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# **US SUPPORT FOR ECONOMIC GROWTH IN ASIA (US-SEGA) MIDTERM PERFORMANCE EVALUATION**

**May 2022**

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# US SUPPORT FOR ECONOMIC GROWTH IN ASIA (US SEGA)

## MIDTERM PERFORMANCE EVALUATION

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## ACRONYMS

<b>A2C2</b>	APEC Alliance for Supply Chain Connectivity
<b>AED-MPI</b>	Viet Nam Agency for Enterprise Development under the Ministry of Planning and Investment
<b>AmCham</b>	American Chamber of Commerce
<b>AMELP</b>	Activity Monitoring, Evaluation and Learning Plan
<b>APEC</b>	Asia-Pacific Economic Cooperation
<b>BSO</b>	Business Support Organizations
<b>CBA</b>	Cost-Benefit Analysis
<b>CDCS</b>	Country Development Cooperation Strategy
<b>CLA</b>	Collaborating, Learning, and Adapting
<b>CSO</b>	Civil Society Organization
<b>DECA</b>	Digital Ecosystem Country Assessment
<b>DOC</b>	Department of Commerce
<b>DOS</b>	U.S. Department of State
<b>EIA</b>	Economic Impact Assessment
<b>EQ</b>	Evaluation Question
<b>ET</b>	Evaluation Team
<b>4IR</b>	Fourth Industrial Revolution
<b>FTA</b>	Free-Trade Agreement
<b>GDP</b>	Gross Domestic Product
<b>GOM</b>	Government of Maldives
<b>GOV</b>	Government of Vietnam
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communications Technology
<b>IP</b>	Implementing Partner
<b>IPS</b>	Indo-Pacific Strategy

<b>KII</b>	Key Informant Interview
<b>KPI</b>	Key Performance Indicators
<b>LEAP III</b>	Learning, Evaluation, and Analysis Project
<b>MDA</b>	Ministries, Departments, and Agencies
<b>MED</b>	Ministry of Economic Development
<b>MEL</b>	Monitoring, Evaluation, and Learning
<b>MNPFI</b>	Ministry of National Planning, Housing and Infrastructure MOF Ministry of Finance
<b>MOTCA</b>	Ministry of Transport and Civil Aviation
<b>MSME</b>	Micro, Small, and Medium Enterprises
<b>MPI</b>	Ministry of Planning and Investment
<b>NDP</b>	National Development Plan
<b>NGO</b>	Nongovernmental Organization
<b>NIC</b>	National Innovation Centre
<b>NTO</b>	Papua New Guinea National Trade Office
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OU</b>	USAID Operating Unit
<b>PBB</b>	Program-Based Budgeting
<b>PFM</b>	Public Financial Management
<b>PIM</b>	Public Investment Management
<b>POP</b>	Period of Performance
<b>PNG</b>	Papua New Guinea
<b>PSE</b>	Private Sector Engagement
<b>RDMA</b>	USAID's Bangkok-based Regional Development Mission for Asia
<b>SAP</b>	Strategic Action Plan
<b>SAP</b>	Systems, Applications, and Products
<b>SATA</b>	South Asia Trade Assessment

<b>SME</b>	Small and Medium Enterprises
<b>SOW</b>	Scope of Work
<b>State/EAP/EP</b>	U.S. DOS Bureau of East Asian and Pacific Affairs (EAP), Office of Economic Policy (EP)
<b>STEM</b>	Science, Technology, Engineering, and Mathematics
<b>TA</b>	Technical Assistance
<b>TATF</b>	APEC Technical Assistance and Training Facility
<b>TP</b>	Training Partnership
<b>TVET</b>	Technical and Vocational Education and Training
<b>USAID</b>	United States Agency for International Development
<b>USG</b>	United States Government
<b>US- ATAARI</b>	US-APEC Technical Assistance to Advance Regional Integration
<b>US-SEGA</b>	United States – Support for Economic Growth in Asia
<b>USTR</b>	United States Trade Representative
<b>WFD</b>	Workforce Development
<b>WISE</b>	Workforce for an Innovation and Start-up Ecosystem
<b>WTO</b>	World Trade Organization

## ACKNOWLEDGEMENTS

The United States Agency for International Development (USAID)/Asia Bureau requested the Learning, Evaluation, and Analysis Project (LEAP III) team to conduct a midterm evaluation of United States-Support for Economic Growth in Asia (US-SEGA) project, implemented by Nathan Associates Inc. This evaluation seeks to assess to what extent US-SEGA is meeting the objectives articulated in the project's foundational documents and Monitoring, Evaluation and Learning (MEL) plan during the first half of the project's period of performance and identify areas that can be refined or altered in the remaining period of performance.

The LEAP III Team would like to thank USAID's activity manager for the evaluation, Kofi Owusu-Boakye, whose guidance and active engagement ensured that USAID and Department of State (DOS) needs and expectations for this study were understood. The Team also thanks the USAID and DOS staff, implementing partners, national partners, and beneficiary respondents who contributed time and insights to the assessment. Additionally, the Team thanks the LEAP III Contracting Officer's Representative, Katie Qutub. A very special thank you to the core team of this report, Alex Boyd, Brenda Pearson, and Sarah Eissler, for their dedication to making this evaluation a holistic view of this implementing mechanism, and Penelope Norton for research and operational support. The authors of this report also drew on the collective efforts of many Integra team members, including LEAP III Chief of Party David Quinn.



# EXECUTIVE SUMMARY

## INTRODUCTION

The United States – Support for Economic Growth in Asia (US-SEGA) is a six-year project implemented by Nathan Associates designed to improve the policy environment for sustainable economic growth and prosperity, improve regional economic cooperation, strengthen management of institutions, support good governance throughout Asia-Pacific Economic Cooperation (APEC) and the Indo-Pacific, and expand markets for U.S. goods and services. The US-SEGA contract is organized by three components that are designed to achieve the stated results. The Activity is funded by the U.S. Agency for International Development (USAID) and co-managed with the U.S. Department of State (DOS). Component 1 focuses on APEC Programming and USAID works closely with the U.S. Department of State Bureau of East Asian and Pacific Affairs Office of Economic Policy (State/EAP/EP). Component 2 supports USAID Inclusive and Equitable Economic Growth programs and Component 3 focuses on USAID's COVID-19 Crisis Response programming.

## EVALUATION PURPOSE AND METHODOLOGY

The purpose of this mid-term performance evaluation is to: 1) determine the effectiveness of specific programmatic approaches in achieving intended life-of-program results; 2) provide recommendations on corrective actions and new directions for the remaining years of program implementation; and 3) inform the design of future programs. Specifically, this mid-term performance evaluation answers five overall evaluation questions:

- EQ 1 – How effective are the approaches and interventions used by US-SEGA toward advancing U.S. policy priorities and regional economic connectivity?
- EQ 2 – To what extent has integrating gender and inclusive development into programming been effective in achieving broad-based economic growth in APEC economies?
- EQ 3 – To what extent has the project efficiently and effectively operated as a flexible demand-driven mechanism to support inclusive and equitable economic growth?
- EQ 4 – To what extent has the project's knowledge management function used data-based evidence for disseminating best practices and piloting innovative approaches and technologies?
- EQ 5 – To what extent has the project supported USAID missions to aid in COVID-19 economic response, relief, and recovery efforts?

The Evaluation Team (ET) employed mixed methods to evaluate the US-SEGA activity from October 2021 to February 2022. The data collection methods included a comprehensive desk review, analysis of

US-SEGA monitoring, evaluation, and learning (MEL) data, and key informant interviews (KII). Data analysis methods included content analysis of primary qualitative data and descriptive statistics of both primary qualitative data and secondary data retrieved from the MEL database. Given the different scope and role of DOS in implementing Component 1 and Components 2 and 3 implemented by USAID, the ET staged primary data collection to focus first on Components 2 and 3 in October 2021 and Component 1 in November 2021. Additionally, the ET separated the analysis of primary and secondary data by Component 1 and Components 2 and 3. The ET wishes to emphasize there were a limited number of key stakeholders beyond DOS and USAID staff who participated in the key informant interviews.

In addition, three case studies of US-SEGA activities were developed to provide an in-depth examination of activity implementation:<sup>1</sup>

- Inclusive and Resilient Growth Workstream under US-SEGA Component 1(APEC Programming); and,
- The Maldives Public Financial Management (PFM) activity under Components 2 (Inclusive and Equitable Economic Growth) and 3 (COVID-19 Crisis Response).
- Vietnam Workforce Development (WFD) activity under Components 2 (Supporting Economic Growth Programs) and 3 (COVID-19 Crisis Response).

Across all three components, the ET concludes that the US-SEGA mechanism was efficient and effective in delivering flexible, rapid and targeted technical and operational support to USAID and DOS to fulfill project objectives. The next section describes high-level findings by US-SEGA component, followed by recommendations for future programming.

## **FINDINGS FROM COMPONENT I: APEC PROGRAMMING**

With respect to Component 1 activities, the US-SEGA support increased the United States Government's (USG) capacity to advance policy priorities and lead initiatives through APEC's Committees and Working Groups. This surge in capacity was especially visible in supporting APEC Economic Leaders' meetings and bolstering the USG's convening power.

US-SEGA had allocated significant project resources toward accelerating USG leadership in approaches to inclusive growth, women's economic participation, and women's leadership throughout the APEC region via the Inclusive and Resilient Growth workstream. The IP demonstrated that it included language regarding gender and inclusivity in its drafting of each proposed APEC activity and described how these factors may be monitored.

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<sup>1</sup> Summaries of the three case studies are included in Annex III and they are also available as standalone reports.

USG partners suggested that US-SEGA should continue to expand and broaden its network of private sector partners and non-governmental organization (NGO) stakeholders that can be engaged in policy dialogues. These networks can be leveraged to bring these important stakeholders' perspectives in myriad ways.

The ET found that US-SEGA could improve its production and dissemination of accessible communications and publications that convey achievements and APEC policy advances to diverse audiences. Given the broad spectrum of different thematic areas and geographies covered under US-SEGA, there was broad consensus that US-SEGA could play a more significant role in providing materials for communicating with key target audiences like Congress, intra-agency partners etc. that are central to the success of US-SEGA.

Finally, the ET found that US-SEGA activities were understandably affected by COVID-19 due to travel and security restrictions associated with the pandemic but the IP was able to quickly pivot to online formats to deliver capacity building and other technical assistance.

## **FINDINGS FROM COMPONENTS 2 AND 3: INCLUSIVE AND EQUITABLE ECONOMIC GROWTH AND COVID-19 CRISIS RESPONSE**

US-SEGA has been responsive to demand from USAID country missions. The mechanism's flexibility, responsiveness, and capacity to maintain continuity were cited as being particularly important features that can continue to be applied in the region during the second half of the project. Even in the virtual environment required due to pandemic-related safety and security measures, the US-SEGA model has been working effectively and efficiently. It has allowed for sustained focus and activities, such as well-structured virtual workshops, conducting assessments, providing technical support and conducting research. This rapid-response mechanism filled an important need for USAID.

Communication between the IP and USAID/Asia Bureau and bilateral missions was largely characterized as timely and efficient for their needs. According to USAID staff, US-SEGA work products were helpful in framing issues, identifying opportunities, and building consensus around appropriate next steps in the APEC economies. Importantly, US-SEGA delivered rapid, flexible, and locally contextualized short-term support that was catalytic. In the Maldives, for example, US-SEGA assistance was a bridge for procuring longer term assistance. The US-SEGA mechanism permitted rapid response to a diverse demand for services and products through simplified procurement processes. There was a strong consensus among key stakeholders that US-SEGA delivered vital operational support that advanced USG diplomacy and foreign assistance.

The ET observed that prioritization of gender mainstreaming was present in about half of the activity designs and follow-on activities evaluated under Components 2 and 3. In general, there are specific

gender or social inclusion targets for participation in trainings, workshops, or key informants included assessments and surveys, and the IP does report sex-disaggregated data when available.

Finally, the ET found that across Component 1 and Components 2 and 3, there was limited cross-pollination of lessons learned, best practices, and key findings among the approaches. In general, even though certain US-SEGA activities involved the same economies or thematic areas across project components, the US-SEGA approaches under each of these components were largely siloed.

It was evident that the COVID-19 pandemic slowed momentum on several USG economic growth-related activities. The IP rapidly and effectively pivoted to virtual project management and stakeholder engagement practices and the tracker of COVID-19-related economic data from countries in the region provided support to understanding economic impact of COVID-19 and informed potential responses.

## **RECOMMENDATIONS FOR FUTURE PROGRAMMING**

The following is a summary of recommendations which are further elaborated in Section 5.

- Advance U.S. policy priorities and regional connectivity through strategic allocation of internal resources, including technical experts:
  - Provide customized research products that balance regional perspectives with economy-specific context and ensure that USG staff and technical experts are aware of the regional dimensions of its technical support and link its bilateral assistance to broader regional goals.
- Integrate gender and inclusive development approaches and indicators into activity design and implementation:
  - Capture and replicate the successful approaches being piloted in the Inclusive and Resilient Growth Workstream to inform gender integration approaches in the three other DOS workstreams and establish gender-specific indicators to measure progress toward advancing goals that align with the National Security Strategy for Gender Equity and Equality.
- Improve the US-SEGA technical approaches by establishing quality assurance processes and better integration across components:
  - Develop follow-up actions and capture learnings from the many conferences, workshops, and training events to enable good ideas to be adapted across the components and establish quality assurance processes that ensure services and products meet the

end-user needs of USG staff and partners and integrate lessons from each of the components into overall guidance on implementing best practices.

- Improve internal knowledge management function by documenting good practices, lessons learned, and create a platform where more strategic analysis and cross-fertilization of learning across activities and project components can be realized.
- Strengthen strategic communications capacity and accessibility of knowledge products:
  - Hire additional expertise in strategic communications to expand internal capabilities to distill the main points and convey achievements and policy advances from activities and work products and disseminate and communicate to diverse audiences.
- Allocate internal resources to meet future demands for technical expertise in ongoing and in new technical areas:
  - DOS APEC activities and USAID assistance to bilateral missions may expand and/or shift in the second half of implementation, which will necessitate allocation of technical resources to meet the anticipated demands.
- Expand and widen networks of private sector and NGOs for policy dialogues and engagement:
  - Leverage networks of private sector and NGOs partners as needed to integrate the opinions and experiences of relevant stakeholders based in the APEC region and to identify specific areas where private sector cooperation and NGO engagement might accelerate results in project goals and objectives.
- Facilitate exchanges between DOS and USAID regarding COVID-19 relief approaches:
  - Introduce strategic and operational approaches that allow for linking the activities and lessons regarding COVID-19 relief approaches across the components of the US-SEGA project.
- Work with USAID Missions to set manageable timelines and respond to any concerns regarding timely deliverables in support of USAID COVID-19 relief efforts.
  - US-SEGA standard operating procedures should be reviewed and assessed for streamlining cumbersome procurement practices for hiring subcontractors to implement COVID-19 relief activities.
  - US-SEGA should consider developing guidelines to resolve bottlenecks and continually drive activity prioritization, design, and implementation.



# I. INTRODUCTION

USAID/Asia Bureau contracted the Learning, Evaluation, and Analysis Project (LEAP III) team to conduct a mid-term performance evaluation of United States Support for Economic Growth in Asia (US-SEGA) project, implemented by Nathan Associates Inc, and administered by the United States Agency for International Development (USAID). This mid-term performance evaluation examines whether, and to what extent, US-SEGA is meeting the objectives as articulated in its foundational documents and Monitoring, Evaluation, and Learning (MEL) plan during the first half of the project's period of performance (POP). It also identifies areas that can be refined or altered in the remaining period of performance to meet the project's objectives. As part of this process, the LEAP III team developed case studies to provide deeper insights into the implementation of three of the 53 activities undertaken during the first half of the US-SEGA's period of performance.

## I.1 BACKGROUND

USAID and United States Department of State (DOS) have collaborated since 2008 to provide technical assistance to the Asia-Pacific Economic Cooperation (APEC) to advance regional economic cooperation. This started with the APEC Technical Assistance and Training Facility (TATF), which was created as a partnership between USAID and DOS. APEC TATF was managed by USAID/RDMA<sup>2</sup> and funded by State/EAP/EP.<sup>3</sup> TATF served as an important mechanism for the U.S. government (USG) to provide a broad range of capacity-building support to the APEC Secretariat and member economies. Subsequently, the US-APEC Technical Assistance to Advance Regional Integration (US-ATAARI, 2013-2018), a precursor activity to US-SEGA, focused on building the capacity of member economies to make and implement APEC commitments, while simultaneously enhancing the APEC Secretariat's ability to support APEC as an institutional body. Support to APEC member economies under US-ATAARI was centered on the provision of policy studies, workshops, dialogues, and conferences designed to share best practices with policymakers in helping them to fulfill their domestic commitments to APEC.

This current iteration of US-SEGA is a six-year project<sup>4</sup> from 2018 – 2024 designed to improve the policy environment for sustainable economic growth and prosperity, improve regional economic cooperation, strengthen management of institutions, support good governance throughout APEC and the Indo-Pacific, and expand markets for U.S. goods and services. The US-SEGA contract is organized by three components that are designed to achieve the stated results. Component I (APEC Programming) is

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<sup>2</sup> USAID's Bangkok-based Regional Development Mission for Asia (RDMA).

<sup>3</sup> The U.S. Senior Official for APEC is in Washington, D.C. within the U.S. DOS Bureau of East Asian and Pacific Affairs (EAP), which is supported by the EAP's Office of Economic Policy (EAP/EP).

<sup>4</sup> Implemented by Nathan Associates.

implemented by DOS, and Components 2 and 3 (Inclusive and Equitable Economic Growth and COVID-19 Crisis Response, respectively) are implemented by USAID.

## **I.2 US-SEGA COMPONENTS**

### **COMPONENT 1: APEC PROGRAMMING**

US-SEGA's Component 1 helps the APEC forum and its member economies advance regional economic cooperation through addressing barriers to trade and investment. US-SEGA builds the capacity of regional and economy-level actors to facilitate trade and investment, implement regulatory and structural reforms, and pursue inclusive and resilient growth. In these key areas, US-SEGA provides a range of services, including targeted technical assistance, policy studies, assessments, workshops, policy dialogues, institutional capacity building, and training.

### **COMPONENT 2 – INCLUSIVE AND EQUITABLE ECONOMIC GROWTH SUPPORT**

US-SEGA's Component 2 offers USAID Missions a flexible mechanism to respond quickly to new opportunities in economic growth assistance. US-SEGA provides rapid, demand-driven support for economic growth activities in the Indo-Pacific across a broad range of areas, including trade and investment, digital connectivity, energy, infrastructure, private sector engagement, market systems, and women's economic empowerment. US-SEGA also captures and shares best practices to help missions design and implement innovative approaches and technologies.

### **COMPONENT 3 – COVID-19 CRISIS RESPONSE**

Under this component, US-SEGA provides analysis and technical assistance on a range of economic growth support interventions in the immediate and medium-to-long term to mitigate negative economic results from COVID-19 and other external shocks that may develop.

