprises (SMEs) through improvement of their operating environment and the institutionalization of stronger SME-lead firm relationships</b>	
<b>USAID LinkSME Objective 1</b> <b>Strengthen the SME-lead firm business linkage framework</b>	<b>USAID LinkSME Objective 2</b> <b>Enhance Vietnamese SMEs' capacity to participate in supply chains</b>
<b>Sub-objective 1.1 An improved business environment that enhances the competitiveness of SMEs taking part in the value chain and that reduces their costs in doing business</b>  IR 1.1.1 Business-friendly legislative and regulatory enactments/issuances  IR 1.1.2 Reduced regulatory compliance costs facing businesses	<b>Sub-objective 2.1 SMEs with greater capacity to enter into manufacturing supply relationships with lead firms or to otherwise compete domestically and/or internationally</b>  IR. 2.1.1 SMEs have adjusted and improved their business practices along lines required by lead firms.  IR. 2.1.2 BSOs and private firms are assisting beneficiary SMEs (either directly or indirectly) with respect to the above on a self-sustaining, or near-self-sustaining, basis.
<b>Sub-objective 1.2 Effective government-to-business interactions made possible by modernization and digitalization that facilitate investment, production, business activity, and international integration</b>	<b>Sub-objective 2.2 Manufacturing SMEs with emerging or established linkages with lead firms reflected through purchase orders, repeat business, supply contracts, etc.</b>

<p>IR 1.2.1 Business-related public administrative services are streamlined and provided at a low cost through a national digital administrative procedures system (the National Portal and ministerial, provincial AP networks) and at physical one-stop shop units.</p> <p>IR 1.2.2 More effective and outcome-oriented government-business dialogues are facilitated by an online consultation portal and other fora.</p>	<p>IR 2.2.1 Search cost and other related frictions in establishing linkages between SME suppliers and lead firms are reduced.</p> <p>IR 2.2.2 BSOs and/or private firms are assisting beneficiary SMEs (either directly or indirectly) with respect to the above on a self-sustaining, or near-self-sustaining, basis.</p>
--	---

In addition to the above, the AMELP endorsed a series of objectives to address the economic dislocation caused by the pandemic, which also have several subsidiary IRs as formulated by the activity.

<b>Bolstering Government Action Improving Network Effect Enhancing Access to Finance</b>
CVD IR1 SMEs have improved their performance, profitability, and resilience through digital transformation.
CVD IR2 SMEs have improved their balance sheets through restructuring of debts.
CVD IR3 SMEs are obtaining financing through new or expanded lending and investment channels.
CVD IR4 BSOs are capable of assisting beneficiary SMEs (either directly or indirectly) with respect to the above on a self-sustaining, or near self-sustaining, basis.

## PURPOSE OF EVALUATION

Over the course of implementation, LinkSME has tested and adapted many strategies and approaches to more effectively accelerate the growth rate of Vietnamese SMEs. To support current and future activities in OGEG’s portfolio to build on the work of LinkSME and continue to strategically contribute to USAID/Vietnam’s results in the most effective way, this final evaluation will capture lessons around what is working, what is not working, and how to continue to adapt to the context and stakeholder needs.

The evaluation will also identify emerging areas where USAID/Vietnam can have an impact and how this informs USAID/Vietnam’s vision for economic growth and competitiveness in Vietnam. This will provide USAID/Vietnam with actionable recommendations on how to revise their approach and support to businesses and private sector engagement more broadly.

The mission will use the evaluation to guide implementation for IPS-C and inform more strategic USAID investment in the sector in the future. Evaluation findings and recommendations will be shared and discussed with the mission, LinkSME, IPS-C, the Government of Vietnam (GVN) Office of the Government (OOG), the Ministry of Planning and Investment (MPI), and other relevant partners.

## KEY AUDIENCE/USERS

1. Primary (1st audience) – **USAID and implementing partners** – OGEG, PRO, Front Office, as well as LinkSME and IPS-C to inform follow-on activity implementation and broader future private sector engagement
2. Secondary (2nd audience) – **GVN counterparts** to strengthen coordination and partnership and generate early commitments to change of direction where evidence suggests
3. Tertiary (3rd audience) – **Business Support Organizations (BSOs) and SMEs** for learning around effective SME support and linkage



