

Annex E: Theory of change

A theory of change (ToC) is an outcomes-based approach for describing the overall logic of an intervention. Developed for any level of intervention – an event, a project, a programme, a policy, a strategy or an organisation which - it helps explain how activities lead to a series of results that contribute to achieving the final intended development impacts.

The ToC presented herein is a *simplified* reconstructed high-level theory, which tries to capture the overall Danish strategy towards Vietnam, that is to say it describes how Danida envisioned bringing about change during the 2000-2015 cooperation programme. Danida did not formulate an explicit ToC or overarching intervention logic that guided its approach, and the intervention logic was an *ad hoc* process that evolved through strategic decisions made over time. In response to the ToR, the evaluation team (ET) developed a ToC that incorporates complexity and diversity of the portfolio in order to help examine how specific national, provincial and - partly - district level interventions in Vietnam contributed to achievement of the overall objectives. While by no means exhaustive, the ToC and subsequent analysis focus on those sectors that EVAL selected for the evaluation, i.e. environment, climate, water and sanitation (subsequently combined into green growth sectors), fisheries, governance and private sector development/support for business. The ET agrees with EVAL that together they represent a both broad and nuanced picture of the partnership, see figure overleaf.

The evaluation period covers three phases of development cooperation, namely support provided under the 2000 “Strategy for Danish Bilateral Development Cooperation with Vietnam”, which was replaced in 2006 with the “Vietnam-Denmark Partnership – Strategy for Development Cooperation 2006-2010”. In 2007 it was decided not to negotiate a new strategy for the post-2010 period; instead a strategy for the phasing-out of traditional development cooperation was agreed which guided bilateral relations between 2010 and 2015. While the three strategic approaches partly used different terminologies to describe development outcomes and objectives and sector-specific focal points were amended or revised, the anticipated results and goals of Denmark’s cooperation with Vietnam did not change significantly. The overall objective was poverty reduction. In broad terms, the Danish approach was based on the general assumption that poverty reduction was to be achieved through both economic and social development and, as explicitly stressed in the 2006 strategy, required the promotion of sustainable, private-sector-led development and strengthening of democratisation, respect for human rights and good governance.

Given the complexity of the cooperation programme as well as the long evaluation period, the ToC cannot do justice to the full range of inputs and outputs at sector level but instead presents a summary of generic (strategic) inputs and outputs.

The Theory of Change is based on the following key assumptions derived from the strategy papers, which represent the main links from one level to another. They can be clustered in four main groups:

Going from Inputs to Outputs (A):

- Danida’s aid targets its funds on activities that support, and are aligned with, the Vietnamese reform agenda.
- Danish development cooperation provides a clear and coherent strategic framework that allows effective partner selection and activity programming.
- Danish-supported activities are based on guidelines agreed with the GoV
- Many of the challenges facing Vietnam are fundamental institutional and accountability challenges. Addressing Vietnam’s recurrent institutional challenges provides a bridge between current and future activities supported by Denmark.
- The partnership focuses on activities clearly demanded by Vietnamese partners and end beneficiaries, based on consultation and co-development.
- The cooperation programme has effective procurement and programming processes that result

in efficient transition from design to implementation.

- Institutional and budget structures are the mechanisms for disbursing funds and technical assistance in a timely manner.

Going from Outputs to Outcomes (B):

- Effective development cooperation is achieved through strategic performance-oriented sector programme support.
- A sector approach is the most suitable as the areas of concentration enjoy high priority from the GoV in its efforts to combat poverty and ensure equitable distribution of income both between and within the geographical areas.
- Danish support focuses on both national and provincial/sub-national levels.
- The cooperation is grounded in Vietnam's own strategies and policies.
- Each green growth sector is linked to the environmental sustainability pillar, or more specifically, fundamental adequate environmental governance conditions that increasingly protect or build more resilience into ecosystem services.

From Outcome to Impact (C):

- Achieving impact requires not only large-scale Vietnamese ownership but also considerable Vietnamese co-financing of Danish-supported initiatives.
- Utilising national structures and ensuring increasingly-improved environmental governance provides opportunities for long-term sustainability. At the same time the government ensures transparency, financial and environmental accountability. Development cooperation is accompanied by high-level diplomacy and political relations.
- Continuation and deepening of economic, administrative and legal reforms are essential for achieving Vietnam's development targets.

From Impact to the Overall Development Goal (D)

- A necessary condition for continued poverty reduction in Vietnam is maintenance of high economic growth rates – including in areas where the poor derive their income.
- Effective poverty reduction requires partnerships on a broad front, both with the national and international actors involved in the formation and monitoring of the programmes and also with the partners in the development cooperation and other actors affected by the activities: government, the private sector, civil society, and the poor and marginalised groups.

Reconstructed Theory of Change