## **I.3 PURPOSE OF THE EVALUATION**

The purpose of this mid-term performance evaluation is to: 1) determine the effectiveness of specific programmatic approaches in achieving intended life-of-program results; 2) provide recommendations on corrective actions and new directions for the remaining years of program implementation; and 3) inform the design of future programs. Specifically, this mid-term performance evaluation answers five overall evaluation questions and various sub-questions:

### **EQ 1 – How effective are the approaches and interventions used by US-SEGA toward advancing U.S. policy priorities and regional economic connectivity?**

- Have US-SEGA interventions resulted in APEC adopting and/or endorsing trade, investment, structural reforms? If yes, how so?



- What types of US-SEGA interventions can help APEC economies make changes to policies or practices in the areas of trade, investment, structural reforms, or general capacity building?
- How does US-SEGA convey the needs and concerns of U.S. firms and associations in the APEC fora?
- What are the economic benefits of regional connectivity in APEC?
- What are the challenges to improving and strengthening regional connectivity in APEC?

**EQ 2 – To what extent has integrating gender and inclusive development into programming been effective in achieving broad-based economic growth in APEC economies?**

- Do you believe enhanced regional connectivity could help close the gender inequality gaps?
- What are the ways in which men and women are affected differently by problems or opportunities in digital technology, energy, and climate change?
- What are the potential measures for improving women’s workforce participation and leadership in government, business, and civil society?
- To what extent are gender issues and inclusive development considerations mainstreamed into US-SEGA interventions?

**EQ 3 – To what extent has the project efficiently and effectively operated as a flexible, demand-driven mechanism to support inclusive and equitable economic growth?**

- Which US-SEGA research services and products are most useful at the country/economy or regional level?
- At the midpoint of the project, seven countries/economies have received technical assistance—what can be done to expand the reach of US-SEGA to other qualifying APEC economies?
- Until now, US-SEGA has primarily provided training support in trade and investment, are there other topics or activities that should be developed?
- How could the current communication and outreach activities be improved to raise awareness of US-SEGA assistance?

**EQ 4 – To what extent has the project’s knowledge management function used data-based evidence for disseminating best practices and piloting innovative approaches and technologies?**

- How does the activity use evidence-based data to integrate new learnings and adapt its management of the project?

- What factors influence the ability of the US-SEGA staff to acquire knowledge regarding innovations and best practices?
- Are there sufficient feedback mechanisms embedded in the US-SEGA approaches and operations?
- Which Collaborating, Learning Adapting (CLA) approaches are being used among USAID and DOS partners?
- Which CLA approaches are encouraging and/or influencing collaboration and learning with external partners, such as government counterparts, private sector, and Business Support Organizations (BSOs), other multilateral and bilateral partners?

**EQ 5 – To what extent has the project supported USAID missions to aid in COVID-19 economic response, relief, and recovery efforts?**

- Which COVID-related factors have negatively affected activity performance regionally and in specific countries?
- Are there COVID-related factors that have positively affected activity performance regionally and in specific countries?
- Has the US-SEGA team communicated to key stakeholders that there is funding available to address the economic and social impact of COVID-19?
- Which types of support would be required by targeted stakeholders to develop a concept note or proposal to apply for COVID-19 relief funds?

## **I.4 HOW THE REPORT IS ORGANIZED**

This evaluation report is organized as follows. Section two outlines the methods used to inform this evaluation, in addition to the sampling approach and data limitations. Section three presents findings, conclusions, and recommendations with respect to Component 1 – APEC Programming. Section four presents findings, conclusions, and recommendations with respect to Components 2 (Inclusive and Equitable Economic Growth Support) and 3 (COVID-19 Crisis Response). Section five presents areas of consideration for future programming, given findings and recommendations from all three components.

Annex I provides the scope of work (SOW) for this evaluation, and Annex II contains the interview protocols. Finally, Annexes III, IV and V present the findings and conclusions for each of the three case studies completed under this evaluation: the Inclusive and Resilient Growth Workstream under US-SEGA Component 1, and US-SEGA activities in the Maldives and Vietnam under US-SEGA Components 2 and 3.



## 2. METHODOLOGY

The Evaluation Team (ET) employed mixed methods to evaluate the US-SEGA activity from October 2021 to February 2022. The data collection methods included a comprehensive desk review, analysis of US-SEGA monitoring, evaluation, and learning (MEL) data, and key informant interviews (KII). Data analysis methods included content analysis of primary qualitative data and descriptive statistics of both primary qualitative data and secondary data retrieved from the MEL database. Given the different scope and administration of Component 1 (administered by DOS) and Components 2 and 3 (administered by USAID), the ET staged primary data collection to focus first on Components 2 and 3 in October 2021 and Component 1 in November 2021. Additionally, the ET separated the analysis of primary and secondary data by Component 1 and Components 2 and 3.

As part of this evaluation, the ET conducted three case studies aligning with all three components to provide a deeper understanding of how the activities were implemented. For each case study, additional key informants were interviewed, and additional documents were reviewed, relevant to each case study activity and content.

This section provides a description of the data collection and analysis methods employed by the ET to inform the evidence-based findings of this evaluation.

### 2.2 METHODS

#### 2.2.1 DESK REVIEW

The ET reviewed approximately 120 available documents related to all 53 activities implemented under US-SEGA Components 1, 2, and 3. These documents were provided by USAID, DOS, the activity's implementing partner (IP), and in-country partners and were sourced from secondary research. The types of documents reviewed included, activity midterm or final reports, annual reports, MEL plans, progress reports (annual, monthly, or quarterly), and presentations. The desk review provided contextual and background information on each activity and identified data gaps in advance of the KIIs.

#### 2.2.2 MEL PLAN DATA

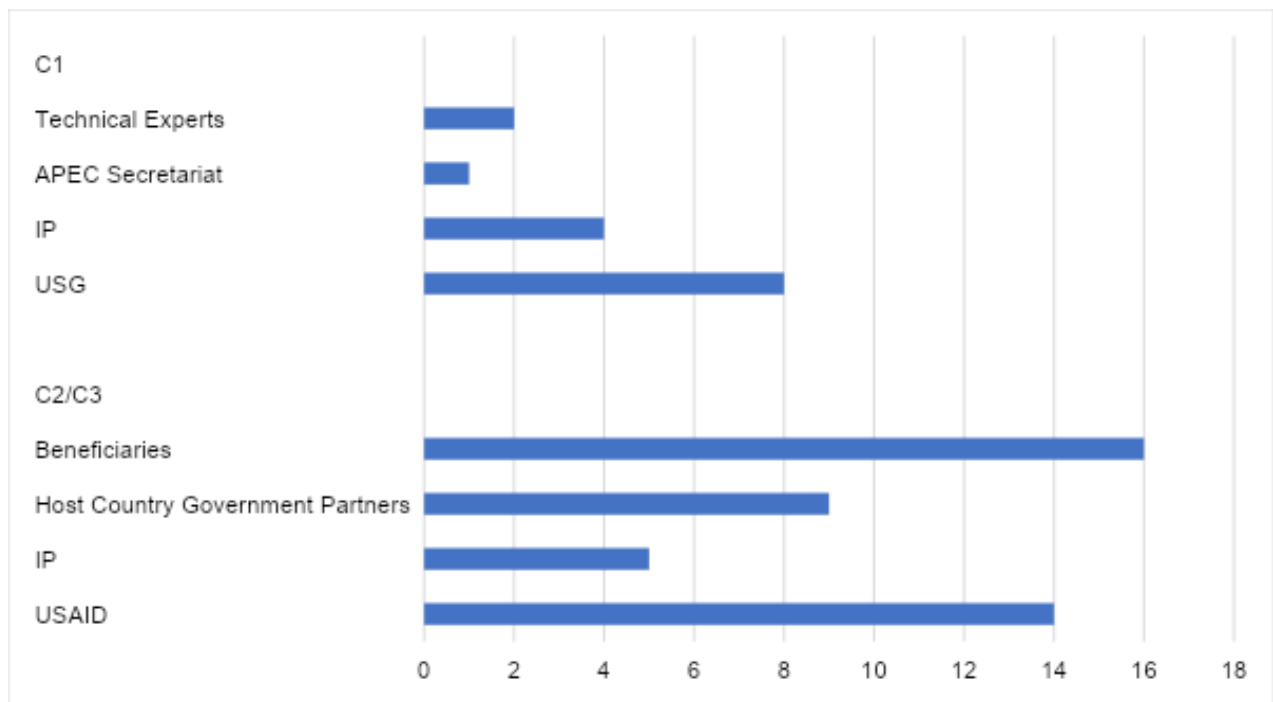
US-SEGA's IP provided the ET with access to the MEL database of activities and outcomes. The ET used this data to analyze outputs by Component and activity focus, using descriptive statistics. This data supplemented findings from the qualitative interviews and desk review.

#### 2.2.3 KEY INFORMANT INTERVIEWS

KIIs were conducted with 59 stakeholders across Components 1, 2 and 3. Key informants were broken into four main categories for Component 1: USG including DOS, United States Trade Representative

(USTR) and Department of Commerce (DOC) staff, IP (Nathan Associates), APEC Secretariat, and technical experts. For Components 2 and 3, key informants were broken into four main categories: USAID staff, IP (Nathan Associates), host-country government partners, and beneficiaries. Beneficiaries included local NGOs, private sector, and training and financial partners. Figure I presents the total number of stakeholders by category for each component. A specific interview guide tailored to each type of stakeholder was developed by the ET to target interview questions to the stakeholder’s experience and perspective to inform the five evaluation questions. All interviews were conducted remotely, due to ongoing restrictions associated with COVID-19. The ET conducted the interviews following USAID’s Best Practices for Research and informed respondents their answers would be confidential. Interviewers took thorough notes throughout each interview, which served as the basis of raw data for analysis.

**FIGURE I: TOTAL NUMBER OF STAKEHOLDERS INTERVIEWED BY CATEGORY**



## 2.2.4 CASE STUDIES

Three case studies were developed as part of this evaluation to provide an in-depth examination of three activities aligning with Components 1, 2, and 3. The case studies were selected in close consultation with USAID and DOS counterparts (see Table 1). One important selection criterion was whether an activity or workstream had an adequate period of performance to report measurable outputs. Another criterion was whether there was sufficient sampling of partners and beneficiaries available to collect data.

**TABLE 1: SELECTED CASE STUDIES PER US-SEGA COMPONENT**

<b>COMPONENT</b>	<b>CASE STUDY</b>
<b>1: Strengthening APEC</b>	Inclusive and Resilient Growth: Gender and Structural Growth, Women in STEM, Women Entrepreneurs in E-Commerce, Institutional Gender Training
<b>2: Supporting Economic Growth Programs</b>	Maldives: Public Financial Management Technical Assistance Program
<b>3: COVID-19 Crisis Response</b>	Vietnam Workforce Development Activity

### 2.2.5 ANALYSIS

Qualitative interview data were analyzed using qualitative content analysis techniques in NVIVO software. All interview notes were tagged according to variables of interest (i.e., component, country/economy focus, stakeholder category, sex of respondent) and reviewed for inconsistencies or mistakes by a third ET member. Then notes were uploaded into NVIVO and analyzed using a deductive codebook that aimed to align content under the five evaluation questions. Using content analysis, the ET used specific codes to capture text that generated the evidence-based findings under each evaluation question. Using this approach, the ET was able to determine patterns across types of stakeholders and activities. After content analysis, the ET was able to use descriptive statistics to quantify a few responses from key informants to supplement the key findings. Additionally, the ET used descriptive statistics to analyze the MEL data provided by Nathan Associates.

## 2.3 LIMITATIONS

This evaluation experienced several limitations to data collection. The ET took steps to mitigate each limitation to the extent feasible; each is described below.

- Sample selection:** Given the broad scope of the US-SEGA program, the ET targeted key stakeholders and direct beneficiaries to gather diverse perspectives across activities. Although the ET conducted 53 KIs to inform the evidence-based findings presented in this evaluation, these stakeholders do not comprehensively represent each activity implemented by US-SEGA. For example, there are a limited number of beneficiaries represented in the sample, which limits the perspectives to the findings.

- **Recall and response bias:** Recall bias may have affected the findings such that key informants could not remember or relay all experiences or reflections on each US-SEGA activity that they participated in. In addition, given that US-SEGA is an ongoing program, key informants may have been affected by response bias to share only positive feedback. To mitigate these forms of bias, the ET conducted a robust desk review before each KII to use targeted probing questions for each key informant to elicit specific and relevant information and spur their memory. Additionally, the ET told each key informant that their participation is totally voluntary and that their responses would be kept confidential.
- **Varying periods of performance:** At the time of data collection, the US-SEGA activities were at different stages of implementation and periods of performance. Some activities were completed, and respondents were thus able to share reflections about what did and did not work. But other activities were ongoing, so key informants could not discuss impacts or lessons learned.
- **COVID-19:** All data were collected via remote data collection methods due to restrictions associated with the ongoing COVID-19 pandemic. The ET used the Google Meet platform to facilitate conversations with each stakeholder, but the remote data collection environment often created delays to collect the data. In addition, for stakeholders that required translation assistance, it was a challenge to facilitate a fluid conversation to elicit in-depth information.

## 3. KEY FINDINGS FOR COMPONENT I: APEC

### PROGRAMMING

#### 3.1 OVERVIEW OF APEC

As noted in the Introduction, the US-SEGA project has three components that support the U.S. Department of State and USAID. Component I provides technical and operational support to the United States Government (USG) to strengthen the APEC forum and its member economies. APEC was established in 1989 to advance regional economic cooperation through addressing barriers to trade and investment. It operates as a cooperative, multilateral economic and trade forum. APEC achieves its goals by promoting dialogue and arriving at decisions on a consensus basis through its 60 technical working groups and a small, Singapore-based secretariat.

APEC's 21 members account for 40 percent of the world's population, 49 percent of global trade, and 59 percent of global Gross Domestic Product (GDP) in terms of purchasing power parity. Current U.S. priorities in APEC include making trade in the region free, fair and reciprocal, supporting U.S. innovation and the digital economy, helping U.S. companies do business, expanding women's participation in the economy, and promoting healthy, resilient, and sustainable economies.<sup>5</sup> In addition, the U.S. works closely with APEC partners to pursue rules-based business regulations as part of structural reforms to increase transparency and reduce corruption in member economies. These priorities are the key drivers for growth in the 21st century in the Asia-Pacific. Technical assistance from US-SEGA has served as an important mechanism for providing U.S. support to APEC; it has played a crucial role in advancing regional economic cooperation, helping APEC to become a more strategically managed institution, and advancing various components of the APEC objectives.

#### 3.2 EVALUATION SCOPE

Component I encompasses four major workstreams to 1) facilitate trade and investment, 2) implement regulatory and structural reform, 3) pursue inclusive and resilient growth, and 4) support institutional capacity building of the Secretariat. In these key areas, US-SEGA provides a range of services, including targeted technical assistance, policy studies and assessments, and institutional capacity building and training. In consultation with DOS and USAID staff, the ET selected two workstreams and four activities of the current portfolio of 23 activities in the CI portfolio to assess in this mid-term performance evaluation. These activities were selected because of their policy priority within APEC and availability of results delivered.

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<sup>5</sup> U.S. 2020 APEC Outcomes Fact Sheet, <https://2017-2021.state.gov/u-s-2020-apec-outcomes/index.html>



A case study was developed to provide an in-depth examination of activities aligning with the objectives of the inclusive and resilient growth workstream. Within the inclusive and resilient growth workstream, three activities are highlighted: gender and structural reform, women in science, technology, engineering and mathematics (stem), and women entrepreneurs in e-commerce.

### 3.3 OVERVIEW OF THE COMPONENT I WORKSTREAMS INCLUDED IN EVALUATION<sup>6</sup>

#### TRADE AND INVESTMENT FACILITATION: SERVICES

The Trade and Investment Facilitation workstream enhances APEC's capacity toward strengthening free, fair, and open trade and investment, especially through trade facilitation, increasing the competitiveness of the services sector, developing high standards, promoting the development of the digital economy, including e-commerce and digital trade and promoting and expanding the APEC services trade restrictiveness index (STRI). Under the Trade and Investment Facilitation Workstream, there is a specific focus on the "services economy," because it is a major driver of growth and productivity in the Asia-Pacific region and globally. The services economy comprises two-thirds of global economic output, including half of the world's jobs and approximately, one-quarter of direct exports.<sup>7</sup> The services sector has been drastically affected during the COVID-19 pandemic with mobility restrictions and social distancing measures creating major obstacles for interactions that are critical for traditional services delivery. The services sector has seen a slower recovery than manufacturing sectors in the same period of 2020-2021, which is why the Administration seeks to build consensus around trade policies that level the playing field and support the U.S. and APEC economies' recovery.

The main activities US-SEGA supported in services related to research and the published "*Study on APEC's Non-Binding Principles for Domestic Regulation of the Services Sector – A Focus on Domestic Regulations in Trade Agreements*," "*Next Generation Practices for Services Authorization in the Asia-Pacific Region*," and, "*Study on APEC's Non-binding Principles for Domestic Regulation of the Services Sector – Transparency and Predictability in Rulemaking*."<sup>8</sup> The *Study on APEC's Non-Binding Principles for Domestic Regulation of the Services Sector* compares domestic regulations across APEC

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<sup>6</sup> Under Component I, two workstreams were included in the evaluation (Trade and Investment Facilitation and Inclusive and Resilient Growth) and four activities under these two workstreams were assessed.

<sup>7</sup> United Nations Conference on Trade and Development. *Trade and Development Report 2021; from Recovery to Resilience: The Development Dimension*. United Nations, 2021.

<sup>8</sup> Asia-Pacific Economic Cooperation, and United States Agency for International Development. *Study on APEC's Non-Binding Principles for Domestic Regulation of the Services Sector: A Focus on Domestic Regulations in Trade Agreements*. Committee on Trade and Investment, Aug. 2021. *Asia-Pacific Economic Cooperation, and United States Agency for International Development. Next Generation Practices for Services Authorization in the Asia-Pacific Region*. Committee on Trade and Investment (CTI), Group on Services (GOS), Jan. 2021. Asia-Pacific Economic Cooperation, and United States Agency for International Development. *Study on APEC's Non-binding Principles for Domestic Regulation of the Services Sector – Transparency and Predictability in Rulemaking*. Committee on Trade and Investment (CTI), Group on Services (GOS), Jan 2020

economies to a selection of advanced trade initiatives and the economic advantages of streamlining domestic policies and regulations in the recovery context. A follow-up workshop was held in August 2021 to disseminate the study’s findings and develop actionable steps for increased transparency and harmonization of domestic regulations. US-SEGA worked closely with DOS, APEC, and the USTR to craft a joint initiative that resulted in a Statement of the APEC Group on Services Encouraging Completion of the WTO Services Domestic Regulation Joint Statement Initiative in September 2021.

Another study is underway to support openness and trade liberalization for service sectors that analyzed the benefits of the negative list scheduling method for services. US-SEGA’s Service Outputs Reported in 2021 are summarized in Table 2 below.