## EVALUATION QUESTIONS

- **Business-Enabling Environment Pillar:** To what extent did LinkSME technical assistance on policy and regulatory reforms have a perceived sustainable impact on creating a business-enabling environment for strengthening the SME-LF business linkage?<sup>30</sup>
  - How did LinkSME assist its relevant partners in enhancing the business-enabling environment for strengthening the SME-LF business linkage? What sustainable impact have relevant partners achieved with support from LinkSME on creating a business-enabling environment for strengthening the SME-LF business linkage?
  - What are the factors facilitating or inhibiting LinkSME's ability to assist its relevant partners in creating a sustainable business-enabling environment that bolsters the SME-LF business linkage? How did LinkSME capitalize on the facilitating factors? How did LinkSME and relevant partners overcome/address the inhibiting factors?
  - Within and beyond LinkSME's scope, are there emerging opportunities under the business-enabling environment pillar worth exploring? Are there untapped areas where USAID can have impact?<sup>31</sup>
- **Linkages Pillar:** To what extent does LinkSME unlock the potential of Vietnamese SMEs to participate in the supply chain?
  - What are the factors facilitating or inhibiting Vietnamese SMEs (under LinkSME's support) from participating in the supply chain?
  - How has LinkSME unlocked the potential of Vietnamese SMEs and facilitated linkages to domestic and international lead firms? What value has LinkSME assistance added?
  - How does capacity improvement help Vietnamese SMEs participating in the supply chain? What are the roles of BSOs to support Vietnamese SMEs in participating in the supply chain?
  - Within and beyond LinkSME's scope, are there emerging opportunities under the linkages pillar worth exploring? Are there untapped areas where USAID can have an impact?<sup>32</sup>
- **GVN Coordination:** What aspects of LinkSME's coordination and implementation approach with the OOG and the MPI are effective at improving the business-enabling environment and capacity of Vietnamese SMEs, and where are there opportunities to improve?
- **BSO Capacity Support:** To what extent are BSOs ready to facilitate SMEs' linkages?
  - Did BSOs' capacity to facilitate SMEs' linkages improve? If yes, how?
  - What has been the most effective technical assistance provided by LinkSME to develop the capacity of BSOs?
  - What are the most challenging aspects of LinkSME's capacity support?<sup>33</sup>
  - Are there emergent needs or new priorities for capacity development? How ready are BSOs to facilitate SMEs' linkages to domestic and international lead firms?<sup>34</sup>

---

<sup>30</sup> In the recommendations, provide guidance on what can be done to prioritize and better facilitate sustained policy results.

<sup>31</sup> Speak to how this can shape OGEG's vision for economic growth and competitiveness in Vietnam. Limit to the top one to two opportunities.

<sup>32</sup> Speak to how this can shape OGEG's vision for economic growth and competitiveness in Vietnam. Limit to the top one to two opportunities.

<sup>33</sup> In the recommendations, provide suggested pathways through these challenges.

<sup>34</sup> Speak to how this can shape OGEG's vision for economic growth and competitiveness in Vietnam. Limit to the top one to two opportunities.

- **COVID-19 Response:** Under the impact of COVID-19, LinkSME revised its approach to technical assistance. How have the two additional pillars of digital transformation and access to finance supported SMEs in their recovery?

Where possible, evidence to answer these evaluation questions will be disaggregated with a gender and social inclusion (GESI) lens to understand how diverse groups may be benefitting differently or require more tailored consideration when designing approaches.

## EVALUATION METHODS

The evaluation will employ a mixed-method approach using both quantitative and qualitative data collection and analysis. Data will be triangulated from different sources including secondary data from a desk review, available assessment studies, reports, and primary data collected from site visits.

The evaluation team will conduct a desk review of available literature including activity documents. The evaluation team will also look at sectoral assessments and other analysis that were used to determine interventions. Methods such as in-depth and key informant interviews and focus group discussions will provide qualitative data for analysis.

The qualitative data collection can be supplemented by quantitative data collection through a mini survey if the evaluation team sees the need to quantify and measure the level of changes and progress that will be captured by qualitative data. The evaluation team will also use secondary quantitative data provided by the implementing partner in regular quarterly and annual reports, performance reporting, and assessments.

Geographically, the evaluation will take place in Hanoi and virtually sample businesses and other stakeholders outside of Hanoi.

The USAID/Vietnam OGEG and LinkSME will provide documents for the desk review, as well as contact information for prospective interviewees. The evaluation team will be responsible for identifying and reviewing additional materials relevant to the evaluation, as well as additional contacts. Illustrative data sources include but are not limited to:

- Contract document and associated scope of work
- Analysis or research used to inform the design of LinkSME
- Activity Monitoring, Evaluation, and Learning Plan
- Internal and external M&E reports (e.g., DQA reports, studies, assessments)
- Annual progress reports and work plans
- Any other LinkSME internal reports or summaries related to implementation
- Relevant national/sector policies and plans from Vietnamese partners
- Relevant documents from other donors in the sector
- Evaluation Policy, pages 7–11
- GIG evaluation
- TFP evaluation
- A list of points of contact

## DELIVERABLES

- **Inception Report:** The evaluation team will submit to USAID an inception report that includes 1) a detailed evaluation design matrix that links the evaluation questions in the SOW to data sources, methods, and the data analysis plan; 2) draft questionnaires and other data collection instruments or their main features; 3i) the list of planned interviewees and proposed

selection criteria and/or sampling plan; and 4) and known limitations to the evaluation design. The final inception report will undergo IRB review in line with USG policy and as a commitment to the well-being of respondents.

