

IMPROVING PRIVATE SECTOR COMPETITIVENESS MID-TERM EVALUATION BRIEF

This brief summarizes the mid-term evaluation of the USAID Improving Private Sector Competitiveness (IPSC) activity. The evaluation identified key results and lessons to date. The findings will help IPSC improve and adapt its programming as it approaches the second half of implementation.

About IPSC

IPSC aims to help the GVN harness the entrepreneurial spirit of Vietnam's small and growing businesses (SGBs) to facilitate a dynamic, Vietnam-led private sector transformation into one that can compete globally and increase equal opportunity for all, including disadvantaged women and ethnic minorities. It is implemented in partnership with the Agency for Enterprise Development (AED) under the Ministry of Planning and Investment (MPI) and will close in December 2025.



A group of women are sewing and embroidering. Photo Credit: USAID/Vietnam

Methodology

The mid-term evaluation (MTE) employed a mixed methods approach using quantitative and qualitative data. The team triangulated data from various sources, including secondary data from a desk review and IPSC's key performance indicators, progress reports, technical documents. The team collected primary data from key informant interviews (KIs), a focus group discussion (FGDs), and an online survey of SGBs.

Findings and Conclusions

Despite delays stemming from slow approval processes and the impact of the COVID-19 pandemic, IPSC is on track to achieve or exceed its indicators and is on the right path toward achieving the goals of its Theory of Change (TOC). IPSC has made a continuous effort to identify and support SGBs, including women and minority-owned businesses, in line with their needs. In close consultation with AED and USAID, IPSC has evolved its focus to support a range of different types of enterprises, especially toward providing tailored support to pioneering enterprises (PEs). The project has adopted gender and social inclusion mainstreaming to ensure that women, vulnerable people, and their businesses benefit from the project. The project has helped boost the business development services (BDS) market for SGBs and built the capacity of GVN agencies at both the central and provincial levels. Furthermore, by working on policy making proposals and policy action implementation, IPSC has also helped strengthen evidence-based policy decisions.

However, while there are emergent results, the project has only completed 13 months of technical implementation, and as such, the MTE could not determine the magnitude and sustainability of the project's contribution to improving SGB and PE competitiveness, measured in terms of increased revenue, access to new markets, greater efficiency, and better management practices. The evaluation also found that IPSC has implemented the PE pillar at a slower pace, but this appears to be quickening at the time of the MTE following extensive engagement with AED and USAID. The evaluation also found that business associations need further support in policy engagement.

The project now faces the challenge of switching from extensive output delivery to intensive support focused on improving the competitiveness of Vietnamese SGBs. AED, USAID, and IPSC have made a number of programming decisions recently to address these issues and set the project on a course for success in its final years of implementation. Recognizing the value and effort put into these processes, the report offers some still relevant recommendations to IPSC, USAID, and AED, related to the activity's three pillars, TOC, scope and focus, implementation approaches, monitoring system, and approach to sustainability.

Recommendations

To IPSC



Deliver more comprehensive technical assistance to a lower number of SGBs, focused on consulting, coaching, and peer-to-peer collaboration. Improve sustainability in programming through maintaining linkages between SGBs and networking with business associations. Support SGB access to finance.



Define a specific TOC for PE support, focused on customized training and coaching on measurable market and sales objectives with an emphasis on Vietnamese branding. Explore business linkages and means of collaboration between SGBs and PEs.



Consider greater technical support to business associations on policy engagement, organizational management, marketing, member services and retention, and financial sustainability.

To USAID



Redevelop IPSC's key performance indicators to more effectively track and report on outcomes.

To AED



In collaboration with IPSC and USAID, use implementation experience to generate lessons for policymaking to foster entrepreneurialism in Vietnam.



A man is holding a bag with a picture of a cat and a fish.
Photo Credit: USAID/Vietnam

To read the full report, please visit [here](#).

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