<b>TABLE 2: SERVICES OUTPUTS IN 2021 ACCORDING TO US-SEGA 2021 ANNUAL REPORT</b>	
<ul style="list-style-type: none"> <li>● Produced <i>Study on APEC’s Non-Binding Principles for Domestic Regulation of the Services Sector – A Focus on Domestic Regulations in Trade Agreements</i></li> <li>● Conducted workshop on Translating APEC’s Non-Binding Principles for Domestic Regulation of the Services Sector into Practice - A Focus on Domestic Regulations in Trade Agreements</li> <li>● Presented in and moderated the WTO Simply Services Seminar: Focus on Services Domestic Regulation</li> <li>● Launched report on negative list scheduling for services trade commitments</li> <li>● Conducted workshop on Advancing the Services Agenda in APEC: A Focus on Implementing the APEC Index Pilot Program</li> <li>● Delivered APEC Webinar Series on Advancing the Services Trade Agenda in APEC, including:               <ul style="list-style-type: none"> <li>○ Analytical Application of the STRI – Trade Cost Implications of Services Barriers</li> <li>○ Analytical Application of the STRI – Guiding Policy Options</li> <li>○ Exploring Digital Trade in Services</li> </ul> </li> </ul>	

**INCLUSIVE AND RESILIENT GROWTH: GENDER AND STRUCTURAL REFORM, WOMEN IN STEM, WOMEN ENTREPRENEURS IN E-COMMERCE**

The Inclusive and Resilient Growth workstream enhances APEC’s capacity to address the economic dimensions of trans-boundary threats to people and economies such as terrorism, pandemics, natural disasters, promoting energy security and sustainability, food security, and addressing barriers that restrict all citizens of the APEC region from fully participating in global trade, with a particular focus on small and medium enterprises (SMEs) and underrepresented and vulnerable groups, such as women, youth, the elderly, and persons with disabilities. Setting priorities within this workstream advances the USG National Strategy on Gender Equity and Equality’s priorities of closing gender gaps and ensuring that all people have equal access to well-paying jobs.

As the Asia-Pacific region has seen heightened economic growth, economies continue to work to ensure that all communities can fully contribute to the economy and share in the benefits of increased prosperity, and that growth is achieved sustainably to provide a more secure future for current and future generations. US-SEGA supported the development and implementation of the Santiago Roadmap for Women and Inclusive Growth and the Women's Economic Empowerment Ten Year Event. In 2021, US-SEGA expanded its Inclusive and Resilient Growth workstream to address women's economic participation in the Asia-Pacific and environmental sustainability goals, with a focus on promoting net zero and carbon neutral commitments as well as sharing knowledge for coastal resiliency efforts, in which communities can “bounce back” after events like hurricanes, storms, and flooding. US-SEGA provided continual and consistent technical support to mainstream gender into the agenda of the APEC Secretariat and Working Groups.

In collaboration with DOS and USAID, the ET selected three activities as illustrative examples within the Inclusive and Resilient Growth workstream to highlight the policy priorities of APEC economies and US-SEGA approaches:

- **Gender and Structural Reform** addresses policies and regulations that can either serve as barriers to employment opportunities for women or help ensure that women can access the same employment opportunities as men by mitigating obstacles and imbalances. Structural policies play an important part in creating lasting economic growth by strengthening environments in which workers, businesses, and economies can thrive. Reforming these policies toward inclusivity and ensuring that enforcement mechanisms are in place is critical to boosting productivity, creating a stronger business enabling environment, and generating greater GDP – all necessary to advance sustainable economic growth across the APEC region. These inclusive structural reforms can contribute to APEC's overarching goal of promoting balanced, inclusive, sustainable, innovative, and secure growth. The main outputs under this activity were the 2019 workshop on gender and structural reform and the APEC Women@Work Brief that was endorsed by APEC in 2019. economic activity.
- **Women in Science, Technology, Engineering, and Mathematics (STEM)** aims to increase the number of women who enter STEM fields, which is a significant untapped source of potential growth. When women enter STEM fields, workplaces become more inclusive, and research and development become more responsive and relevant to the needs of a wider set of the population. More women in STEM leads to substantial innovations as well as inclusive economic growth. This encourages economies to invest and promote women's insights and contributions, foster gender equality, and achieve inclusive economic growth. In 2019 US-SEGA facilitated the development and secured the endorsement of the APEC Women in STEM and held a multi-stakeholder launch event. In 2021, US-SEGA continued to work with DOS to

finalize the Women in STEM Metrics Framework, which provides a menu of options for operationalizing and measuring implementation progress of the [APEC Women in STEM Principles and Actions](#) and includes concrete indicators corresponding to the Principles and Actions. The Framework also helps stakeholders understand the data collection requirements in a more user-friendly format as they are implementing the Principles and Actions to track progress and measure gaps. Simplified reporting and analysis will help businesses, academia, and government advance the APEC Women in STEM Principles and Actions and articulate the impact of the actions in their own economy.

- **Women Entrepreneurs in E-Commerce** offer an increasingly important avenue for the development and internationalization of micro, small, and medium enterprises (MSMEs); global total e-commerce sales will generate an estimated \$5.5 trillion in 2022, with much of the growth driven by the Asia-Pacific region. Women in the APEC region face unique challenges in participating in digital trade. In 2020, US-SEGA developed the toolkit [Women-Owned Businesses in Cross-Border E-Commerce Diagnostic Toolkit](#), developed by US-SEGA, which aimed to support volunteer APEC economies to pilot the toolkit through economy-level workshops and build the capacity of volunteer economies to identify gaps in support for women entrepreneurs and/or women-owned SMEs in e-commerce. US-SEGA worked closely with DOS to identify volunteer developing economies to implement the toolkit at the economy level, which led to its implementation in Vietnam. US-SEGA coordinated with representatives from the Viet Nam Agency for Enterprise Development under the Ministry of Planning and Investment (AED-MPI) to launch a technical assistance activity to support women in accessing finance and understanding regulations in digital trade, customs, or intellectual property rights.

### 3.4 COMPONENT I FINDINGS

**EQ1. HOW EFFECTIVE ARE THE APPROACHES AND INTERVENTIONS USED BY US-SEGA TOWARDS ADVANCING U.S. POLICY PRIORITIES AND REGIONAL ECONOMIC CONNECTIVITY?**

#### **FINDING 1: US-SEGA SUPPORTED IMPORTANT TRADE ENABLING ACTION ENDORSED BY APEC SECRETARIAT**

According to the 2021 US-SEGA Annual Report<sup>9</sup>, the project has helped support a key trade-enabling action that was endorsed by APEC sectoral bodies and ultimately resulted in a Statement of the APEC Group on Services Encouraging Completion of the WTO Services Domestic Regulation. US-SEGA also reports that seven APEC member economies cited changes to policy or practices in the areas of trade and investment facilitation, regulatory and structural reform, inclusive and resilient growth, and institutional capacity building after receiving USG assistance. Further reported outputs include 104 stakeholders who engaged in US-SEGA workshops, papers, or policy documents, and seven US firms or business associations stated that US-SEGA activities have helped highlight private sector perspectives in APEC fora.

From the KIIs, all eight respondents from DOS (see box), USTR, and Department of Commerce expressed the opinion that US-SEGA advances U.S. policy priorities and improves regional connectivity among the APEC economies. One respondent observed that US-SEGA did a “good job” of customizing research products that balanced regional perspectives with economy-specific context, so that outcome goals reflected the unique features of a specific APEC economy while still advancing broader economic

*“US-SEGA services and products reinforce perceptions of common regional challenges and gaps by providing comparable economic metrics that link APEC economies.”*

- DOS respondent

goals. Three respondents cited the release of the Statement of the APEC Group on Services Encouraging Completion of the WTO Services Domestic Regulation and adoption of OECD data standards as a positive example of accelerating connectivity. US-SEGA provides continuity of services across changes in administrations through institutional knowledge of APEC structure and policies, which was cited as an important contribution to USG leadership in APEC. Two respondents noted that, although there are changes in APEC leadership, there is significant continuity in the individual members of APEC working groups, which makes it important for the USG to maintain documentation and institutional memory of initiatives and agreements. For example, US-SEGA produces robust data sets that show the income inequities rising across the region that may benefit from coordinated APEC responses.

#### **FINDING 2: US-SEGA ACTIVITIES CONTRIBUTED TO REGIONAL CONNECTIVITY**

<sup>9</sup> United States Agency for International Development. *Annual Report: January 1, 2021 - December 31, 2021*. Jan. 2022.

Responses to this question about approaches to regional connectivity varied by the activities in the two workstreams included in this evaluation. Respondents from the Services activities included in the Trade and Investment Facilitation Workstream indicated that the in-person training and discussions were effective for facilitating regional connectivity through action-oriented workshops on digital trade, telecommunications, and digital privacy. Respondents from the Inclusive and Resilience Growth Workstream said that generating and expanding APEC consensus on the importance of increasing women's economic participation and gender mainstreaming in digital trade, STEM, and structural reforms contributed to greater regional connectivity. Focusing on gender equity and equality can be a quick entry point to enhancing regional connectivity because gender issues cover every geographic area within APEC.

Several DOS respondents observed that US-SEGA provided critical support at the Women and the Economy Forum (WEF) held in La Serena, Chile before COVID-19. The IP staff were instrumental and effective in supporting the 21 member states through action-oriented workshops and panels on regional issues such as gender structural reform efforts. US-SEGA developed the APEC Women@Work brief that was finalized at the WEF. The brief specifically examined how laws and regulations limit or enable women to enter, remain, and advance in the formal sector workforce in the APEC region, with an emphasis on access to wage employment and retention. This achievement was cited as an example of contributing to regional connectivity.

**EQ2: TO WHAT EXTENT HAS INTEGRATING GENDER AND INCLUSIVE DEVELOPMENT INTO PROGRAMMING BEEN EFFECTIVE IN ACHIEVING BROAD-BASED ECONOMIC GROWTH IN APEC ECONOMIES?**

### **FINDING 3: US-SEGA SUPPORTS ACTIONS THAT UNDERPIN INCLUSIVE AND RESILIENT ECONOMIC GROWTH**

From the ET's qualitative analysis, this finding is nuanced according to the activities under the principal workstreams. For the gender-focused activities, respondents said that much work is being done to promote gender inclusivity and advancing women's empowerment agendas both through APEC as well as within the USG. The priority issues for US-SEGA include supporting women entrepreneurs in e-commerce, improving women's access to STEM, and supporting evidence to accelerate structural reforms. Respondents also indicated



that gender inclusivity was a priority for the APEC Secretariat.

There was a strong consensus by stakeholders that under the Inclusive and Resilient Growth Workstream, US-SEGA mainstreams gender activities effectively to garner broad support across the economies, which is also reflected in US-SEGA's MEL plan and reporting of results. US-SEGA aligns gender goals in APEC and "threads the needle" in balancing US interests with other economies, according to one respondent. The U.S. National Policy on Gender Equity and Equality<sup>10</sup> highlights the importance of mainstreaming gender policies through structural reforms, which is also reflected in the US-SEGA approach to gender-related activities (see box). On the other hand, respondents who were familiar with the Services activities under the Trade and Investment Facilitation Workstream said that although many women participated in activities (per these respondents' observations), it was unclear to what extent this was an intentionally inclusive approach to integrate and promote women's participation in activities.

According to the IP, US-SEGA intentionally sought out gender balance among participants and speakers in all workshops and webinars under the Services workstream, including specific language to this end in all invitations and participant nomination forms to APEC members. On featured speakers, US-SEGA led tasks to secure speakers for the August 2021 workshop on Translating APEC's Non-Binding Principles for Domestic Regulation of the Services Sector into Practice - A Focus on Domestic Regulations in Trade Agreements, and 50 percent of technical speakers in the panel sessions were women (this gender balance holds when considering panel moderators as well).

Additionally in the August 2021 workshop on Translating APEC's Non-Binding Principles for Domestic Regulation of the Services Sector into Practice - A Focus on Domestic Regulations in Trade Agreements, US-SEGA also advised speakers to discuss the barriers and trade costs of opaque and burdensome services regulatory environments for women-owned businesses (including women-owned small and medium-sized enterprises), as well as the opportunities presented to women through recent services domestic regulation initiatives. The slide decks from two speakers' presentations reflect the inclusion of gendered perspectives.

One important function performed by US-SEGA is archiving and maintaining a central repository for data and reports among interagency actors working across all workstreams related to gender, which has helped to streamline findings and enabled timely and key pivots in APEC working group discussions, said one DOS respondent. Another DOS respondent, however, said it should be noted that it is hard to attribute causation to policy changes to US-SEGA activities, because the long timeframe needed to influence gender policy and other structural changes, but policy change is where APEC members are most focused for seeing results and measuring impact.

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<sup>10</sup> U.S. National Strategy on Gender Equity and Equality was launched in October 2021.

#### **FINDING 4: US-SEGA TOOLS FOR INCLUSIVE AND RESILIENT GROWTH ACTIVITIES ARE RELEVANT AND USEFUL**

US-SEGA has allocated significant project resources toward accelerating USG leadership in approaches to inclusive growth, women's economic participation, and women's leadership throughout the APEC region. These approaches focused on conducting research and developing diagnostic tools, which were relevant and useful according to USG and APEC respondents. US-SEGA is currently supporting economies to use the APEC/OECD metrics to assess effectiveness of approaches for private sector engagement in Services, Women in STEM, and Women Entrepreneurs in E-Commerce. Key stakeholders from USTR, Department of Commerce, and DOS noted that US-SEGA had built good relationships with APEC partners, which helped them socialize the new tools.

It is difficult, however, to assess the extent of the impact of US-SEGA support in advancing USG gender equity and equality goals for several reasons. First, there is not sufficient sex-disaggregated data to measure the gender gaps in APEC economies. There was also limited evidence on how US-SEGA's activities produce results for cross-cutting and intersectional gender issues. The *Economic Impact Assessment (EIA)* tool has the potential to illustrate if and how GDP may be affected, when economies enact laws and regulations that remove structural barriers impeding women's economic participation. Second, other tools such as the *La Serena Roadmap for Women and Inclusive Growth*, which was endorsed by APEC leaders in 2019 provide relevant raw data and analysis, but the findings and recommendations may not easily be accessible to many audiences.

Respondents from DOS stated that US-SEGA approaches have been effective in integrating and promoting gender and women's economic participation in the Inclusive and Resilient Growth Workstream but US-SEGA approaches to gender mainstreaming in the other workstreams was less visible. One new potential area for US-SEGA support is documenting gender and inclusive growth best practices across all workstreams that helped the APEC Secretariat establish institutional guidelines based on lessons learned throughout the various iterations of the US-SEGA mechanism. One respondent said this is important for continuity and building institutional memory.

#### **FINDING 5: US-SEGA TECHNICAL SUPPORT ADAPTS TO CHANGING PRIORITIES**

US-SEGA support increased the USG's capacity to advance gender and inclusive growth policy priorities and lead initiatives through the APEC Secretariat, Committees, and Working Groups. There was a strong consensus amongst key stakeholders that US-SEGA delivered vital support that advanced USG diplomacy in the Inclusive and Resilient Growth Workstream. One recent 4-page publication, "*Gender and Structural Reform: Achieving Economic Growth through Inclusive Policies*"<sup>11</sup> (see box on the previous page) highlights the importance of structural policies to promote women's economic

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<sup>11</sup> Nathan Associates Inc. *Gender and Structural Reform: Achieving Economic Growth through Inclusive Policies*,



participation, reduce inequality, and stimulate growth. It provides a high-level overview of the EIA tool that builds on the research and findings from other US-SEGA supported products including the *2020 APEC Economic Policy Report on Women’s Empowerment and Structural Reform*. Another 4-page brief, “*Highlights from APEC Women@Work*”<sup>12</sup> (see box on the next page), describes how women enter, remain, and advance in the formal sector workforce in the APEC region, with an emphasis on access to wage employment and retention. The brief also features strategic recommendations that can be adopted through APEC’s Economic Committee’s (EC) structural reform agenda, as well as at the economy level, to improve women’s labor force participation and accelerate economic growth across the Asia-Pacific region.

US-SEGA may need to allocate more resources to align its technical expertise in emerging priority areas. For example, several respondents said that the US-SEGA team would benefit from a “deeper and wider” understanding of gender issues in energy, women in STEM, and how digital policies affect women differently than men. US-SEGA staff and short-term technical advisors demonstrated strong technical and operational expertise in guiding structural reforms, according to respondents, but additional technical expertise for Women in STEM would potentially generate a larger impact.

**EQ3: TO WHAT EXTENT HAS THE PROJECT EFFICIENTLY AND EFFECTIVELY OPERATED AS A FLEXIBLE MECHANISM TO SUPPORT INCLUSIVE AND EQUITABLE ECONOMIC GROWTH?**

### **FINDING 6: US-SEGA MECHANISM WAS EFFICIENT AND FLEXIBLE IN DELIVERING TECHNICAL SUPPORT**

US-SEGA supported multiple workstreams with action-oriented approaches and identified appropriate technical experts to conduct research and support Services-related negotiations, according to three DOS and USTR respondents. They viewed the US-SEGA mechanism as a flexible, adaptable mechanism that supported policy-oriented goals and was able to focus on longer term results. Overall, most respondents indicated that the IP has been doing an efficient job at implementing activities to support APEC, although several key stakeholders noted a meaningful gender lens did not seem to be intentionally integrated into all of the



<sup>12</sup> Asia-Pacific Economic Cooperation, and United States Agency for International Development. *APEC Women@Work*. United States Agency for International Development, Dec. 2019.

workstreams. The IP's strong logistical capacity was critical when COVID-19 forced the USG to transition to virtual capacity building.

A similar view was expressed by one respondent from the APEC Secretariat, who said that US-SEGA filled a key gap within APEC to provide technical expertise rapidly to APEC economies that would not necessarily have the resources, capacity, or time to conduct research and assessments. This respondent was impressed with the IP's project management, expertise within APEC and trade-related issues, and the resources US-SEGA brought (see box):

*"US-SEGA team was very professional, knew all the APEC rules and the workstream of activities were well defined, and the engagement strategy followed a good logic." –*

APEC respondent

Respondents from both the Services and Inclusive and Resilient Growth workstreams said that the IP was good at structuring overall tactics to carry out the broader vision through improving the quality of Services-related statistics and regulatory processes. The IP demonstrated an ability to know which tools to use and which not to use. Several respondents emphasized that the IP hired qualified consultants to design studies, collect data, and present the analyses at multi-country or country-level workshops. USTR stakeholders offered that the IP assembled a pool of in-house experts and outside consultants to share relevant expertise, which allowed the USG to deliver messages from non-USG affiliated experts, who were perceived as being more neutral than USG delegates. This, in turn, conveyed messages from renowned technical experts in a manner that may have been easier for APEC economies to accept. US-SEGA allowed USTR to set multiple time-bound priorities, because of the additional resources.

## **FINDING 7: THE COMPLEXITY OF DOS ENGAGEMENT AND WORKSTREAMS INFLUENCE THE EFFECTIVENESS OF THE MECHANISM**

US-SEGA, according to two DOS respondents who have used the mechanism for more than eight years, explained that US-SEGA works well in the way it was designed, but there were implementation challenges, because the USG has a much “heavier hand” in developing and implementing CI activities that may be unfamiliar to USG contractors. At the same time, (see box) Interagency partners and key stakeholders such as USTR and Department of Commerce commented on how US-SEGA improved longer term relationship building with key partners. For example, US-SEGA support allowed 18 people from 11 economies to participate in the Organization for Economic Cooperation and Development (OECD) Services-related data gathering exercise that would bolster future policy-oriented goals.