- **In-brief Presentation:** The purpose of the in-brief will be to discuss with USAID, IPs, and GVN the team's understanding of the assignment and review the evaluation design before launching primary data collection.
- **Validation Workshop:** The key purpose of this workshop will be to present preliminary findings to ensure analysis is validated and fine-tuned by the stakeholders involved in the evaluation as well as informing user-driven report drafting. The validation workshop will also provide an opportunity for stakeholders to jointly develop user-owned recommendations. Unless sensitivities arise around the findings, the event will be open to USAID, IPs, GVN, BSOs, and other stakeholders.
- **Draft Evaluation Report:** The draft evaluation report will address each of the questions identified in the SOW and any other issues the team considers having a bearing on the objectives of the evaluation. Once the initial draft evaluation report is submitted, USAID and implementing partners will have ten business days to review and comment on the initial draft, after which point the Agreement Officer's Representative/COR will submit the consolidated comments to the evaluation team. See [Annex I](#) for detailed guidance on the evaluation report.
- **Out-brief:** The evaluation team will hold a final exit briefing with the mission to discuss preliminary findings, outstanding issues, and recommendations. This presentation will be scheduled as agreed upon during the in-briefing.
- **Utilization Workshop:** The purpose of this workshop is for users to jointly agree on how to operationalize recommendations, collaborate, and follow up on progress. The workshop will also offer additional guidance on report finalization.
- **Final Evaluation Report:** The evaluation team will be asked to take no more than 15 business days to respond/incorporate comments from USAID, IPs, and the GVN as applicable. USAID Learns will then submit the final report to the COR. USAID will review and approve the report within ten business days of submission. If additional revisions are necessary, USAID will flag at this point.
  - The report will be submitted electronically. The final report will be edited/formatted to be 508-compliant and comply with the USAID Evaluation Policy. After final approval from USAID, the report will be published to the Development Experience Clearinghouse at <http://dec.usaid.gov> and relevant quantitative data submitted to the Data Development Library.

## TEAM COMPOSITION

The core evaluation team will be composed of three individuals: a team leader, a technical specialist, and an evaluation coordinator. Apart from SME technical assistance, at least one team member will have regulatory expertise. One or two staff members from OGEG will participate in the evaluation as observers.

### I. TEAM LEADER

#### Responsibilities:

- Lead the development of the evaluation design including methodology, instruments, and work plan
- Perform desk review and identify additional information required for analysis
- Conduct and oversee the consultant team to conduct data collection for the evaluation
- Coordinate team's ongoing analysis of qualitative and quantitative data
- Lead the preparation and presentation of the evaluation design, key findings, and recommendations to USAID together with the evaluation team
- Write the draft evaluation report with support from the team members, taking into consideration feedback from presentations and consultation workshops
- Respond to comments on the draft report and prepare final report
- Work collaboratively with team members throughout design, implementation, analysis, and report writing to complement each other's areas of expertise

**Qualifications:**

- A senior professional with experience leading and conducting performance evaluations of private sector engagement and SME technical assistance programs.
- At least ten years of experience related to management and analysis of private sector engagement, business-enabling environment, and SME technical assistance programs.
- An advanced degree in a discipline related to business administration, economics, or relevant fields.
- Experience delivering technical assistance on policy and regulatory reforms by working with government officials and other stakeholders to support policy and institutional reform processes toward an improved business-enabling environment.
- Knowledge of USAID rules, regulations, and procedures is desirable.
- Experience working in Vietnam or similar programs in Southeast Asia.
- Excellent oral and written skills are required.
- No relations with LinkSME or IESC or other interests that may compromise the Team Leader's actual or apparent impartiality.

**2. PRIVATE SECTOR DEVELOPMENT SPECIALIST**

**Responsibilities:**

- Perform desk review and identify additional information required for analysis
- Provide technical expertise and support the Team Leader's efforts in evaluation design, methodology, and data collection instruments
- Schedule and interview key stakeholders and beneficiaries; conduct data collection as needed
- Provide ongoing analysis of qualitative and quantitative data
- Support the preparation and presentation of the key findings and recommendations to USAID
- Write assigned section of the draft evaluation report in coordination with the team members, taking into consideration feedback from the preliminary findings presentation
- Work collaboratively with team members throughout design, implementation, analysis, and report writing to complement each other's areas of expertise

**Qualifications:**

- Master's degree in a discipline related to business administration, economics, public policy, international development, or other relevant field.
- At least eight years of experience working with private sector development, business-enabling environment, and/or SME technical assistance programs.
- Experience supporting SMEs with greater capacity to enter into manufacturing supply relationships or to otherwise compete domestically and/or internationally.
- Experience delivering technical assistance on policy and regulatory reforms by working with government officials and other stakeholders to support policy and institutional reform processes toward an improved business-enabling environment.

- Ability to navigate and advise on government and private sector actors (e.g., business support organizations) involved in creating linkages and business-enabling environment for SMEs.
- Must be able to conduct interviews and focus group discussions and analyze the resulting data.
- Ability to work independently to meet deadlines and adhere to high quality standards.
- Evaluation experience related to trade preferred.
- Fluency in Vietnamese and in-depth knowledge of the operating environment in Vietnam required.
- The candidate must be Vietnamese and reside in Vietnam.
- No relations with LinkSME or IESC or other interests that may compromise the Private Sector Engagement Specialist's actual or apparent impartiality.

### 3. EVALUATION COORDINATOR

#### **Responsibilities:**

- Perform desk review and identify additional information required for analysis
- Support the Team Leader's lead efforts in evaluation design, methodology, and data collection instruments.
- Coordinate the evaluation activities, including meetings, interviews, note-taking
- Provide logistics support for evaluation activities, including interviews, meetings, group discussion, fieldwork, and events
- Conduct interviews as needed and contribute to data collection
- Provide ongoing analysis of qualitative and quantitative data
- Support the preparation and presentation of the key findings and recommendations to USAID
- Write assigned section of the draft evaluation report in coordination with the team members, taking into consideration feedback from the preliminary findings presentation
- Work collaboratively with team members throughout design, implementation, analysis, and report writing to complement each other's areas of expertise

#### **Qualifications:**

- Bachelor's degree, with preference for degree relevant to research, business administration, public policy, international development, or another related field.
- Five years of experience supporting or conducting mixed-method program evaluation or research.
- Must be able to conduct interviews and focus group discussion and analyze the resulting data.
- Sound experience with administration and/or logistics for data collection, specifically coordinating data collection activities.
- Demonstrated organizational skills, attention to detail, and ability to take detailed notes.
- Ability to work independently to meet deadlines and adhere to high quality standards.
- Monitoring and/or evaluation experience related to trade preferred.
- Social and gender analytical skills preferred.
- Fluency in Vietnamese and in-depth knowledge of the operating environment in Vietnam required.
- The candidate must be Vietnamese and reside in Vietnam.
- No relations with LinkSME or IESC or other interests that may compromise the Evaluation Coordinator's actual or apparent impartiality.

**USAID Learns Support:** Technical support and direction will be provided by the USAID Learns research team and Social Impact headquarters staff. Logistical coordination and interpretation, as well as scheduling, will be managed by the USAID Learns research team in conjunction with USAID/Vietnam and IESC.

## ANNEX VI. EVALUATION REPORT GUIDANCE

### CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT

Per **ADS 201maa, Criteria to Ensure the Quality of the Evaluation Report**, draft and final evaluation reports will be evaluated against the following criteria to ensure the quality of the evaluation report:<sup>35</sup>

- Evaluation reports should represent a thoughtful, well-researched, and well-organized effort to objectively evaluate the strategy, project, or activity.
- Evaluation reports should be readily understood and should identify key points clearly, distinctly, and succinctly.
- The Executive Summary of an evaluation report should present a concise and accurate statement of the most critical elements of the report.
- Evaluation reports should adequately address all evaluation questions included in the SOW, or the evaluation questions subsequently revised and documented in consultation and agreement with USAID. Evaluation methodology should be explained in detail and sources of information properly identified. Limitations to the evaluation should be adequately disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence, and data and not based on anecdotes, hearsay, or simply the compilation of people's opinions.
- Findings and conclusions should be specific, concise, and supported by strong quantitative or qualitative evidence.
- If evaluation findings assess person-level outcomes or impact, they should also be separately assessed for both males and females.
- If recommendations are included, they should be supported by a specific set of findings and should be action-oriented, practical, and specific.

### OTHER REQUIREMENTS

All quantitative data collected by the evaluation team must be provided in machine-readable, non-proprietary formats as required by USAID's Open Data policy (see ADS 579). The data should be organized and fully documented for use by those not fully familiar with the project or the evaluation. USAID will retain ownership of the survey and all datasets developed.

No raw qualitative data will be shared outside the evaluation team and the USAID Learns management team that directly oversees the evaluation to ensure the protection of respondent identities.

All modifications to the required elements of the SOW of the contract/agreement, including technical requirements, evaluation questions, evaluation team composition, methodology, or timeline, should receive formal approval from the COR. Any revisions should be updated in the SOW that is included as an annex to the Evaluation Report.

### FINAL REPORT SECTIONS AND CONTENT

The evaluation final report should not exceed 30 pages (excluding Annexes) and include the following sections: an abstract; executive summary; background of the local context and the strategies/projects/activities being evaluated; the evaluation purpose and main evaluation questions;

---

<sup>35</sup> See **ADS 201mah, USAID Evaluation Report Requirements**, and the Evaluation Report Review Checklist from the Evaluation Toolkit for additional guidance.

the methodology or methodologies; the limitations to the evaluation; findings, conclusions, recommendations, and annexes. For more detail, see “[How-To Note: Preparing Evaluation Reports](#)” and **ADS 201mah, USAID Evaluation Report Requirements**. An optional evaluation report [template is available in the Evaluation Toolkit](#).

The executive summary should be two to five pages in length and summarize the purpose, background of the activity being evaluated, main evaluation questions, methods, findings, conclusions, and recommendations and lessons learned (if applicable).

The evaluation methodology shall be explained in the report in detail. Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (e.g., selection bias, recall bias, unobservable differences between comparator groups, etc.)

The annexes to the report shall include:

- The Evaluation SOW
- Any statements of difference regarding significant unresolved differences of opinion by funders, implementers, and/or members of the evaluation team
- All data collection and analysis tools used in conducting the evaluation, such as questionnaires, checklists, and discussion guides
- All sources of information, properly identified and listed
- Signed disclosure of conflict of interest forms for all evaluation team members, either attesting to a lack of conflicts of interest or describing existing conflicts of
- Summary information about evaluation team members, including qualifications, experience, and role on the team

In accordance with ADS 201, the contractor will make the final evaluation reports publicly available through the Development Experience Clearinghouse within three months of the evaluation’s conclusion.