*“Sometimes our USG interagency partners can be disengaged and disappointing, so we must work around this limitation. US-SEGA staff could potentially fill this resource gap when APEC initiatives become stalled out and there are not enough strong ideas brought to the table by our delegation.”*

– DOS respondent

Several DOS respondents said that US-SEGA had to be flexible, because the USG engages in multiple workstreams and activities that require varying types of technical expertise and operational support. In general, the mechanism demonstrated flexibility, given the wide diversity of all the activities, but resource allocation and prioritization were uneven at times, because some workstreams were well staffed and supported by external technical experts while other workstreams had to rely solely on the IP’s available staff. The mechanism amplified the existing capacities within USG and APEC Working Groups and provided surge capacity at critical junctures. For example, US-SEGA support increased USG efficiency and effectiveness in hosting leadership events and convening power for conferences and workshops.

**EQ4: TO WHAT EXTENT HAS US-SEGA’S KNOWLEDGE MANAGEMENT FUNCTION USED EVIDENCE-BASED DATA FOR DISSEMINATING BEST PRACTICES AND PILOTING INNOVATIVE APPROACHES AND TECHNOLOGIES?**

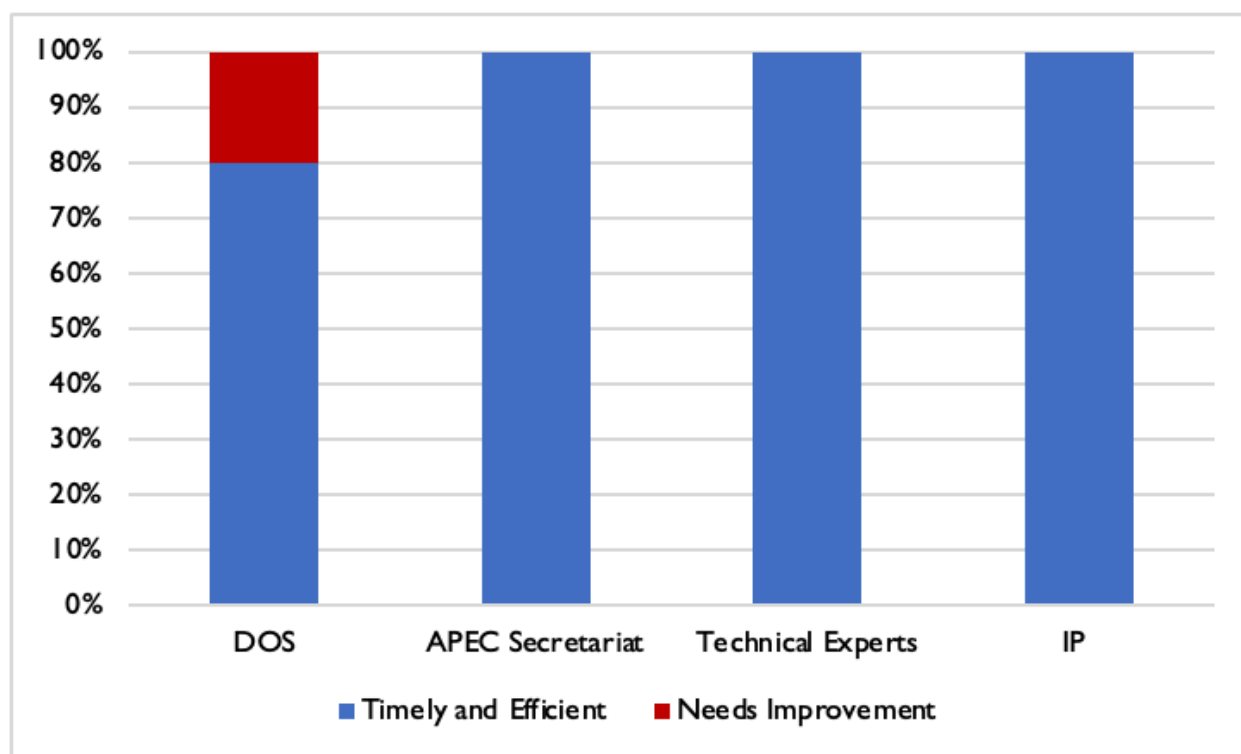
## **FINDING 8: COMMUNICATION BETWEEN THE IP AND USG PARTNERS WAS HIGHLY EFFICIENT AND SATISFACTORY**

Respondents indicated that communication between the IP and DOS was timely, efficient, and effective in most of their experiences. Key stakeholders said that the communications among partners “hit the right tone” and the IP’s team was actively engaged and responsive to the workplan, timeline, and targets. Respondents were complimentary of the IP’s written communication exchanges and the responsiveness to client demands. The US-SEGA staff were characterized as “responsive” and “professional” in their communication with USG and APEC partners. Only one DOS respondent said that IP staff did not always follow communication protocols in communicating with the APEC Working

Groups by not including a USG delegate in email correspondence. According to this stakeholder, this oversight happened multiple times throughout 2021.

Figure 2 below illustrates the very positive feedback from key stakeholders regarding communication among partners, according to KIIs. It should be noted, however, this is a small sampling size.

**FIGURE 2: STAKEHOLDERS' PERCEPTIONS OF COMMUNICATION WITH US-SEGA TEAM BASED ON KIIS (n = 15)**



### **FINDING 9: COMMUNICATION PRODUCTS NEED TO REACH DIVERSE STAKEHOLDERS**

Key stakeholders said that US-SEGA produced relevant case studies with appropriate size and scope to support implementation of activities. US-SEGA integrated economic tools and learning events into the APEC’s Working Groups, which supported diplomacy by producing high quality materials and providing critical operational support. Some publications, such as the cybersecurity best practices document, was continuously used as a reference document even beyond APEC, according to one respondent.

The only frequently mentioned criticism of US-SEGA support to APEC was related to challenges in strategic communications and

*“The only area of improvement revolves around better communication on how to showcase results, as it is difficult to make the link between workshop or work product to a concrete result. SEGA needs to showcase and highlight wins and communicate to partners how has the SEGA TA helped local economies in APEC and how SEGA produced a resource that was beyond the individual workshop.”*

– DOS respondent

the IP's slow response to requests for "telling the story" in a way that is accessible to diverse audiences. Multiple stakeholders said that the US-SEGA-produced reports tended to be long and dense and would benefit from concise, visually attractive executive summaries. The publications tended to use a lot of raw data without qualitative analysis that linked it to country/economy context. Under US-SEGA, the team collects and analyzes huge raw datasets but does not necessarily produce actionable findings related to specific topics, such as how to navigate trade barriers or reduce vast economic inequalities and gender disparity in the region. About half of the DOS respondents said that one area of needed improvement related to communicating results to people who were not economists or deeply interested in comparative data. More targeted communication products would allow DOS to better explain achievements and incremental progress with interagency partners and on Capitol Hill.

The US-SEGA team may need to bolster internal capacity to highlight through communications or publications what the USG is trying to solve in its engagements with APEC. The publication of outreach materials was sometimes behind schedule and did not always receive the appropriate level of attention, according to multiple DOS respondents. Further, it was unclear to many stakeholders if the IP had developed strategic dissemination plans to share important lessons learned.

In late February 2022, during this evaluation's period of performance, the IP took active steps to develop briefs that highlighted key takeaways of APEC workshops as well as plans to disseminate these new materials, which are listed in Findings 3 and 6. According to the IP, briefings, monitoring and evaluation summaries and dissemination plans were utilized from 2020 onwards. The ET cannot, however, assess the extent to which these actions will be effective and responsive to the DOS requests for outreach materials.

US-SEGA leveraged its networks of private sector and NGOs partners but would benefit from strengthening its recruitment of relevant stakeholders based in the APEC region, according to a few stakeholders. There was an expectation that the IP's staff would actively expand its roster of potential U.S. business partners and relevant NGOs. According to the US-SEGA SOW included in its contract, "project implementation should include effective coordination with the private sector, and the IP will be asked to identify specific areas where private sector cooperation and engagement might result in progress towards US-SEGA's goals and objectives."<sup>13</sup>

**EQ5: TO WHAT EXTENT HAS US-SEGA SUPPORTED COVID-19 ECONOMIC RESPONSE, RELIEF AND RECOVERY EFFORTS?**

## **FINDING 10: US-SEGA SUPPORT FURTHERED UNDERSTANDING OF THE ECONOMIC IMPACT OF COVID-19**

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<sup>13</sup> Per the Scope of Work contained in Request for Proposal No. 7200AA18R00055, published May 17, 2018.

The shifting priorities of the APEC schedule required reallocation of resources across workstreams to meet rising demands for specialized technical support. For example, regulatory policies guiding the digital economy became a higher priority, as new opportunities opened in APEC economies to reach markets through digital trade. US-SEGA adapted its approach to activities across workstreams to operate within the context of COVID-19. US-SEGA adjusted its staffing structures to meet the new demands of virtual programming delivery in response to COVID-19 travel and safety considerations by switching to online training platforms. Pivoting efficiently to online formats during COVID-19 pandemic by US-SEGA staff was noted by many respondents.

As noted in the Overview, the COVID-19 pandemic drastically impacted the services economy, due to mobility restrictions and the absence of in-person interactions. The vaccine supply chains<sup>14</sup> also were affected in the region, which led to renewed efforts to accelerate digital supply chains and simplify procedures for shipments to APEC economies. US-SEGA played a critical operational role in hosting and supporting APEC fora in 2021, such as the APEC Alliance for Supply Chain Connectivity (A2C2), which provided a forum where public and private sector representatives can discuss mechanisms to improve regional supply chains, collaboratively design capacity building support projects, and work to identify a wide range of ways to collectively implement technical assistance programs. Panelists from various APEC economies and private sectors shared approaches and lessons in health services and other sectors from the COVID-19 crisis, which was important according to respondents.

**FINDING 11: US-SEGA ACTIVITIES EXPERIENCED LIMITATIONS DUE TO COVID-19**

Multiple nuanced points were raised with respect to the impact of COVID-19 on US-SEGA activities for CI. Several respondents that shared insights on the effect of COVID-19 on US-SEGA activities indicated that the pandemic had a negative impact, as the main activities for CI included convening in-person conferences of APEC stakeholders, which were very effective. Moving to the virtual format posed significant challenges to continue implementing activities without interruption, because it was harder to coordinate with APEC partners in identifying which people should be included in virtual meetings. A second factor that affected the effectiveness of virtual meetings was the diminished ability to understand cultural nuances or sensitivities among some APEC governments’ willingness or sensitivities regarding targeted outcomes. The virtual format shifted a priority focus for APEC around Services activities.

*“COVID-19 caused a change in focus to COVID relief, which impacted momentum that had been building within APEC around services.”*  
- APEC Secretariat respondent

<sup>14</sup> US-SEGA supports vaccine supply chains in the APEC region but this activity was included in the evaluation.

On a positive note, one IP respondent indicated COVID-19 did make team members more aware of the “environmental footprint” associated with international travel and that in the future, it may not be necessary to travel to be physically present for a two-day conference.

## **FINDING 12: US-SEGA COULD FACILITATE EXCHANGES BETWEEN DOS AND USAID REGARDING COVID-19 RELIEF APPROACHES**

Two respondents said that US-SEGA should find opportunities to link the activities and learning across the components of the US-SEGA project. One DOS respondent stated, “*Increasing visibility of what is happening at the bilateral level with USAID Missions’ COVID-19 relief programming would be useful to inform USG regional perspectives.*”

The 2020 and 2021 US-SEGA Annual Reports and Work Plans present the workstreams and activities under Component 1 activities separately from those of Components 2 and 3. The current strategic and operational approaches do not lend themselves to integrated learning from each component, unless there is a concerted effort to capture and share best practices. One DOS respondent noted that USAID staff are rarely present during video calls with DOS staff, which may be due to time constraints and different agendas. There is expressed interest, however, in cross-learning about how the different USG agencies are responding to COVID-19 relief efforts.

## **3.5 CONCLUSIONS**

Based on its analysis of a desk review of secondary data and primary qualitative data collection, the ET concludes that the US-SEGA mechanism was efficient and effective in delivering technical and operational support to DOS and other interagency partners, including USTR. The US-SEGA support increased the USG’s capacity to advance policy priorities and lead initiatives through the APEC Secretariat, Committees, and Working Groups. This surge capacity was especially visible in hosting APEC leadership events and bolstering the USG’s convening power. The US-SEGA mechanism permitted rapid response to a very diverse demand for services and products through simplified procurement processes. There was a strong consensus among key stakeholders that US-SEGA delivered vital operational support that advanced USG diplomacy.

In the future, key stakeholders suggested that US-SEGA could improve its technical approach related to APEC conferences, workshops, and capacity building support. US-SEGA should assess its quality assurance processes for preparing conference materials and supporting documents, so that the content of these materials will generate concrete deliverables by guiding participants through steps that result in desired outcomes. Another example cited was that US-SEGA should deliver concrete follow-up actions and documenting lessons from conferences and workshops to identify and measure the impact of these activities for APEC economies. The US-SEGA team should develop a strategy to enable “good ideas” and

best practices to be captured and adopted at the political level after the APEC Secretariat and Committees convene policy discussions.

Advancing the status of women and girls and other vulnerable populations is a stated goal of US-SEGA's activities. In turn, US-SEGA has allocated significant project resources toward accelerating USG leadership in approaches to inclusive growth, women's economic participation, and women's leadership throughout the APEC region. It is difficult to assess the overall impact of US-SEGA support in advancing USG gender equity and equality goals for several reasons. First, there is not sufficient sex-disaggregated data to measure the gender gaps in APEC economies. Second, there was limited evidence on how US-SEGA's activities produce results for cross-cutting and intersectional gender issues. The *Economic Impact Assessment* tool has the potential to illustrate if and how GDP may be affected when economies enact laws and regulations that remove structural barriers impeding women's economic participation. Third, other tools such as the *La Serena Roadmap for Women and Inclusive Growth* and the *APEC Women and the Economy Dashboard* provide relevant raw data and analysis, but the findings and recommendations in current communications and publications are not easily accessible to many audiences.

US-SEGA contributions to improving regulatory processes in the Services area were also difficult to measure, but key stakeholders cited two concrete achievements. The culmination of efforts to achieve a joint WTO-APEC endorsement of domestic regulation of Services was considered a significant outcome. Secondly, key stakeholders from USTR benefited from US-SEGA research, because it filled capacity gaps for the smaller agency that did not have sufficient resources to conduct studies of certain magnitude without support. Engaging APEC partners in discussions regarding liberalizing trade policies was a significant challenge for USTR and DOS, and the operational and research support that US-SEGA boosted USG capacity in important ways.

As illustrated in the findings, there was limited cross-pollination of lessons learned, best practices, and key findings among the approaches. In general, even though certain US-SEGA activities involved the same economies or thematic areas across project components, the US-SEGA approaches under each of these components were largely siloed. Somewhat related, US-SEGA did not always respond to the USG partners' requests for more accessible communications and publications that could convey achievements and APEC policy advances to diverse audiences. The IP's lack of expertise in strategic communications was frequently mentioned as a limitation. Based on the limited perspectives represented in this sample, it is not clear if US-SEGA communications and publications were disseminated sufficiently, if at all, to key external partners.

Similarly, the case study reveals that US-SEGA may need to assess its staffing composition to in anticipation of future technical needs in the Inclusive and Resilient Growth Workstream, especially in the



areas of Women in STEM and digital trade affecting Women Entrepreneurs in E-Commerce. Other emerging priorities such as gendered implications of climate change are likely to require additional technical expertise on the IP's team.

## **4. KEY FINDINGS FOR COMPONENT 2 & 3: INCLUSIVE & EQUITABLE ECONOMIC GROWTH COVID-19 CRISIS RESPONSE**

### **4.1 OVERVIEW OF SEGA'S ACTIVITIES UNDER COMPONENTS 2 AND 3**

The two additional components of US-SEGA focus on providing economic growth support (Component 2) and COVID-19 response support (Component 3) to key target economies. Component 2 offers USAID Missions in the Asia-Pacific support via a flexible mechanism to respond to new economic growth opportunities. The mechanism is intended to be both flexible and rapid to provide demand-driven support for economic growth activities across a range of technical areas, including digital connectivity, trade and investment, energy, infrastructure, private sector engagement, market systems, and women's economic empowerment. In addition to providing this flexible and rapid support, US-SEGA is designed to disseminate lessons learned and best practices to support USAID Missions in their design and implementation approaches.

The third, and final, component of US-SEGA was added in August 2020 with the aim to support USAID Missions in addressing the negative and unexpected effects of COVID-19 on its programs in the short, medium, and long terms. Therefore, US-SEGA's Component 3 provides a flexible mechanism that Missions can use to garner support in adapting programming to adjust to evolving needs due to the COVID-19 crises and subsequent economic effects.

### **4.2 EVALUATION SCOPE**

Under Components 2 and 3, US-SEGA provides a range of services, including targeted technical assistance, institutional capacity building and training, case study assessments, and policy studies and assessments. The ET assessed seven key activities deployed under C2/C3 (outlined in the following section) in addition to two case studies, selected by the ET in consultation with USAID staff.<sup>15</sup> These seven activities were chosen in consultation with USAID, because they were either completed or were operational long enough to report results; they serve as illustrative examples of activities. These two case studies took a deeper look at activity implementation, outcomes, and areas for improvement from a variety of different stakeholders. The case study findings are presented in Annex IV and V, respectively, to highlight the respective key findings and conclusions.

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<sup>15</sup> The seven activities evaluated under C2/C3 were ongoing during the period of performance under review and had sufficient documentation to review.

## **4.3 ACTIVITIES INCLUDED IN EVALUATION**

This section presents a brief overview of the seven key activities deployed by US-SEGA that are included in this mid-term performance evaluation. Five activities were reviewed under Component 2 and two activities were reviewed under Component 3; of these seven activities, two were selected for a case study, the findings for which are presented in Annexes IV and V.

### **COMPONENT 2**

#### **PAPUA NEW GUINEA TRADE RESPONSE ACTIVITY**

The Government of Papua New Guinea (PNG) requested technical assistance from US-SEGA to increase PNG trade officials' capacity to develop evidence-based trade policies to inform bilateral free-trade agreement (FTA) negotiations. To do so, US-SEGA has conducted key needs assessments, trainings, and capacity building events and has coordinated with multiple USAID missions to continue to provide targeted technical and capacity building support within PNG's National Trade Office (NTO).

#### **AMCHAM+ SUPPORT ACTIVITY FOR PAPUA NEW GUINEA, SOLOMON ISLANDS, AND VANUATU**

This activity's objectives were to launch an American Chamber of Commerce (AmCham) for Papua New Guinea, Solomon Islands, and Vanuatu to facilitate trade and investment with the United States. Based in Port Moresby, Papua New Guinea, with branches intended to later come in Solomon Islands and Vanuatu, the AmCham is committed to diversity and ensuring equity, inclusion, engagement, and respect. The activity supports USAID/PNG's Integrated Country Strategy goal for *A Sustainable, Inclusive, Free and Open Economy that Promotes Growth and Mutual Prosperity*, and supports women's economic empowerment in the region and advances USAID's private sector engagement in PNG, the Solomon Islands, and Vanuatu.

#### **MALDIVES PFM TECHNICAL ASSISTANCE PROGRAM**

US-SEGA provided flexible support to the Government of the Maldives (GOM) following the 2018 elections. The overall objective of the Maldives PFM Technical Assistance Program was to strengthen public financial management through improved budget formulation and public investment management in the Maldives. Further details on this activity are detailed in the case study of this activity, presented in Annex V.

#### **UZBEKISTAN DIGITAL ECOSYSTEM COUNTRY ASSESSMENT**

Under this activity, US-SEGA conducted a Digital Ecosystem Country Assessment (DECA) that provided an in-depth mapping and analysis to better understand the opportunities and challenges facing Uzbekistan's digital ecosystem. The DECA is a newly developed tool that helps Missions understand the

strengths, gaps, and opportunities within a country's digital ecosystem. The DECA employed in Uzbekistan in 2021 analyzed the digital ecosystem around three main pillars: 1) digital infrastructure, access, and use; 2) digital society and government; and 3) digital economy. The DECA's outcomes helped the Mission shape their priorities and programming around the digital ecosystem and served as a pilot implementation of the DECA toolkit for the USAID Innovation, Technology, and Research Hub.

### **VIETNAM WORKFORCE DEVELOPMENT (WFD) ACTIVITY**

USAID/Vietnam executed a series of complementary activities under US-SEGA to capitalize on growing momentum to prepare Vietnam's workforce with Fourth Industrial Revolution (4IR) skills and take a leadership role in developing a private sector solution to address 4IR skills and workforce development gaps in Vietnam. These activities culminated in the July 2021 launch of the "Workforce for an Innovation and Start-up Ecosystem" (WISE) Project: Further details on this activity are detailed in the case study of this activity, presented in Annex IV.

## **COMPONENT 3**

### **CAMBODIA WORKFORCE DEVELOPMENT ACTIVITY**

In response to the negative economic effects of COVID-19, US-SEGA aims to mitigate these negative effects with a focus on ensuring inclusive and equitable economic recovery in Cambodia via the Cambodia Workforce Development Activity. To achieve this objective, US-SEGA conducted a labor market assessment to assess key vulnerable populations in the workforce and to conduct pilots in collaboration with other partners to target skills trainings for garment factory workers and ICT workers.

### **SOLOMON ISLANDS STRENGTHENING COMPETITIVENESS, AGRICULTURE, LIVELIHOODS AND ENVIRONMENT (SI-SCALE)**

The SI-SCALE project was designed to support the advancement of the Solomon Islands' economic competitiveness and inclusiveness, with a focus on agribusiness and forestry sectors. Overall, the project aims to foster transparent trade and investment regimes for the Solomon Islands and to improve governance of key resources in the respective sectors to enable sustainable development. US-SEGA supported the SI-SCALE project by conducting stakeholder consultations, a political economy analysis, and a comprehensive assessment of the competitive environment for the Solomon Islands to strengthen the effectiveness of the SI-SCALE project implementation.

## **4.3 FINDINGS OF SEGA IMPLEMENTATION OF COMPONENTS 2 AND 3**

**EQ1. HOW EFFECTIVE ARE THE APPROACHES AND INTERVENTIONS USED BY SEGA TOWARD ADVANCING U.S. POLICY PRIORITIES AND REGIONAL ECONOMIC CONNECTIVITY?**

**FINDING 1: US-SEGA PROVIDES CRITICAL RESOURCES THAT ACT AS A BRIDGE FOR PROMOTING BROADER U.S. STRATEGIC AGENDAS**

US-SEGA was designed to deliver rapid technical assistance and it proved to be an efficient and effective mechanism for providing critical technical support that helped to advance U.S. strategic priorities. For example, as evident in the US-SEGA Maldives Public Financial Management (PFM) Technical Assistance Activity, US-SEGA provided targeted technical assistance that strengthened capacity in key Government of Maldives (GOM) ministries following the October 2018 elections. The mechanism was flexible and allowed for adjustments in the Scope of Work, because there were many gaps in the GOM's institutional capacity and human resources. Respondents also noted the high level of technical expertise provided by US-SEGA advisors who had relevant public sector experience. The US-SEGA technical assistance informed future Mission programming and established an important foundation for the five-year USAID PFM Maldives project launched by USAID/Sri Lanka and Maldives in 2021. Through the capacity building interventions, such as training, hands-on workshops, and follow-on support, the GOM and its staff understand the benefits of long-term planning, in large part, because they see the value and why it matters, providing USAID opportunities to support new reforms that incorporate good governance and transparency.

Further, as evident in the US-SEGA Vietnam Workforce Development Activity, US-SEGA provided catalytic resources to effectively tap into growing momentum around preparing the 4IR workforce priorities, positioning USAID to advance U.S. policy priorities in several areas, including: seeding market-driven concepts and approaches that further support Vietnam's transition from a centrally planned to a market economy, as articulated in USAID's 2020-2025 Vietnam Country Development Cooperation Strategy (CDCS); intentionally focusing resources on women and rural citizens to help narrow Vietnam's digital divide, which is consistent with USAID's "deliberate and holistic commitment to improve development and humanitarian assistance outcomes through the use of digital technology and strengthen open, inclusive, and secure digital ecosystems" under the USAID Digital Strategy;<sup>16</sup> and providing targeted resources to demonstrate the rationale for designing and implementing a more substantial, follow-on, bilateral activity that could represent an opportunity to further strengthen ties between the U.S. and GOV.

A USAID respondent also noted that the AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu activity has already been very impactful for USAID in terms of private sector engagement (PSE). Through the process of setting up the AMCHAM, USAID engaged with more than 50

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<sup>16</sup> United States Agency for International Development. *Digital Strategy 2020-2024*.

companies and was able to connect them to other USAID programming. For example, as a result of this PSE, a major US private sector company is now partnering with USAID on electrification and COVID-19 response initiatives in PNG.

## **FINDING 2: US-SEGA ALLOWS CUSTOMIZED AND FLEXIBLE RESPONSES TO EMERGING STRATEGIC OPPORTUNITIES TO FURTHER REGIONAL CONNECTIVITY**

In certain activities under Component 2, US-SEGA has been an efficient and effective mechanism to support emerging opportunities that strengthen regional connectivity. For example, as evident in the US-SEGA Maldives PFM Technical Assistance Activity, US-SEGA support helped align GOM with regional APEC standards and increased regional connectivity, strengthening the GOM's technical capacity to make decisions about investments and less susceptible to "predatory" lending practices while also improving the country's standing within APEC. It was noted however, that some US-SEGA activities are more intentional about furthering regional connectivity (e.g., the AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu) than other activities, where realizing this objective is less purposeful.

In addition, as evident in the US-SEGA Vietnam Workforce Development Activity, US-SEGA's emphasis on digital skills development and digital inclusion strengthens opportunities to improve regional economic connectivity through increased technology trade, access to online services, enhanced linkages between people, companies and organizations throughout the region. Other respondents noted that the prospect of connecting the recently launched AMCHAM in PNG to SI and Vanuatu should provide a distributed platform that can help facilitate increased trade and investment throughout the region, create stronger commercial ties with the United States and advance the relationships between the United States and PNG to another level and have some geopolitical impact by furnishing a buffer and alternative to growing Chinese interests and investment in this Asian subregion.

**EQ2: TO WHAT EXTENT HAS INTEGRATING GENDER AND INCLUSIVE DEVELOPMENT INTO PROGRAMMING BEEN EFFECTIVE IN ACHIEVING BROAD-BASED ECONOMIC GROWTH IN APEC ECONOMIES?**

## **FINDING 3: GENDER EQUITY AND EQUALITY APPROACHES WERE MAINSTREAMED INTO MANY ACTIVITIES**

US-SEGA supports USAID's efforts to bring about greater gender awareness as part of the process of integrating women more fully into the regional economy. In this context, respondents reported that gender and inclusivity are priorities, but integrating women into US-SEGA programming has been challenging, given that in several countries where US-SEGA operates, the composition of the business sector is that mostly males participate in the formal business sector, whereas many women participate in the informal business sector. The ET observed that prioritization of gender mainstreaming was present in about half of the activity designs and follow-on activities evaluated under Components 2 and 3. For

example, as evident in the US-SEGA Maldives PFM Technical Assistance Activity, on the operational side, the US-SEGA approach did not set gender-specific goals in project participation and benefits. One Solomon Islands respondent also noted that gender considerations were not included in an assessment work product, and that the IP did not include explicit gender targets in several proposed trade and investment-related interventions.

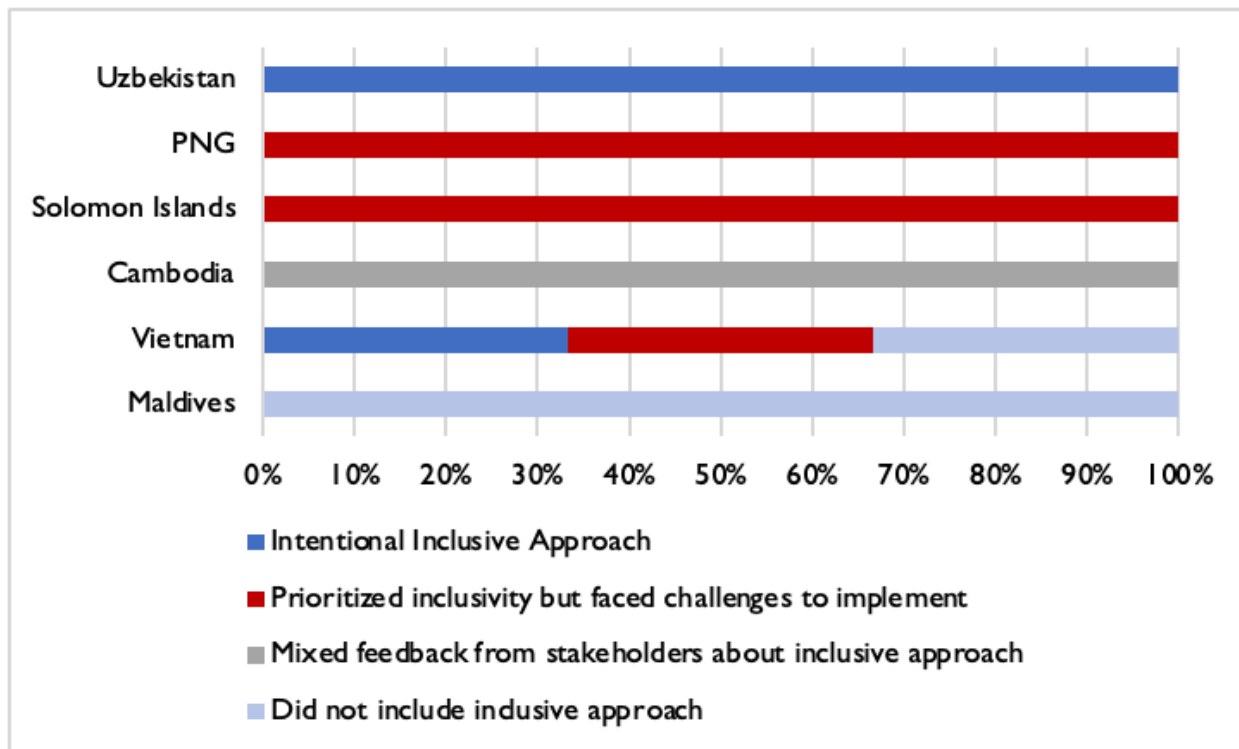
In general, there were specific gender or social inclusion targets for participation in training, workshops, or key informant assessments and surveys. Per Indicator 1.1. (EG.2-1) in the approved US-SEGA Activity Monitoring, Evaluation and Learning Plan (AMELP), US-SEGA disaggregates the “person hours of USG-supported training completed in trade and investment” by sex for trainings held under all three program components. To date, 1,261 persons have been trained at 41 workshops under Components 2 and 3, of which 42 percent were women. In fact, women accounted for  $\geq 50$  percent of the persons trained at 17 of these workshops. The US-SEGA MEL plan does not, however, report sex-disaggregated data that indicates if women, youth, geographically isolated people, or other vulnerable populations benefit from the technical assistance if they do not participate.

For the Viet Nam WISE buy-in program under Component 3, US-SEGA sex-disaggregates data collected under the following indicators in the approved Viet Nam WISE AMELP: **Indicator 1.1.1** Number of individuals who complete USG-assisted workforce development programs; and **Indicator 1.1.2** Number of individuals with new employment following participation in USG-assisted workforce development programs. Moreover, the partnership agreements established between US-SEGA and its WISE partners set forth gender-specific targets.

It was also evident that more involvement of women’s organizations and other key stakeholder groups is important for public-private policy dialogues, because women are underrepresented in decision-making positions. For example, a US, female-owned business was subcontracted to execute field activities during the Uzbekistan Digital Ecosystem Country Assessment. This subcontractor used an intentionally inclusive approach that prioritized gender and youth-sensitive data collection and analysis, and during the course of the field work, women-business owners were intentionally engaged to understand their challenges and how to overcome the lack of digital skills and technical education.

In contrast, during AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu activity, the IP’s subcontractor helped create the first women’s chamber of commerce in PNG, the “PNG Women’s Business Resource Centre.” Yet this stakeholder has not been fully integrated into US-SEGA programming, therefore missing an important opportunity to elevate this organization’s status and bring underrepresented perspectives into decision-making processes. (See Figure 3 below)

**FIGURE 3: EXTENT OF INCLUSIVE APPROACHES INCLUDED IN US-SEGA ACTIVITIES BY COUNTRY**



**FINDING 4: US-SEGA APPROACHES TO COMPONENTS 1, 2, 3 WERE SILOED**

There was limited evidence of integration of lessons from the Component 1 Inclusive and Resilient Growth Workstream into the design of activities under US-SEGA Components 2 and 3 and vice versa. This represents a missed opportunity for cross-fertilization across US-SEGA components. For example, the IP subcontracted a women-owned small business with deep experience in digital economies to conduct a digital ecosystem country assessment (DECA) in Uzbekistan. The firm’s inclusive design and data collection approaches captured the extent to which digital barriers affected women, youth and people living in geographically isolated areas. These valuable best practices may be relevant to the Component 1 workstreams related to structural reforms, women in STEM and women entrepreneurs in e-commerce.

In addition, as evident in the US-SEGA Vietnam Workforce Development Activity, a USAID respondent noted that US-SEGA’s activities to help address the digital divide in Vietnam could potentially benefit from the lessons learned derived from the women’s STEM and e-commerce activities implemented under Component 1. A separate Vietnamese private sector beneficiary also noted that it was important to scale efforts and reach more women and students in non-urban areas to develop digital and coding



skills and develop financing products and pricing structures that facilitate reaching more of these students.

Further, US-SEGA has allocated significant project resources toward supporting several activities under the Inclusive and Resilient Growth Workstream in Component 1. These activities include developing a metrics framework for economies to measure progress on the *APEC Women in STEM Principles and Actions*. However, it was not evident through the ET's research if this measurement framework could be incorporated into the Vietnam Workforce Development Activity to establish concrete indicators to measure progress toward gender equality and advancement goals that would more firmly integrate gender and inclusive development into US-SEGA programming in the country.

**EQ3: TO WHAT EXTENT HAS THE PROJECT EFFICIENTLY AND EFFECTIVELY OPERATED AS A FLEXIBLE MECHANISM TO SUPPORT INCLUSIVE AND EQUITABLE ECONOMIC GROWTH?**

### **FINDING 5: IP DEMONSTRATED CAPACITY TO EFFECTIVELY AND EFFICIENTLY MANAGE MULTIPLE PROJECTS AND STAKEHOLDERS IN A VARIETY OF CONTEXTS**

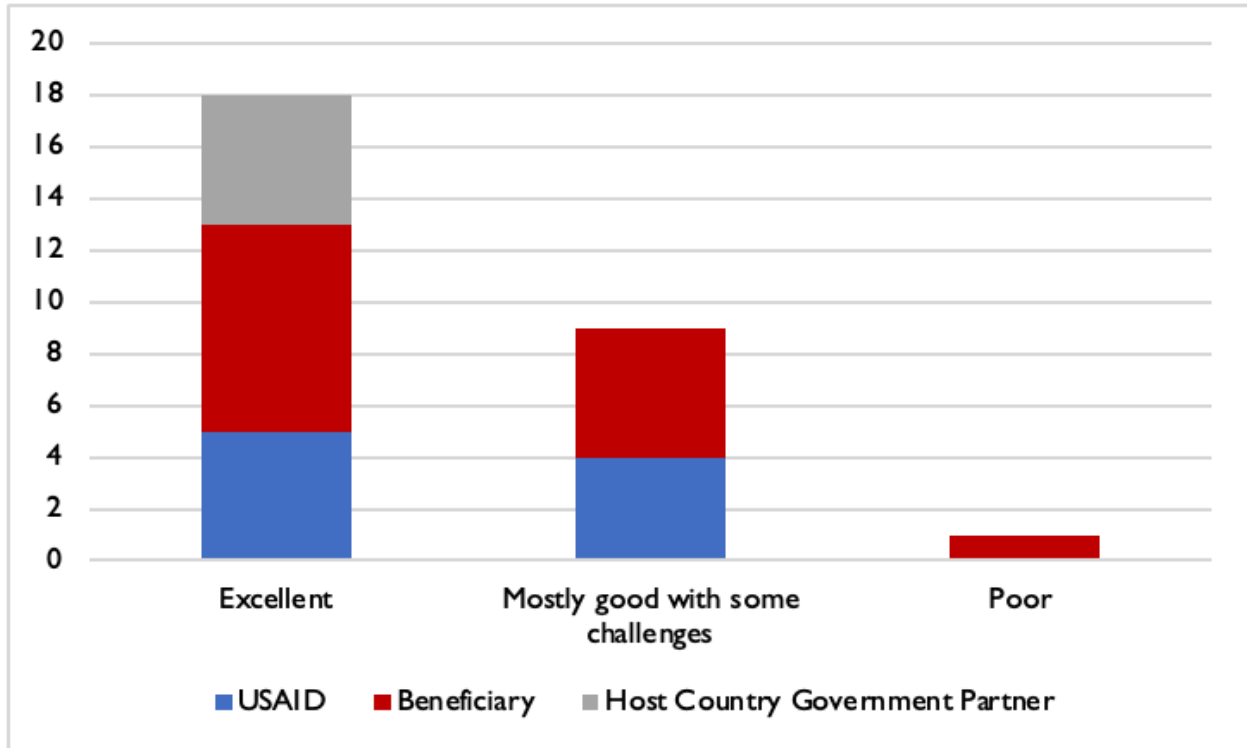
US-SEGA provides surges capacity for the USG to engage in multiple activities through technical expertise and operational support. In this context, it is important to have a rapid-response mechanism that Missions and the Asia Bureau can tap into. Respondents indicated that the IP was largely able to respond quickly to demand for services and products and effectively operationalize USAID objectives in the field.

Several respondents noted that because of the vast number of thematic areas and geographies covered under Components 2 and 3, the IP has been flexible, seeking ways to use their resources and expertise in often complicated operating environments. For example, as evident in the US-SEGA Maldives PFM Technical Assistance Activity, adaptive management and responsiveness to the unique needs of GOM counterparts within institutions was critical because of the GOM's evolving needs and requirements.