## ANNEX VII: RELATED DATA AND INFORMATION

Table 3: Summary of Respondents and Survey Disaggregation

Group	Population/ Avail. Contacts	KIIs	FGDs	Online Survey	Total Sessions	Total Participants	Total Females	Response Rate (%)
<b>USAID</b> (Former and Current CORs)	2	2			2	2	1	100%
<b>LinkSME</b> (28 Staff as in the Year 3 Annual Report)	28	7	6		6	13	11	46%
<b>GVN counterparts</b> (APCA/OOG, AED/MP)	13	1	1		2	9	5	69%
<b>BSOs</b> (Three Types: MBOs, Public BSOs, Private BSPs)	30	2	2		4	4	3	13%
<b>Lead firms</b> (46 LFs, Focusing on 14 Active LFs)	14	4			4	4	0	28%
<b>Banks</b> (Seven Banks Engaged)	7	3			3	3	2	43%
<b>SMEs Receiving Intensive TA</b>	129		7	102	7	102	48	79%
<b>SMEs Receiving Extensive TA</b> (Capacity-Building Events, Dialogues)	1,018			116		116	39	11%
<b>Total</b>		<b>18</b>	<b>10</b>	<b>218</b>	<b>28</b>	<b>253</b>	<b>109</b>	

\* The online surveys were conducted via SurveyMonkey platform.

Table 4: Sample Profile by Sector and Assistance Group

No	Business Sector	Intensively Assisted SMEs			Extensively Assisted SMEs			Combined Group	
		Population	Sample	Response Rate	Population	Sample	Response Rate	Sample	Response Rate
1	<b>Agroprocessing</b>	27	17	63%	166	21	13%	38	23%
2	<b>Electronics</b>	15	7	47%	50	10	20%	17	34%
3	<b>Garment</b>	4	3	75%	35	11	31%	14	40%
4	<b>Metals and Automotives</b>	50	41	82%	127	34	27%	75	59%
5	<b>Others</b>	17	17	100%	580	21	4%	38	7%
6	<b>Plastics</b>	11	14	127%	19	14	74%	28	147%
7	<b>Woods and Wood Processing</b>	5	3	60%	41	5	12%	8	20%
	<b>Total</b>	129	102	79%	1018	116		218	21%

Source: USAID Learns Activity, 2023



Table 5: MEL Indicator Achievement by July 18, 2023

No.	Indicator Code	Indicator Title	Lifecycle of Project (LOP) Target	Cumulative LOP Actual as of July 18
1	P.5.1.4	Number of laws, policies, regulations, or standards formally proposed, adopted, or implemented as supported by USG assistance (former EG.5.1-1-CUST)	17	20
2	1.2B-CUST	Number of government one-stop-shop offices at provincial and ministerial levels that adopt operating procedures developed by APCA with USAID's assistance	12	15
3	EG.2-1	Person hours of USG-supported training completed in trade and investment	74,091	82,747
4	EG.5-IPS-6	USD sales of firms receiving USG-funded assistance (former EG.5-1)	\$201,366,000	\$234,000,000
5	EG.2-903-CUST	Value of private sector engagement (former O1.1)	\$29,183,311	\$31,857,321
6	EG.2.2-1-CUST	Number of linkages that LinkSME facilitates (former G1)	275	279
7	EG.2.2-2-CUST	Number of replicated linkages by BSOs without direct LinkSME assistances (former G2)	20	24
8	EG.5-12	Number of small and medium-sized enterprises supported by USG assistance	1,445	1,562
9	O2.3-CUST	Number of firms successfully connected with digital transformation solution providers as a result of USG assistance	25	25
10	CV-P4-2-CUST	Number of private sector enterprises with increased access to finance due to USG assistance	23	24
11	CBLD-9	Percent of USG-assisted organizations with improved performance	96%	97%
			31	32
			32	33
12	GNDR-2	Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources	43%	45%
13	PSE-1	Number of USG engagements jointly undertaken with the private sector to achieve a U.S. foreign assistance objective	13	14
14	PSE-2	Number of private sector enterprises that engaged with the USG to support U.S. Foreign Assistance objectives	5	6
15	PSE-3	Number of private sector enterprises with improved participation in the local economy as a result of USG assistance	60	63

Source: USAID LinkSME Activity, 2023

Table 6: Mapping the BSO Readiness, Needs, and New Priorities for Capacity Development

BSO Readiness Criteria	Available Services by Actors - BSO Readiness: ✓				Intervention Areas
	GVN BSOs	General BMOs	Industry BMOs	BSPs	
<b>A. Business Services Facilitating SME's Linkages</b>					
Buyer/LF Data, Market Information			✓	✓	Demand-driven approach with a list of some buyers/LFs
Supplier Data	✓		✓	✓	Verification of suppliers in some supply chains; incomplete supplier database and portals
Supplier Performance			✓	✓	Performance audit per LF request for some suppliers
Matchmaking (Events, Follow-ups, etc.)			✓	✓	Matchmaking events, other activities, communication with LFs
Technical Services (Assurance, Assessment, Certification, etc.)				✓	Support SMEs with TA provided by project experts, BSPs, or LFs
<b>B. Member Services</b>					
Collective Voice for Advocacy Protecting Members' Rights and Interests		✓	✓		Studies on BSO business models; TA for organizational development, membership management; policy advocacy in specific industries/supply chains
<b>C. Business Model</b>					
GVN-Funded	✓	✓	✓		Mechanisms for BSOs (public and private) to access GVN funds; market regulations; capacity building for regulators
Public Service Fees	✓				Completing the databases and portals that support SME linkages; development of service packages
Membership Fees		✓	✓		Development of service packages and business models; membership management; policy advocacy
Service Fees		✓	✓	✓	Development of service packages and business models; market research; market intelligence; information on market regulations; capacity building for market players