Communication between the IP and USAID/Asia Bureau and bilateral missions was characterized as timely and efficient for their needs, and the IP deployed appropriate internal and external technical advisors to meet activity objectives. Respondents noted that when the IP could not leverage internal resources, the IP successfully incorporated appropriate external technical resources (for example, the external subcontractor to implement the AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu activity). It was also reported that the IP did a good job identifying local partners and empowering them to help create a local presence during the pandemic-induced virtual operating environment. For instance, during the Vietnam Workforce Development Activity, to complement the IP's in-house subject-matter expertise, the IP identified and contracted with a well-networked local partner with domain expertise to lead the local stakeholder engagement and field research and contributed to a menu of subsequent program recommendations that were appropriate for the local context.

However, one USAID mission expressed concerns that technical assistance, private sector engagement, and necessary changes to the technical approach were not as timely as needed during the execution of the Cambodia Workforce Development Activity.

**FIGURE 4: PERSPECTIVE OF COMMUNICATIONS BETWEEN C2/C3 STAKEHOLDERS**



**FINDING 6: US-SEGA’S FLEXIBLE, DEMAND-DRIVEN MECHANISM ALLOWED FOR EFFECTIVELY SUPPORTING INCLUSIVE AND EQUITABLE ECONOMIC GROWTH ACTIVITIES**

A USAID respondent described US-SEGA’s overarching intended purpose as to listen to the USAID country missions and support them. Buy-in from the missions is critical to US-SEGA’s success, and respondents indicated that US-SEGA has been very responsive to demand from USAID country missions, with one USAID respondent highlighting that the mechanism’s flexibility, responsiveness, and capacity to maintain continuity as being particularly important features that can be applied in the region. Nearly all respondents reported that the mechanism’s degree of flexibility has been reinforced by implementation processes that were overall timely, effective, and efficient. One USAID Mission staff, however, noted that the IP delayed sharing feedback, was not quick in turning around deliverables, did not communicate effectively with subcontractors, and generally micromanaged implementation processes.

The Uzbekistan DECA activity was cited as a good example of leveraging the mechanism to respond rapidly to mission demand. The USAID mission in Uzbekistan was recently established, and it was important for US-SEGA to determine the mission’s priorities and what USAID could work around or improve. US-SEGA’s resources were subsequently deployed around the identified priority and as a USAID respondent noted, “[with the new USAID mission] it is a clean slate and we are starting in a good place with the focus on the digital ecosystem.”

The mechanism’s flexibility and demand-driven attributes were also cited with respect to the US-SEGA Maldives PFM Technical Assistance Activity, in which USAID was able to rapidly respond to an emerging political opening and be the first in the USG to “organize quickly and get people on a plane.” Similarly, during the AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu activity, USAID realized that the AmCham concept, which was originally the idea of the U.S. Ambassador to PNG, aligned well with Component 2 of SEGA and thus requested assistance. Through the resulting AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu activity, US-SEGA provided the requisite technical assistance to take this idea and operationalize a business-driven advocacy resource in PNG.

In addition, in some activities, US-SEGA successfully delivered rapid, flexible, and locally contextualized short term technical support that scaled into longer-term assistance. During the Vietnam Workforce Development activity, US-SEGA was able to transition quickly from a work product to the design of a pilot activity, with buy-in from the GOV. Likewise, during the Maldives PFM Technical Assistance activity, US-SEGA leveraged short-term technical assistance into a four-year bilateral program.

**EQ4: TO WHAT EXTENT HAS US-SEGA’S KNOWLEDGE MANAGEMENT FUNCTION USED EVIDENCE-BASED DATA FOR DISSEMINATING BEST PRACTICES AND PILOTING INNOVATIVE APPROACHES AND TECHNOLOGIES?**

**FINDING 7: IP PRODUCED HIGH-QUALITY DELIVERABLES IN RESEARCH, TRAINING, AND CAPACITY BUILDING THAT WERE WELL-RECEIVED BY HOST GOVERNMENTS AND PARTNERS**

US-SEGA work products were helpful in framing issues, identifying opportunities, and building consensus around appropriate next steps. As evident in the US-SEGA Vietnam Workforce Development Activity, the series of USAID activities and work products under US-SEGA and USAID Digital Frontiers<sup>17</sup> were largely well-received in digital ecosystem, GOV, and international organization circles. These work products and the teams involved in developing them have helped position USAID/Vietnam to play a key

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<sup>17</sup> Digital Frontiers is a \$74.4 million buy-in mechanism that is available to U.S. Agency for International Development (USAID) Bureaus and Missions from 2017-2022. The project works closely with USAID’s Global Development Lab, the Center for Digital Development, USAID Missions, the private sector, and international and local development organizations to identify successful and sustainable digital development approaches and scale their impact globally. Source: Digital Frontiers, and United States Agency for International Development. *Vietnam Digital Innovation Ecosystem Analysis*. Sept. 2020.

role in supporting the GOV to implement elements of its National 4IR Strategy and helped set the stage for the design and launch of the two-year bilateral Workforce for an Innovation and Start-up Ecosystem (WISE) project.

US-SEGA produced a Final Report: Maldives Technical Assistance Program US-Support for Economic Growth in Asia<sup>18</sup> in April 2021, which described its three main workstreams in PBB, PIM, and National Development Plan support. This publication highlighted the main lessons from these activities and illustrated how the USAID/Asia Bureau through US-SEGA could conduct evidence-based assessments of key regional- and country-level trends in the Indo-Pacific Region, identify performance gaps, and incubate innovative short-term technical assistance programs that could be scaled into longer-term assistance, such as the Maldives PFM Technical Assistance Program.

Similarly, the Economic Competitiveness Assessment for the Solomon Islands<sup>19</sup> was cited by USAID respondents for addressing a number of (“often complicated”) trade and investment-related topics and effectively distilling large amounts of information and highlighting priority opportunities for potential intervention.

#### **FINDING 8: IP HONED APPROACHES TO QUICKLY UNDERSTAND SPECIFIC ECONOMIC GROWTH CHALLENGES AND OPPORTUNITIES IN REGIONAL ECONOMIES BUT DID NOT FOSTER SYNERGIES AND CROSS FERTILIZATION BETWEEN SIMILAR ACTIVITIES**

The US-SEGA SOW specifically states that overarching objectives are to promote best practices in economic growth activities, with a particular emphasis on issues with regional relevance, and to assist missions to apply these best practices. Respondents indicated that US-SEGA successfully honed approaches that allowed for understanding specific economic growth challenges and opportunities across a broad array of regional economies. These approaches tended to follow a similar playbook: starting with challenge identification and opportunity assessment, which informed priority intervention options and delivery of targeted technical assistance. Dovetailing with the previous finding, these approaches facilitate the development and dissemination of research products and tools that were helpful in framing issues in the specific economy under review during a specific US-SEGA activity.

However, with respect to US-SEGA’s internal knowledge management function, the ET found that there has not been a significant rolling up of best practices, lessons learned, and findings into a central repository where more strategic analysis could then take place. Consequently, and corresponding with Finding 4, several USG respondents reported that there is limited evidence of cross-fertilization of

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<sup>18</sup> United States Agency for International Development. *Final Report; Maldives Technical Assistance Program US-Support for Economic Growth in Asia (US-SEGA)*. Apr. 2021.

<sup>19</sup> United States Agency for International Development. *Economic Competitiveness Assessment for the Solomon Islands; Strengthening Competitiveness, Agriculture, Livelihoods, and Environment (SI-SCALE)*. June 2021.

lessons across US-SEGA components and activities. These respondents indicated that it is important to improve the knowledge management function by enhancing inter-US-SEGA project component communication channels; demonstrate the activities, outputs, and outcomes in each project component; and publicize and leverage linkages and synergies. As one USAID respondent noted, there is a need for USG stakeholders involved in C2 and C3 to understand what is happening at the APEC policy level and use this information to transition toward activating policies on the ground at the economy level, specifically, “We need to learn how to better leverage Component 1 to benefit Components 2 and 3.” Further, both the Vietnam Workforce Development Activity under Component 2 and the Cambodia Workforce Development Activity under Component 3 focus on workforce development issues, but the ET did not find evidence that lessons learned were applied or synergies were realized between the two US-SEGA activities.

#### **FINDING 9: MORE ROBUST COMMUNICATIONS CAPACITY AND HUMAN RESOURCES ARE NEEDED TO REACH A WIDER RANGE OF KEY STAKEHOLDERS AND TARGET AUDIENCES**

A wide spectrum of different thematic areas and geographies are covered under US-SEGA'S Components 2 and 3. Although respondents characterized communication between the IP and USAID/Asia Bureau and bilateral missions as timely and efficient for their needs, several USG and private sector beneficiary respondents indicated that US-SEGA requires a more strategic approach in communicating with key target audiences like Congress, intra-agency partners, and other target beneficiary groups of US-SEGA technical assistance. These stakeholders and target audiences range from: public sector stakeholders such as host country government partners, U.S. government circles like Congress, other USAID Missions, DOS and USTR staff involved in other potentially complementary US-SEGA activities, and in the case of the Vietnam Workforce Development activity, to private sector actors such as Vietnamese employers and recruiters to the Vietnamese public at large, including specific demographics such as rural populations and women. Each of these stakeholders and target audiences can require customized messaging, communication plans, and/or awareness building campaigns depending on the specific nature of the messaging goal.

For example, USAID staff suggested they have not had adequate communications support in “telling our story” they want to get across related to programming objectives and results. Further, a USAID respondent associated with the SI-SCALE activity noted that, “one aspect of the project that could be improved is better generation of distributable elements of the work products and studies...better communications plans and materials are required to produce public facing and relevant abridged versions of dense studies targeted to specific audiences....these could be used with existing or potential partners who might not be aware of them or see the portions that are most relevant to them given the comprehensive amount of information that is presented in the studies.”

In response to the wide spectrum of thematic areas and geographies covered under Components 2 and 3 and the resulting diverse array of audiences requiring targeted communication and messaging from US-SEGA, several USG and private beneficiary respondents suggested that more robust communications capacity and resources are needed over the second half of US-SEGA. It was suggested that staff responsible for communications need experience across various media and marketing and promotion channels (e.g., television, print, digital, social, etc.) and with the capabilities to distill the main points from both activities and work products, summarize key takeaways, and make economic information with good graphics accessible to wider audiences that are useful for taking action.

**EQ5: TO WHAT EXTENT HAS US-SEGA SUPPORTED COVID-19 ECONOMIC RESPONSE, RELIEF AND RECOVERY EFFORTS?**

**FINDING 10: COVID-19 SLOWED MOMENTUM ON SEVERAL USAID ECONOMIC GROWTH-RELATED ACTIVITIES, AND US-SEGA WAS VIEWED AS A GOOD MECHANISM TO DELIVER COVID-19 RELIEF FUNDING**

*“COVID-19 has devastated sectors and poor people, especially women in rural communities, are feeling the effects. Nathan needed to reduce the international STTA and find local partners, so this had a positive impact, because it gave a more local context to the pilots.”*

– USAID

COVID-19 pandemic commenced during the second year of the US-SEGA project. Under Component 2, local government and USAID’s own priorities shifted rapidly, which, in many cases, affected ongoing economic growth-related project activities. According to a USAID respondent, during the early stages of the pandemic, USAID largely switched the agency’s focus to the COVID-19 health response and

*“It is important for the IP to take a more active role in managing the partnerships between implementing partners and help resolve any issues, so the partnerships can move forward. At a minimum this means having more frequent, regularly scheduled meetings between the IP’s headquarters staff and all the implementing partners, especially because of COVID-19”*

–Private Sector Training Institution and WISE Beneficiary

largely switched the agency’s focus to the COVID-19 health response and did a very good job in the region. However, the switch in focus affected US-SEGA’s activities that were under way at the time. For instance, the USAID respondent noted that the South Asia Trade Assessment (SATA) largely lost momentum in the wake of the pandemic, “SATA died in its tracks.” Similarly, earlier concepts of the AmCham+ Support Activity for Papua New Guinea, Solomon Islands, and Vanuatu that preceded the pandemic planned for physically shadowing other regional AMCHAMs (e.g., Philippines, etc.) to understand success factors, and how to identify best practices in setting up the organization, particularly how not to be perceived as competitors to the other business councils and associations in PNG. But ultimately, physical shadowing could not take place due to pandemic-induced safety and security measures.

USAID responded to the unprecedented challenges initiated by the pandemic by adding a third COVID-19 Crisis-Response component to US-SEGA in August 2020, which allowed US-SEGA to promote multilateral and bilateral economic policy assistance specifically in response to

COVID-19-related issues. This intervention was largely favorably perceived and as US-SEGA adjusted to the new realities of operating during the pandemic, USAID staff expressed satisfaction that the US-SEGA mechanism could be utilized to quickly deliver COVID-19 relief funding to address the secondary, non-health impacts of COVID such as economic growth issues that had been neglected during the earlier stages of the pandemic (see box). For instance, USAID respondents indicated that US-SEGA filled a critical institutional capacity gap in USAID trade and investment programming in the Solomon Islands via the SI-SCALE activity. USAID respondents also indicated that the tracker of COVID-19-related economic data from countries in the region provided support to understanding the economic impact of COVID-19 and informed potential responses.

### **FINDING 11: IP DEMONSTRATED CAPACITY TO RAPIDLY AND EFFECTIVELY PIVOT TO VIRTUAL PROJECT MANAGEMENT AND STAKEHOLDER ENGAGEMENT PRACTICES**

According to respondents, when pandemic-induced safety and security measures were introduced, the IP demonstrated the capacity to rapidly and effectively pivot to virtual project management and stakeholder engagement practices, and adjusted training and capacity building approaches according to country-level circumstances (see box). For example, as evident in the US-SEGA Maldives PFM Technical Assistance activity, US-SEGA pivoted from traditional field-based management to virtual management practices and reallocated resources during COVID-19. According to respondents, there were many unexpected changes and unprecedented challenges caused by the COVID-19 pandemic that disrupted the in-person collaboration between US-SEGA and GOM. After the GOM employees shifted to working remotely, the activity had to change its communication and training modalities.

*“Doing the work remotely was challenging as the concept started from scratch and was imported into PNG, the concept did not come organically from the local business community, and it was important to demonstrate that there was enough demand for an AMCHAM before expending scarce resources, which can be difficult to do virtually. CIPE was able to leverage its local presence and institutional knowledge to help push the project along.”*

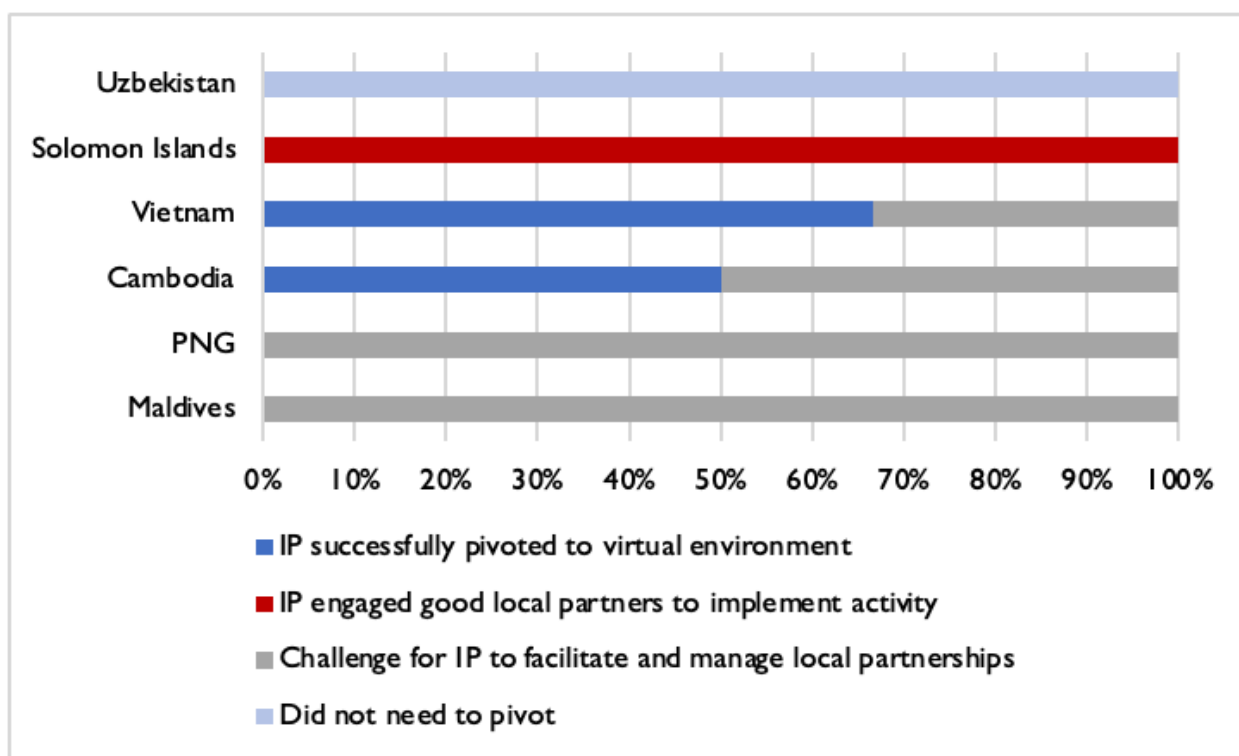
– Beneficiary (PNG)

Similarly, USG respondents noted that the IP helped USG partners to adapt to new modalities, which allowed US-SEGA to respond well to the challenges related to safety and security measures and establish continuity and generate momentum in several project activities (see Figure 5 below).

**FINDING 12: SAFETY AND SECURITY CONSIDERATIONS DUE TO THE COVID-19 PANDEMIC HAS CAUSED OPERATIONAL CHALLENGES ASSOCIATED WITH MINIMAL IP FIELD PRESENCE**

COVID-19 safety and security protocols reduced the IP’s field presence, which required the IP to employ a more hands-on approach to partner coordination. As a private sector beneficiary associated with the Vietnam Workforce Development activity noted, the lack of physical presence was a big issue, because *“presence matters, particularly within the COVID context.”* A USAID respondent also noted that, *“it would have been helpful to have on-the-ground IP presence to help move the needle in certain activities.”*

**FIGURE 5: C2/C3 ACTIVITY PIVOTS TO COVID-19 BY COUNTRY**



As evident in the US-SEGA Vietnam Workforce Development Activity, several public and private sector beneficiaries involved in the partnerships in the WISE project reported that the IP over-relied on its local subcontractor to manage partner coordination. WISE is the first time these actors have been involved in a partnership with one another, and COVID-19 has made coordination between the implementing partners even more challenging. A private sector beneficiary asserted that the IP needs to find new ways to facilitate the partnership while not having physical presence on the ground.

Similarly, a USAID respondent expressed concerns that private sector engagement was not as timely as needed in implementing the Cambodia Workforce Development Activity.



In contrast, in the context of the SI-SCALE activity, respondents across interviewee categories reported that the IP's partnership management has been very effective as a well-qualified IP staff person has been heavily involved (albeit, remotely) and this staff person's active involvement in managing project partners has been perceived as an advantage by project stakeholders.

## **4.6 CONCLUSIONS FOR COMPONENTS 2 AND 3**

Overall, the ET concludes that the US-SEGA mechanism proved to be an efficient and effective mechanism for providing critical technical support that helped to advance U.S. strategic priorities and further regional connectivity. Securing buy-in from the missions has been critical to US-SEGA's success, and a fundamental objective of the project is to respond quickly to new opportunities in economic growth assistance. By and large, US-SEGA has been responsive to demand from USAID country missions and the mechanism's flexibility, responsiveness, and capacity to maintain continuity were cited as being particularly important features that can continue to be applied in the region during the second half of the project. Even in virtual formats required due to pandemic-related safety and security measures, the US-SEGA model has been working well, allowing for sustained focus and activities, with well-structured virtual workshops focused exclusively on specific issues with good supporting work products and, for the most part, concrete outcome targets.

US-SEGA work products were also often helpful in framing issues, identifying opportunities, and building consensus around appropriate next steps in the particular geography under focus. Importantly, in several cases, delivering rapid, flexible, and locally contextualized short-term support was catalytic in nature, effectively acting as a bridge for scaling into longer term assistance. As illustrated in the two case studies focused on Maldives PFM Technical Assistance Activity and the Vietnam Workforce Development activity, US-SEGA took advantage of specific windows of opportunity and leveraged targeted short-term technical assistance into a four-year bilateral program and a two-year pilot project, respectively.

Going forward, key stakeholders cautioned that over the second half of US-SEGA, demand for project resources and expertise is expected to expand into a variety of technical areas that will place pressure on the IP's capacity to rapidly mobilize the types of resources and technical expertise required. The IP should work with USAID and other project stakeholders to forecast this expected demand and prepare appropriate internal or external resources that can be mobilized. In the future, it is also important that gender equity and equality approaches be mainstreamed into all project activity design and implementation in collaboration with qualified gender experts.

Communication between the IP and USAID/Asia Bureau and bilateral missions was largely characterized as timely and efficient for their needs, and the mechanism facilitates the development and dissemination of research products and tools. However, although the IP produced high-quality deliverables in research, training, and capacity building that were largely well-received by host governments and partners, there

was limited evidence of cross-fertilization of lessons across activities or project components. US-SEGA's internal knowledge management function could be improved by rolling up of best practices, lessons learned, and findings into a central repository where more strategic analysis could take place and more cross-fertilization of learnings across activities and project components could be realized.

With respect to external communications, given the wide spectrum of different thematic areas and geographies covered under US-SEGA, there was broad consensus that more robust communications capacity and human resources are needed to reach the broad range of key stakeholders and target audiences, such as Congress, intra-agency partners and others that are central to US-SEGA's success.

It was evident that the COVID-19 pandemic slowed momentum on several USAID economic growth-related activities. However, the IP rapidly and effectively pivoted to virtual project management and stakeholder engagement practices, and the tracker of COVID-19-related economic data from countries in the region provided support to understanding economic impact of COVID-19 and informed potential responses. Ultimately, US-SEGA was viewed as a good mechanism to deliver relief to address the secondary, non-health impacts of COVID, such as economic growth issues, that had been neglected during the earlier stages of the pandemic. Still, as the Vietnam Workforce Development activity case study revealed, the minimal field presence resulting from pandemic-induced safety and security considerations necessitates the IP to employ a more hands-on and active approach to partnership coordination and management in relevant project activities.

## 5. RECOMMENDATIONS FOR FUTURE PROGRAMMING

These recommendations are offered as guidance to make adjustments and improvements for the remainder of the period of performance. The recommendations are organized in the order of the five Evaluation Questions and indicate their relevance for each of the three Components.

### **Advance U.S. Policy Priorities and Regional Connectivity through Strategic Allocation of Internal Resources, including Technical Experts (EQ1)**

US-SEGA should allocate sufficient resources in emerging technical areas to provide customized research products that balance regional perspectives with economy-specific context, so that outcome goals reflect the unique features of APEC economies while still advancing broader economic goals and initiatives through the APEC secretariat, committees, and working groups (C1).

US-SEGA should ensure that its staff and technical experts are aware of the regional dimensions of its technical support and link its bilateral assistance to broader regional goals. Delivering catalytic resources to Missions in Cambodia, Maldives, Papua New Guinea, Uzbekistan, and Vietnam responded to specific country needs, but also contributed to overall regional connectivity (C2, C3).

### **Integrate Gender and Inclusive Development Approaches and Indicators into Activity Design and Implementation (EQ2)**

US-SEGA could improve its gender integration approaches in the three other DOS workstreams by capturing and replicating the successful approaches being piloted in the Inclusive and Resilient Growth Workstream. The *Economic Impact Assessment* tool, for example, illustrates if and how GDP may be affected when economies address structural barriers, and this type of research and analysis could be mainstreamed into other activities across workstreams (C1).

Only about one-half of the USAID activities included mainstreaming gender and inclusive development approaches in activity design and implementation, which should be a deliberate approach in all US-SEGA activities. US-SEGA should prioritize explicit gender targets that are relevant to economic growth, including how women and men affected differently in economic participation, accessing finance, business services, participation in the formal economy, etc. (C2, C3).

Establishing gender-specific indicators to measure progress toward advancing goals that align with the National Security Strategy for Gender Equity and Equality is important. Continue to encourage partners and the IP to increase the available sex disaggregated data through assessments and implemented activities. (C1, C2, C3).

### **Improve the US-SEGA Technical Approaches by Establishing Quality Assurance Processes and Better Integration across Components (EQ3)**

The US-SEGA mechanism was efficient and effective in delivering technical and operational support to DOS, USAID, and other interagency partners during the first half of project implementation, but it would benefit from establishing quality assurance processes that ensure services and products meet the end-user needs of USG staff and partners. Services and products could be improved by ensuring conference materials, training materials, and supporting documents are drafted in way that generates concrete deliverables by guiding participants through steps that result in desired outcomes. Second, US-SEGA should develop follow-up actions and capture learnings from the many conferences, workshops, and training events to enable good ideas to be adapted across the components. Third, the quality assurance process should integrate lessons from each of the components into overall guidance on implementing best practices (C1, C2, C3).

### **Strengthen Strategic Communications Capacity and Accessibility of Knowledge Products (EQ4)**

In the second half of project implementation, US-SEGA should be prepared for providing additional technical services and expertise in high-demand sectors. US-SEGA staff should ensure that its work plan and MEL plan reflect anticipated demand in technical areas and allocate internal resources accordingly, especially in regard to staffing (C1, C2, C3).

US-SEGA may need to hire additional staff and experts in strategic communications to expand internal capabilities to distill the main points from activities and work products, to summarize key takeaways and to make economic information visually attractive and less dense. US-SEGA should prioritize the development and dissemination of communications and publications that are accessible to diverse audiences. (C1, C2).

### **Allocate Internal Resources to Meet Future Demands for Technical Expertise in Ongoing and in New Technical Areas (EQ4)**

DOS APEC activities may expand in Women in STEM, Women Entrepreneurs in E-commerce and climate change due to new priorities attributed in large part to the impact of COVID-19 (C1).

USAID assistance to bilateral missions may also shift in the second half of project implementation. For example, the DECA exercise conducted in Uzbekistan by external subcontractors may be replicated in other countries, as other USAID procurement mechanisms such as Digital Frontiers are ended. Workforce development activities may also increase in demand for technical assistance due to the economic impact of COVID-19 (C2, C3).

This will necessitate allocation of technical resources to meet the anticipated demands (C1, C2, C3).

#### **Expand and Widen Networks of Private Sector and NGOs for Policy Dialogues and Engagement (EQ4)**

US-SEGA leveraged its networks of private sector and NGOs partners to bring in the opinions and experiences of relevant stakeholders based in the APEC region. There was an expectation that the US-SEGA staff would actively expand its roster of potential U.S. business partners and relevant NGOs. According to the US-SEGA SOW contained in its contract, “project implementation should include effective coordination with the private sector, and the IP will be asked to identify specific areas where private sector cooperation and engagement might result in progress toward US-SEGA’s goals and objectives” (C1, C2, C3).

#### **Facilitate Exchanges Between DOS and USAID Regarding COVID-19 Relief Approaches (EQ5)**

US-SEGA should find opportunities to link the activities and lessons across the components of the US-SEGA project. The 2020 and 2021 US-SEGA Annual Reports and Work Plans present the workstreams and activities under Component 1 activities separately from those of Components 2 and 3. The current strategic and operational approaches do not lend themselves to integrate lessons from each component unless there is a concerted effort to capture and share best practices (C1, C2, C3).

#### **Work with USAID Missions to set manageable timelines and respond to any concerns regarding timely deliverables in support of USAID COVID-19 relief efforts (EQ5)**

US-SEGA standard operating procedures should be reviewed and assessed for streamlining cumbersome procurement practices for hiring subcontractors to implement COVID-19 relief activities. The US-SEGA staff should also self-assess its management and coordination procedures for partners working in the field, who provided feedback on the US-SEGA staff’s tendency for micromanagement. The US-SEGA team should consider developing guidelines for communicating effectively with subcontractors, and the IP’s staff in headquarters to resolve any bottlenecks and continually drive activity prioritization, design, and implementation. (C3)

## ANNEX I: SCOPE OF WORK

**Activity: US-SEGA Mid-Project Evaluation**

**Consultants: TBD**

**Period of Performance:** Sept. 2021- January 2022

### US-SEGA BACKGROUND

Through the US-Support for Economic Growth in Asia (US-SEGA) Project, the Asia Bureau aims to improve the policy environment to promote sustainable economic growth and prosperity, improved regional economic cooperation, sound management of institutions, and good governance while also expanding markets for U.S. goods and services in the Indo Pacific.

Implemented by Nathan Associates, US-Support for Economic Growth in Asia (US-SEGA) is a six-year project designed to improve the policy environment for sustainable economic growth and prosperity, improve regional economic cooperation, sound management of institutions and good governance throughout APEC and the Indo-Pacific, while also expanding markets for U.S. goods and services. The program has an office in Washington, D.C. and a presence in Singapore. US-SEGA implements activities through three components:

1. **Strengthening APEC:** US-SEGA's Component 1 helps the Asia-Pacific Economic Cooperation (APEC) forum and its member economies advance regional economic cooperation through addressing barriers to trade and investment. US-SEGA builds the capacity of regional- and economy-level actors to facilitate trade and investment, implement regulatory and structural reform, and pursue inclusive and resilient growth. On these key areas, US-SEGA provides a range of services, including targeted technical assistance, policy studies and assessments, and institutional capacity building and training.
2. **Supporting Economic Growth Programs:** US-SEGA's Component 2 offers USAID Missions a flexible mechanism to respond quickly to new opportunities in economic growth assistance. US-SEGA provides rapid demand-driven support for economic growth activities in the Indo-Pacific across a broad range of areas including trade and investment, digital connectivity, energy, infrastructure, private sector engagement, market systems, and women's economic empowerment. US-SEGA also captures and shares best practices to help missions design and implement innovative approaches and technologies.
3. **COVID-19 Crisis Response:** US-SEGA's Component 3 also provides USAID Missions a pre-competed mechanism, particularly to support economic growth initiatives toward countering the negative consequences from COVID-19. Under this component, US-SEGA

provides analysis and technical assistance on a range of economic growth support interventions in the immediate and medium-to-long terms to mitigate negative economic results from COVID-19 and other external shocks that might develop.

US-SEGA builds on past assistance provided to the region by the U.S. Government, to both APEC and USAID Missions, to achieve policy objectives. Through policy studies and assessments, target technical assistance, and capacity building, US-SEGA will advance sustainable economic growth, capture and disseminate best practices, and pilot innovative approaches and technologies.

## **ACTIVITY DESCRIPTION**

### **Methodology**

The mid-term performance evaluation will examine whether, and to what extent, US-SEGA is meeting the objectives as articulated in the project's foundational documents and M&E plan over the first half of the project, and identify areas that can be refined or altered in the second half of implementation. The evaluation will use a standard design based on OECD/DAC principles of relevance, efficacy, efficiency and sustainability. Given the wide-ranging subject areas that US-SEGA has worked on, it will not be possible to conduct a completely comprehensive evaluation. The evaluation team will consult with USAID on which project activities to focus on within each component. These work streams are based on levels of investment and/or U.S. priority policy interests.

The proposed approach will consist of:

1. Structured interviews with no fewer than 40 key stakeholders in all the Components of US-SEGA, including USAID Missions, U.S. government, private sector and APEC Secretariat and member economy government counterparts and beneficiaries. The interviews will be structured to address issues of relevance, efficacy, efficiency and sustainability of US-SEGA assistance.
2. Development of a case study documenting the outcomes of assistance to four combined economies (two for each component) or counterparts to allow for a deep-dive analysis of objective achievements, lessons learned, and development impact of SEGA interventions, based on interviews with key stakeholders.
3. Review of US-SEGA's M&E database outcome and output indicators to report overall levels of measured change.

## ANNEX II: INTERVIEW PROTOCOLS

### SEGA HOST COUNTRY KII GUIDE

#### INTERVIEW TRACKING DATA

This section will complete this section prior to conducting the KII.

Date of Interview	
Location of Interview (Geographic)	
Name of Data Collector	
Name of Respondent	
Role or Position/Title of Respondent	
Male/Female	
Respondent Affiliation	

#### HOST COUNTRY GOVERNMENT COUNTERPARTS

DISCUSSION GUIDE
1. How long have you been in your position?
2. Which USAID-activities did you participate in?
3. What are the main challenges to policies and/or practices in this specific activity? <i>Probe: Most important operational and/or policy areas that have been impacted by SEGA activities and specific evidence/examples of impact/changes</i>
4. Are you aware if other APEC economies are experiencing similar challenges and constraints?
5. How effective were the approaches recommended by the USAID-SEGA technical advisors?



6. Was the support delivered efficiently and timely?
7. Do you believe this type of technical support could be applied or replicated in other ministries or government agencies?
8. To what extent did this technical support facilitate short and long-term planning?
9. Did the technical assistance provide case studies or examples of international best practices?
10. Is it possible to measure the impact of this assistance? If so, what is the impact?
11. Did the program have an inclusive approach and encourage the participation of women or other types of diversification?
12. Which types of modifications or adjustments were required to adjust to the impact of COVID-19?
13. Who were the main contacts from USAID or the program? How would you describe the communication – was it timely and efficient?
14. Do you have any recommendations for improving future programming of this type of support?
15. Does this activity help align your country with regional APEC standards or increase regional connectivity?

## **SEGA IMPLEMENTING PARTNER KII GUIDE**

### INTERVIEW TRACKING DATA

This section will complete this section prior to conducting the KII.

Date of Interview	
Location of Interview (Geographic)	
Name of Data Collector	
Name of Respondent	

Role or Position/Title of Respondent	
Male/Female	
Respondent Affiliation	

### IMPLEMENTING PARTNERS (IPS)

DISCUSSION GUIDE
1. How long have you been in your position?
2. Which US-SEGA activities did you participate in and for how long?
3. What are the main challenges to policies and/or practices in this specific activity?
4. Are you aware if other APEC economies are experiencing similar challenges and constraints?
5. Can you describe how USAID interacted with Nathan Associates in the design of the activity and specific interventions?
6. Who were the main contacts from USAID or the program? How would you describe the communication – was it timely and efficient?
7. Do you believe this type of technical support could be applied or replicated in other ministries or government agencies?
8. To what extent did this technical support facilitate short and long-term planning?
9. Which types of case studies or international best practices were most relevant to this activity?
10. Is it possible to measure the impact of this assistance? If so, what is the impact?
11. Did the activity have an inclusive approach and encourage the participation of women or other types of diversification?
12. Which types of modifications or adjustments were required to adjust to the impact of COVID-19?

13. Do you believe the host government or stakeholders will request additional funding available as COVID-19 relief?
14. Do you have any recommendations for improving future programming of this type of support?
15. Does this activity help align this country with regional APEC standards or increase regional connectivity?

## SEGA USAID KII GUIDE

### INTERVIEW TRACKING DATA

This section will complete this section prior to conducting the KII.

Date of Interview	
Location of Interview (Geographic)	
Name of Data Collector	
Name of Respondent	
Role or Position/Title of Respondent	
Male/Female	
Respondent Affiliation	

### USAID STAFF

DISCUSSION GUIDE
1. How long have you been in your position?
2. Which US-SEGA activities did you participate in and for how long?
3. What are the main challenges to policies and/or practices in this specific activity?

4. What types of US-SEGA interventions can help APEC economies overcome these types of challenges and binding constraints?
5. Can you describe how USAID interacted with Nathan Associates in the design of the activity and specific interventions?
6. How would you describe the communication with the IP – was it timely and efficient?
7. Do you believe this type of technical support could be applied or replicated in other ministries or government agencies? Or, other countries/economies?
8. Which types of case studies or international best practices were most relevant to this activity?
9. Is it possible to measure the impact of this assistance? If so, what is the impact?
10. Did the activity have an inclusive approach and encourage the participation of women or other types of diversification?
11. Which types of modifications or adjustments were required to adjust to the impact of COVID-19?
12. Does this activity help align this country/economy with regional APEC standards or increase regional connectivity?

# ANNEX III: INCLUSIVE AND RESILIENT GROWTH WORKSTREAM CASE STUDY

## INTRODUCTION

US-SEGA was designed to deliver rapid technical assistance, and it proved to be an efficient and effective mechanism for providing critical technical support from the U.S. Department of State (DOS) to the Asia-Pacific Economic Cooperation (APEC) forum. This case study features the selected activities from the Inclusive and Resilient Growth workstream, which is one of four workstreams implemented by DOS.<sup>20</sup> The three activities under this workstream highlighted in the case study include:

- Gender and Structural Reform
- Women in Science, Technology, Engineering, and Mathematics (STEM)
- Women Entrepreneurs in E-Commerce

This case study assesses the approaches and results achieved through US-SEGA from August 2018 through December 2021, although the activities are still ongoing. This case study includes the perspectives of USG interagency partners, including DOS, USAID, United States Trade Representative (USTR), Department of Commerce, the Implementing Partner (IP) and the APEC Secretariat.

## ACTIVITY DESCRIPTION

TABLE 3: ACTIVITY PROFILE FOR DEPARTMENT OF STATE INCLUSIVE AND RESILIENT GROWTH WORKSTREAM	
<b>IMPLEMENTING PARTNER</b>	Nathan Associates
<b>USG PARTNERS</b>	USAID, U.S. Department of State (DOS), U.S. Department of Commerce, U.S. Trade Representative
<b>ACTIVITY DATES</b>	August 2018 – December 2024 (6-year contract)

<sup>20</sup> The four workstreams include: Inclusive and Resilient Growth, Trade and Investment Facilitation, Regulatory and Structural Reform, and Institutional Capacity Building

<b>INCLUSIVE AND RESILIENT GROWTH WORKSTREAM</b>	Focus is women's economic participation, through targeting structural reforms to address legal and regulatory barriers, advance APEC's gender integration goals, improve the enabling environment for increased science, technology, engineering, and math (STEM) education and employment opportunities for women, and supporting women entrepreneurs' access and use of e-commerce platforms
<b>BUDGET OF WORKSTREAM</b>	\$145,000 (activity budgets as part of work plan)
<b>MULTILATERAL PARTNER</b>	Asia-Pacific Economic Cooperation (APEC)
<b>DIRECT ASSISTANCE ELIGIBILITY</b>	May provide direct assistance to nice APEC member economies and Cambodia, Lao PDR, and Burma, when funding is allowable
<b>ACTIVITY LOCATIONS</b>	Across APEC
<b>CASE STUDY LOCATIONS</b>	Remote data collection due to COVID-19 safety protocols
<b>ACTIVITY INDICATORS AND REPORTED RESULTS</b>	<p>1.1 Number of trade-enabling deliverables tabled/endorsed by APEC sectoral bodies in the areas of trade and investment facilitation; regulatory and structural reform; and inclusive and resilient growth reflecting USG assistance</p> <p>1.2 Number of APEC member economies citing changes to policy or practice in the areas of trade and investment facilitation; regulatory and structural reform; and inclusive and resilient growth; and institutional capacity building after USG assistance</p> <p>1.3 Number of U.S. firms or business associations stating that U.S.-SEGA activities have helped highlight private sector perspectives in APEC fora</p> <p>1.4 Several stakeholders engaged in U.S.-SEGA workshops, papers, or policy documents</p>

## ACTIVITY CONTEXT AND BACKGROUND

APEC operates as a cooperative, multilateral economic and trade forum that is committed to reducing barriers to trade and investment, increasing business facilitation, and providing economic and technical cooperation. The 21 economies included in the APEC forum account for 40 percent of the world's population, nearly one-half of global trade, and 60 percent of global GDP, in terms of purchasing power

parity. The U.S. works closely with APEC partners to pursue rules-based regulations as part of structural reforms to increase transparency. DOS and USAID have collaborated since 2008 to provide technical assistance to APEC to advance regional economic cooperation, starting with the Technical Assistance and Training Facility (TATF), which was created as a partnership between USAID and DOS. It served as an important mechanism for the U.S. Government (USG) to provide a broad range of capacity-building support to the APEC Secretariat and member economies.