Source: USAID Learns Activity, 2023

**1. The EU's Multi-annual Indicative Programme for Vietnam (2021–2027):** Funded by SECO, International Trade Centre facilitates the update of the national export strategy and the development of a Public-Private Dialogue platform for export development. Vietrade has been mandated to establish a Grants Fund for Business Support Organizations (BSOs) to support exporting SMEs. Areas of focus also include climate-responsive digital circular economy; green-digital twin transition (i.e., improved digital skills for circular economy platforms, improved circularity in the value chains of digital/electronic devices, smarter energy transition etc.); enhanced, affordable, and secure digital connectivity (i.e., cybersecurity, broadband internet connection via either optical fiber cable or satellite, digital infrastructures, etc.); and e-governance and e-skills building;

**2. Multilateral Trade Assistance Project** as a comprehensive four-phase project had many results and experience that are relevant to LinkSME: seafood certification; geographical Indication implementation plan; certificates of origin; Vietnamese legislation on franchising; SPS regulations; legislation on trade fairs, exhibitions, and displays; e-commerce regulations; European Union–Vietnam Free Trade Agreement; Association of Southeast Asian Nations (ASEAN) Comprehensive Investment Agreement; Law on Enterprise Income Tax; Commercial Law; Competition Law; Fisheries Law; more certified and higher-quality products traded for Vietnamese products; more regionally integrated value chains; improved trade services; better tax collection; reduced transaction costs and transit time; and increased market access.

**3. Trade Policy and Export Promotion (SwissTrade) Project (2021–2024):** Improve trade performance and international competitiveness of SMEs by enhancing the framework conditions for trade, improving public-private dialogue mechanisms, and strengthening the ecosystem for trade promotion.

**4. Strengthening Regional Structures for Small and Medium Enterprise Promotion in the ASEAN Region (ASEAN SME) (2016–2025):** Supporting SMEs in internationalizing their business.

**5. Climate Smart Agricultural Value Chain Development in Ben Tre and Tra Vinh Provinces:** Climate Smart Agriculture Transformation Project in the Mekong Delta (2021–2026): Smart infrastructure and value chain development.

**5. Building Forward Better: A Resilient Women and Youth Centred and Digitally Enhanced Value Chain Development Project in Vietnam (UNIDO and IFAD) (2021–2022):** Create an innovative model that is gender- and youth-centered and that digitally enhances the fruit value chains in the Mekong Delta of Vietnam.

Box 3: Related SME Linkage Programs of Other Donors. Source: USAID Learns Activity, 2023

# ANNEX VIII: DISCLOSURE OF ANY CONFLICTS OF INTEREST

## USAID LEARNS

### Conflict of Interest Disclosure Policy and Declaration Form for all USAID Evaluations and Research team members

*Evaluations, Assessments and more broadly Special Studies / Research conducted on behalf of USAID will be undertaken so that they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest.<sup>1</sup> For such studies, all evaluation/assessment/ special study team members will provide a signed statement (see below) attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project being evaluated.<sup>2</sup>*

#### Instructions

Evaluation, Assessment and Special Studies / Research team members have a responsibility to maintain independence so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by third parties. They, and all their team members, are to disclose all relevant facts regarding real or potential conflicts of interest that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the evaluator or evaluation team member is not able to maintain independence and, thus, is not capable of exercising objective and impartial judgment on all issues associated with conducting and reporting the work.

The Learns team in close consultation with USAID will determine whether the real or potential conflict of interest is one that should disqualify an individual from the evaluation team or require recusal by that individual from evaluating certain aspects of the project(s).

In addition, if evaluation/assessment/study team members gain access to proprietary information of other companies in the process of conducting the evaluation, then they must agree with the other companies to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.<sup>3</sup>

#### Real or potential conflicts of interest may include, but are not limited to:

1. Immediate family or close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.
2. Financial interest that is direct, or is significant/material though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.
3. Current or previous direct or significant/material though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.
4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.
5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.
6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.

#### Disclosure


I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

<sup>1</sup> USAID Evaluation Policy (p. 8); USAID Contract Information Bulletin 99-17; and Federal Acquisition Regulations (FAR) Part 9.5, Organizational Conflicts of Interest, and Subpart 3.10, Contractor Code of Business Ethics and Conduct

<sup>2</sup> Evaluation Policy (p. 11)

<sup>3</sup> FAR 9.505-4(b)

<b>Name:</b>	Le Duy Binh
<b>Title:</b>	Consultant
<b>Name of the Assignment:</b> <i>(Evaluation, Special Study, Assessment...)</i>	Final Evaluation of USAID LinkSME
<b>Name of USAID Activity / IP Project(s) Being evaluated / assessed/ reviewed</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	USAID Linkages for Small and Medium Enterprises (LinkSME)

Disclosure			
I have read and fully understood the principles, implications, and requirements associated with the Learns NCI Policy.	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>
Based on above instructions and criteria, I have or may have real or perceived potential or real conflicts	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
	Unsure	<input type="checkbox"/>	
If yes or unsure is answered above, please describe the circumstances / possible conflicts:			
Consultant Signature: 		Date:	May 11, 2023
Mitigation Measures			
Proposed mitigation measures, if applicable, specified by <i>new or existing consultant</i> :			
Proposed mitigation measures, if applicable, specified by <i>Technical Supervisor or Senior Management Team</i> :			
Signature of Technical Supervisor or COP <sup>4</sup> :		Position:	
		Date:	

<sup>4</sup> If the answer is 'yes' or 'unsure' this form must be filled and signed by either the Technical Supervisor of the Evaluation/Research or the Learns' Chief of Party.

## USAID LEARNS

### Conflict of Interest Disclosure Policy and Declaration Form for all USAID Evaluations and Research team members

*Evaluations, Assessments and more broadly Special Studies / Research conducted on behalf of USAID will be undertaken so that they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest.<sup>1</sup> For such studies, all evaluation/assessment/ special study team members will provide a signed statement (see below) attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project being evaluated.<sup>2</sup>*

#### Instructions

Evaluation, Assessment and Special Studies / Research team members have a responsibility to maintain independence so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by third parties. They, and all their team members, are to disclose all relevant facts regarding real or potential conflicts of interest that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the evaluator or evaluation team member is not able to maintain independence and, thus, is not capable of exercising objective and impartial judgment on all issues associated with conducting and reporting the work.

The Learns team in close consultation with USAID will determine whether the real or potential conflict of interest is one that should disqualify an individual from the evaluation team or require recusal by that individual from evaluating certain aspects of the project(s).

In addition, if evaluation/assessment/study team members gain access to proprietary information of other companies in the process of conducting the evaluation, then they must agree with the other companies to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.<sup>3</sup>

#### Real or potential conflicts of interest may include, but are not limited to:

1. Immediate family or close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.
2. Financial interest that is direct, or is significant/material though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.
3. Current or previous direct or significant/material though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.
4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.
5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.
6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.

#### Disclosure

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

<sup>1</sup> USAID Evaluation Policy (p. 8); USAID Contract Information Bulletin 99-17; and Federal Acquisition Regulations (FAR) Part 9.5, Organizational Conflicts of Interest, and Subpart 3.10, Contractor Code of Business Ethics and Conduct

<sup>2</sup> Evaluation Policy (p. 11)

<sup>3</sup> FAR 9.505-4(b)

<b>Name:</b>	Tran Nam Binh
<b>Title:</b>	Private Sector Development Specialist
<b>Name of the Assignment:</b> <i>(Evaluation, Special Study, Assessment...)</i>	Final Evaluation of USAID LinksME
<b>Name of USAID Activity / IP Project(s)</b> <b>Being evaluated / assessed/ reviewed</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	LinksME

Disclosure							
I have read and fully understood the principles, implications, and requirements associated with the Learns NCI Policy.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						
Based on above instructions and criteria, I have or may have real or perceived potential or real conflicts	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unsure <input type="checkbox"/>						
If yes or unsure is answered above, please describe the circumstances / possible conflicts:							
<b>Consultant Signature:</b>	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> <b>TRAN</b> Nam Binh </div> <div style="font-size: 8px; margin-right: 20px;"> <small>Digitally signed by TRAN Nam Binh Date: 2023.01.11 13:48:51 +07'00'</small> </div> <div style="margin-left: auto;"> <b>Date:</b> 11 Jan 2023 </div> </div>						
Mitigation Measures							
Proposed mitigation measures, if applicable, specified by <i>new or existing consultant:</i>							
Proposed mitigation measures, if applicable, specified by <i>Technical Supervisor or Senior Management Team:</i>							
<b>Signature of Technical Supervisor or COP<sup>4</sup>:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"><b>Position:</b></td> <td style="width: 33%;"><b>Date:</b></td> <td style="width: 33%;"></td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	<b>Position:</b>	<b>Date:</b>				
<b>Position:</b>	<b>Date:</b>						

<sup>4</sup> If the answer is 'yes' or 'unsure' this form must be filled and signed by either the Technical Supervisor of the Evaluation/Research or the Learns' Chief of Party.

## USAID LEARNS

### Conflict of Interest Disclosure Policy and Declaration Form for all USAID Evaluations and Research team members

*Evaluations, Assessments and more broadly Special Studies / Research conducted on behalf of USAID will be undertaken so that they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest.<sup>1</sup> For such studies, all evaluation/assessment/ special study team members will provide a signed statement (see below) attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project being evaluated.<sup>2</sup>*

#### Instructions

Evaluation, Assessment and Special Studies / Research team members have a responsibility to maintain independence so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by third parties. They, and all their team members, are to disclose all relevant facts regarding real or potential conflicts of interest that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the evaluator or evaluation team member is not able to maintain independence and, thus, is not capable of exercising objective and impartial judgment on all issues associated with conducting and reporting the work.

The Learns team in close consultation with USAID will determine whether the real or potential conflict of interest is one that should disqualify an individual from the evaluation team or require recusal by that individual from evaluating certain aspects of the project(s).

In addition, if evaluation/assessment/study team members gain access to proprietary information of other companies in the process of conducting the evaluation, then they must agree with the other companies to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.<sup>3</sup>

#### Real or potential conflicts of interest may include, but are not limited to:

1. Immediate family or close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.
2. Financial interest that is direct, or is significant/material though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.
3. Current or previous direct or significant/material though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.
4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.
5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.
6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.

#### Disclosure

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.


<sup>1</sup> USAID Evaluation Policy (p. 8); USAID Contract Information Bulletin 99-17; and Federal Acquisition Regulations (FAR) Part 9.5, Organizational Conflicts of Interest, and Subpart 3.10, Contractor Code of Business Ethics and Conduct

<sup>2</sup> Evaluation Policy (p. 11)

<sup>3</sup> FAR 9.505-4(b)



<b>Name:</b>	HONG VON TU
<b>Title:</b>	CONSULTANT
<b>Name of the Assignment:</b> (Evaluation, Special Study, Assessment...)	SMECINKS EVALUATION
<b>Name of USAID Activity / IP Project(s) Being evaluated / assessed/ reviewed</b> (Include project name(s), implementer name(s) and award number(s), if applicable)	

Disclosure	
I have read and fully understood the principles, implications, and requirements associated with the Learns NCI Policy.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Based on above instructions and criteria, I have or may have real or perceived potential or real conflicts	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unsure <input type="checkbox"/>
If yes or unsure is answered above, please describe the circumstances / possible conflicts:	
Consultant Signature: 	Date: 05/07/2023
Mitigation Measures	
Proposed mitigation measures, if applicable, specified by new or existing consultant:	
Proposed mitigation measures, if applicable, specified by Technical Supervisor or Senior Management Team:	
Signature of Technical Supervisor or COP <sup>4</sup> :	Position:
Date:	

<sup>4</sup> If the answer is 'yes' or 'unsure' this form must be filled and signed by either the Technical Supervisor of the Evaluation/Research or the Learns' Chief of Party.

## USAID LEARNS

### Conflict of Interest Disclosure Policy and Declaration Form for all USAID Evaluations and Research team members

*Evaluations, Assessments and more broadly Special Studies / Research conducted on behalf of USAID will be undertaken so that they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest.<sup>1</sup> For such studies, all evaluation/assessment/ special study team members will provide a signed statement (see below) attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project being evaluated.<sup>2</sup>*

#### Instructions

Evaluation, Assessment and Special Studies / Research team members have a responsibility to maintain independence so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by third parties. They, and all their team members, are to disclose all relevant facts regarding real or potential conflicts of interest that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the evaluator or evaluation team member is not able to maintain independence and, thus, is not capable of exercising objective and impartial judgment on all issues associated with conducting and reporting the work.

The Learns team in close consultation with USAID will determine whether the real or potential conflict of interest is one that should disqualify an individual from the evaluation team or require recusal by that individual from evaluating certain aspects of the project(s).

In addition, if evaluation/assessment/study team members gain access to proprietary information of other companies in the process of conducting the evaluation, then they must agree with the other companies to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.<sup>3</sup>

#### Real or potential conflicts of interest may include, but are not limited to:

1. Immediate family or close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.
2. Financial interest that is direct, or is significant/material though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.
3. Current or previous direct or significant/material though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.
4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.
5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.
6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.

#### Disclosure

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

<sup>1</sup> USAID Evaluation Policy (p. 8); USAID Contract Information Bulletin 99-17; and Federal Acquisition Regulations (FAR) Part 9.5, Organizational Conflicts of Interest, and Subpart 3.10, Contractor Code of Business Ethics and Conduct

<sup>2</sup> Evaluation Policy (p. 11)

<sup>3</sup> FAR 9.505-4(b)

<b>Name:</b>	<i>Chieu Hoang Tran</i>
<b>Title:</b>	<i>Consultant</i>
<b>Name of the Assignment:</b> <i>(Evaluation, Special Study, Assessment...)</i>	<i>Evaluation</i>
<b>Name of USAID Activity / IP Project(s)</b> <b>Being evaluated / assessed/ reviewed</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	<i>Final Evaluation of LinkSME project</i>

Disclosure	
I have read and fully understood the principles, implications, and requirements associated with the Learns NCI Policy.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Based on above instructions and criteria, I have or may have real or perceived potential or real conflicts	Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/>
If yes or unsure is answered above, please describe the circumstances / possible conflicts:	
Consultant Signature: <i>sch</i>	Date: <i>2023.07.06</i>
Mitigation Measures	
Proposed mitigation measures, if applicable, specified by <i>new or existing consultant:</i>	
Proposed mitigation measures, if applicable, specified by <i>Technical Supervisor or Senior Management Team:</i>	
Signature of Technical Supervisor or COP <sup>4</sup> :	Position: _____ Date: _____

<sup>4</sup> If the answer is 'yes' or 'unsure' this form must be filled and signed by either the Technical Supervisor of the Evaluation/Research or the Learns' Chief of Party.

United States Agency for International Development  
Hanoi, Vietnam