In 2013, the next iteration of the APEC support project, U.S.-APEC Technical Assistance to Advance Regional Integration (US-ATAARI), provided capacity building support of member economies and the APEC Secretariat. The technical assistance was largely focused on generating policy studies, workshops, dialogues, and conferences designed to share best practices with policy makers to fulfill domestic commitments to APEC. The third and current iteration is the US-SEGA Project. Together, these three technical assistance instruments have served as important projects for providing U.S. support to APEC and played a crucial role in advancing regional economic cooperation. This technical assistance helped APEC become a more strategically managed institution and advanced various components of the APEC objectives.

## **ACTIVITY APPROACH**

The US-SEGA project supports four workstreams, comprising multiple activities that DOS is implementing. One of these workstreams, the Inclusive and Resilient Growth workstream, addresses barriers that restrict all citizens of the APEC region from fully participating in global trade, with a particular focus on SMEs and underrepresented and vulnerable groups, such as women, youth, the elderly, and persons with disabilities. In 2021, US-SEGA expanded its areas of technical support in this workstream to include environmental sustainability goals, with a focus on promoting net zero and carbon-neutral commitments and as sharing knowledge for coastal resiliency.

US-SEGA delivers technical assistance on policy analysis and development, case studies, economy-level training, planning, organizational and other resources as needed to reinforce and enhance APEC's capacity to continue to make progress on relevant topics to the APEC Secretariat, Committees, and Working Groups. US-SEGA enhances APEC's capacity to promote inclusive and resilient growth by addressing the economic dimensions of trans-boundary threats to people and economies such as from terrorism, pandemics, natural disasters, and promoting energy security, sustainability, and food security.

## **SUMMARY OF SELECT INCLUSIVE AND RESILIENT GROWTH WORKSTREAM ACTIVITIES<sup>21</sup>**

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<sup>21</sup> See the main report for more robust descriptions of these three selected activities.

- **Gender and Structural Reform** addresses policies and regulations that can either serve as barriers to employment opportunities for women or help ensure that women can access the same employment opportunities as men by mitigating obstacles and imbalances. Other potential structural reforms being advanced by APEC include prohibiting gender discrimination in accessing credit and women's non-traditional employment; providing alternate forms of credit reporting; and job-protected maternity leave. Structural policies play an important part in creating lasting economic growth by strengthening environments in which workers, businesses, and economies can thrive. Reforming these policies toward inclusivity and ensuring enforcement mechanisms are in place is critical to boosting productivity, creating a stronger business enabling environment, and generating greater GDP throughout the region.
- **Women in Science, Technology, Engineering, and Mathematics (STEM)** aims to increase the number of women who enter STEM fields, which is a significant source of potential growth left untapped. When women enter STEM fields, workplaces become more inclusive, and research and development become more responsive and relevant to the needs of a wider set of the population. More women in STEM leads to substantial innovations and inclusive economic growth. This encourages economies to invest and promote women's insights and contributions, foster gender equality, and achieve inclusive economic growth.
- **Women Entrepreneurs in E-Commerce** offers an increasingly important avenue for the development and internationalization of MSMEs; it is estimated that global total e-commerce sales will generate about \$5.5 trillion in 2022, with much of the growth driven by the Asia-Pacific region. Women in the APEC region face unique challenges in participating in digital trade. In 2021, US-SEGA finalized a concept note detailing capacity building and technical assistance to support women entrepreneurs in e-commerce through supporting volunteer APEC economies to pilot a tool kit to help identify gaps in women-owned SMEs in e-commerce

## **CASE STUDY METHODOLOGY**

The data analysis contained in this case study incorporated relevant information for significant findings rather than addressing each EQ separately. The EQs are:

- EQ1: How effective are the approaches and interventions used by SEGA toward advancing U.S. policy priorities and regional economic connectivity?
- EQ2: To what extent has integrating gender and inclusive development into programming been effective in achieving broad-based economic growth in APEC economies?
- EQ3: To what extent has the project efficiently and effectively operated as a flexible, demand-driven mechanism to support inclusive and equitable economic growth?



- EQ4: To what extent has US-SEGA’s knowledge management function used evidence-based data for disseminating best practices and piloting innovative approaches and technologies?
- EQ5: To what extent has USAID-SEGA supported USAID mission to aid in COVID-19 economic response and relief efforts?

<b>TABLE 4: KII RESPONDENT TYPE</b>		
<b>#</b>	<b>RESPONDENT TYPE</b>	<b>ORGANIZATION</b>
<b>8</b>	DOS USG employees	DOS, USTR, Department of Commerce, USAID
<b>4</b>	Implementing Partner	Nathan Associates Inc.
<b>2</b>	Technical staff	APEC Secretariat

This case study was developed in close collaboration with DOS and USAID staff and the IP and informs the overall Mid-Term Performance Evaluation. For this evaluation, primary and secondary data were collected, using a mixed-methods approach.

To inform this case study, the ET conducted 14 key informant interviews (KIIs), reaching DOS staff, USG interagency partners from the Office of U.S. Trade Representative (USTR), Department of Commerce and USAID, IP staff, and two direct beneficiaries from the APEC Secretariat and Organization for Economic Cooperation and Development (OECD). The ET selected the respondents to participate in the qualitative interviews using a stratified random sampling technique. The sampling size is relatively small but includes a purposive representation of key stakeholders.

### **LIMITATIONS**

This case study had limitations on data collection and analysis, which are addressed in the main report. One limitation relates to the period of performance, as some activities were completed and others are ongoing.

### **FINDINGS**

## FINDING 1: US-SEGA MECHANISM CONTRIBUTED TO ADVANCING USG PRIORITIES IN INCLUSIVE AND RESILIENT GROWTH (EQ1)

US-SEGA's intensive capacity building activities in the Inclusive and Resilient Growth Workstream improved the overall capacity of the APEC Secretariat, Committees, and Working Groups. US-SEGA provided effective support to the APEC Secretariat working groups. Progress in this workstream was attributed to two factors. First, APEC leadership believed in the vision, and second, there was strong consensus about inclusive approaches and the benefits brought to the economy as a whole. Positive regulatory environment is a necessary foundation for economic growth; without it, there will not be substantial connectivity in the region.

Reforms made in closing gender gaps in structural barriers, women's economic participation, and access to financial tools can build awareness of other important barriers, such as transparency in governing structures. According to multiple respondents, gender-related workstreams were the most compelling in structural reforms that examine legal and regulatory barriers deeply in the key sectors. These inclusive structural reforms can contribute to APEC's overarching goal of promoting balanced, inclusive, sustainable, innovative, and secure growth. The main output under this activity was the publication of an economic impact assessment that identified if and how Gross Domestic Product (GDP) may be affected when economies enact laws and regulations that remove barriers to women's economic activity. The awareness-building approach was an important factor, because it garnered consensus from various stakeholders about who were the decision-makers that could solve problems, according one DOS respondent. The participation of multi-economy stakeholders who were involved came from women's entrepreneur groups, the legal profession, and the private sector, and business associations became catalysts for broad policy changes within APEC, which contributed to regional connectivity.

US-SEGA drove the initiative to integrate gender into structural reforms. It helped launch the *Gender and Structural Reform*, which emphasized access to good wages, employment, and retention. The *APEC Gender and Structural Reform Economic Impact Assessment (EIA)* provided qualitative evidence on the areas of reform that are most likely to increase economic growth. Working closely with New Zealand was an effective approach to increasing regional cooperation, according to one DOS respondent.

Gender and inclusive economic growth activities require cross-cutting approaches because of the interconnectedness of structural barriers and the extent to which women may access finance, markets, educational opportunities, technology, and the like. The ET did not find sufficient evidence to assess the extent to which US-SEGA produces or supports impact on cross-cutting APEC issues. One interagency stakeholder suggested that US-SEGA should align its roadmap of APEC's structural gender reform objectives and targets with the goals embedded in the new National Security Strategy for Gender Equity

and Equality,<sup>22</sup> so that all interagency partners are using the same indicators for achieving results related to regional connectivity.

## FINDING 2: US-SEGA SERVICES AND PRODUCTS CONTRIBUTED TO UNDERSTANDING ECONOMIC INEQUITIES AND INEQUALITIES IN THE REGION (EQ1)

In 2021, US-SEGA continued to work with DOS to finalize the Women in STEM Metrics Framework, which provides a menu of options for operationalizing and measuring implementation progress of the *APEC Women in STEM Principles and Actions* and includes concrete indicators corresponding to the Principles and Actions. The Framework should help stakeholders understand the data collection requirements in a more user-friendly format, as they are implementing the Principles and Actions to track progress and measure gaps. Simplified reporting and analysis were needed for businesses, academia, and governments to advance the APEC Women in STEM Principles and Actions and to articulate the impact of the actions in their own economy. The inclusion of women in STEM is probably the most effective activity approach, according to one DOS respondent. The APEC Women in STEM Framework for Dialogue, Learning, Action was endorsed by all APEC economies and provided stakeholders with a common set of objectives, which was a significant accomplishment. One DOS respondent suggested that the IP should increase its technical expertise in this area because of growing demand.

Women face these common challenges in the APEC region: digital literacy and e-payments, how to finance trade, understanding digital trade regulations and logistics, discrimination in online platforms, after-sales support, online safety and security, networks, representation, visibility, access to capital, digitalization of trade policy, corruption and harassment, identity theft, and business knowledge in general. One DOS respondent stated that APEC leaders, delegates, and technical experts have access to substantial raw data regarding gender challenges in digital trade, but there was limited qualitative analysis on how to apply this data for evidence-based decision-making.

US-SEGA developed the *Women-Owned Businesses in Cross-Border E-Commerce Diagnostic Toolkit* to help APEC economies identify gaps in support for women entrepreneurs and/or women-owned SMEs in e-commerce. The *Toolkit* was introduced through economy-level workshops and built the capacity of stakeholders. As another example of US-SEGA support in this area, a workshop was held with representatives from the Viet Nam Agency for Enterprise Development under the Ministry of Planning and Investment (AED-MPI). This technical assistance activity supported women in accessing finance and understanding regulations in digital trade, customs, and intellectual property rights.

## FINDING 3: STRONG CONSENSUS REGARDING THE IMPORTANCE OF CLOSING GENDER GAPS (EQ2)

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<sup>22</sup> U.S. National Strategy on Gender Equity and Equality was launched in October 2021.

There was a strong consensus by stakeholders that under the Inclusive and Resilient Growth workstream, US-SEGA mainstreams gender activities effectively to garner broad support across the economies, which is also reflected in US-SEGA's MEL Plan and reporting of results. US-SEGA aligns gender goals in APEC and "threads the needle" in balancing U.S. interests with other economies, according to one respondent. The U.S. National Policy on Gender Equity and Equality highlights the importance of mainstreaming gender policies through structural reforms, which is also reflected in the US-SEGA approach to gender-related activities. Respondents also indicated that gender inclusivity was a priority for the APEC Secretariat.

From the ET's qualitative analysis, this finding is nuanced, according to the activities under this workstream. For the gender-focused activities, respondents shared that much work is being done to promote gender inclusivity and advancing women's empowerment agendas both through APEC and within the USG. The priority issues for US-SEGA include closing the digital divide for gender inclusivity, improving women's access to STEM, and supporting evidence to accelerate structural reforms. Gains made in the Inclusive and Resilient Growth Workstream potentially opens doors to other inclusion issues for rural populations and the vast pockets of poor people in the region.

#### **FINDING 4: US-SEGA SKILLS STRONG IN SOME AREAS AND LIMITED IN OTHERS (EQ2)**

Several stakeholders identified best practices that enabled US-SEGA implementation to be successful and identified gaps in the use of best practices. On the positive side, US-SEGA is currently developing tools with metrics to measure the effectiveness of approaches for private sector engagement in Women in STEM and Women Entrepreneurs in E-Commerce. Key stakeholders from USTR, Department of Commerce, and DOS noted that cross pollination among government officials, technical experts, and business representatives was driven by US-SEGA intervention, although this is harder to directly measure in terms of impact on women's economic participation. At the same time, several DOS and USAID respondents said that the IP has somewhat limited engagement with the private sector and NGOs in the APEC region, but should be recognized as doing well to start engaging these key stakeholders.

Although the IP has been effective at integrating and promoting gender inclusivity, there are several areas for improvement. Two respondents stated the *Gender and Structural Reform Economic Impact Assessment* is not considered an effective approach and would benefit from a "refresh." Another DOS respondent said that the IP is not capturing APEC best practices related to gender and therefore cannot share APEC's institutional history from the various iterations of the US-SEGA contract, which span more than 10 years. One USG respondent suggested that: "*It might be better for US-SEGA to focus on conducting desk reviews of APEC Secretariat Reports and Analyses, because we need to connect the dots before moving onto new topics.*" This suggestion, however, may be outside the scope of US-SEGA.

One reoccurring theme was mentioned by multiple respondents, as it relates to the US-SEGA team's technical expertise in some sectors. Several respondents said that the US-SEGA team would benefit from a "deeper and wider" understanding of gender issues in energy, women in STEM, and how digital policies affect men and women differently. US-SEGA staff and short-term technical advisors, however, demonstrated strong technical and operational expertise in guiding structural reforms, according to respondents. While the sampling size was too small to draw wide conclusions, some respondents noted that it would be beneficial to these workstreams if US-SEGA could engage experts with a deeper knowledge of women's economic empowerment activities in workforce development, women in STEM, and e-commerce.

### FINDING 5: US-SEGA MECHANISM WAS GENERALLY EFFICIENT AND FLEXIBLE IN DELIVERING TECHNICAL SUPPORT (EQ3)

Overall, most respondents indicated that the IP has been doing an efficient job at implementing activities to support APEC, and several key stakeholders noted that a meaningful gender lens was integrated into the workstreams. The toolkits, convening of events, preparation of workshops, providing operational support were well received by the USG and APEC partners. The IP demonstrated an ability to know which tools to use and which not to use. Several respondents emphasized that the IP hired qualified consultants to design studies, collect data, and present the analyses at multi-economy workshops. The IP's strong logistical capacity was critical when the COVID-19 forced the USG to transition to virtual capacity building.

The diagnostic toolkits produced by US-SEGA supported the policies related to structural reforms and the growth of women-owned MSMEs. These were viewed as good resources. There was a lack of data around gender and e-commerce, so US-SEGA needed to add a gender lens to research findings, because digital trade impacts men and women differently. Two DOS respondents, albeit in a small sampling, said that gender mainstreaming should be integrated into other workstreams, not just the Inclusive and Resilient Growth Workstream and US-SEGA could potentially support gender mainstreaming approaches. One respondent said:

*"We would benefit from a more data-driven approach. Many times it is not policy issues that are the most important for teaching in workshops. A better approach is to focus on the economy-level challenges and make the content easier to understand and be applied. This would improve the US-SEGA approach. There has not been much done for cross-border e-commerce, but this is an area that needs attention."* – DOS respondent

A type of one-stop shop with access to shared archives between DOS and USAID may help disseminate best practices among interagency partners but not in the public domain. There may limitations on how economy-specific case studies can inform broader best practices across the region:

*“The documents were useful to different economies in different ways, because every economy wants its say in outcomes and wording, so it is necessary to “bundle the outcomes” so that multiple countries believe the outcomes reflect their country results.” - IP Respondent*

Several DOS respondents said that US-SEGA technical expertise was very good in general, although:

*“Sometimes, there is a lack of coordination on the US-SEGA team in terms of what they are working on. I often think they are coming to the exact same finding in multiple areas—so the lack of cross-fertilization is an area for improvement. What is SEGA learning at the macro level from all these activities?” – DOS respondent*

One respondent noted that direct communication with APEC should be handled by DOS and that the protocols for communication with USG interagency partners and APEC partners should be reviewed periodically, especially because the IP intended to hire new staff and consultants.

#### **FINDING 6: COMMUNICATION PRODUCTS SHOULD BE TARGETED FOR DIVERSE STAKEHOLDERS (EQ4)**

Under US-SEGA, the team collects and analyzes huge raw data sets but does not necessarily produce actionable findings related to specific topics, such as how to navigate trade barriers or reduce vast economic inequalities and gender disparity in region. About half of the DOS respondents said that one area of needed improvement related to communicating results to people who were not economists or deeply interested in comparative data. Another respondent mentioned limitation in communication among partners led to a lack of exchanges of best practices between DOS and USAID. (See EQ5). More targeted communication products would allow DOS to better explain achievements and incremental progress with interagency partners and on Capitol Hill, as expressed by one respondent:

*“The only area of improvement he noted revolves around better communication on how to showcase results as it is difficult to make the link between workshop or work product to a concrete result. US-SEGA needs to showcase and highlight wins and communicate to partners how the US-SEGA technical assistance (TA) helped local economies in APEC and how US-SEGA produced a resource that was beyond the individual workshop.” – DOS respondent*

According to the SOW in the US-SEGA contract, project implementation should include effective coordination with the private sector, and the IP will be asked to identify specific areas where private sector cooperation and engagement might result in progress toward US-SEGA’s goals and objectives. As mentioned in EQ1, US-SEGA leveraged networks of private sector and NGOs partners and these networks would benefit from refreshing and expansion. There was an expectation that the IP’s staff would actively expand its roster of potential U.S. business partners and relevant NGOs. In Oct. 2020

APEC hosted a webinar that include PSE participation of FedEx, E-trade, PayPal. USG stakeholders would like to see more of these exchanges in the future.

*“Maybe more contacts in government and CSOs would be good. Fintech is important to women-owned companies and needs support from the private sector. The USG is insistent that private sector stakeholders need to be involved and present in discussions.”* – DOS respondent

## **FINDING 7: US-SEGA ACTIVITIES MODIFIED APPROACHES DURING COVID-19**

The shifting priorities of the APEC schedule required reallocation of resources across workstreams to meet rising demands for specialized technical support. For example, regulatory policies guiding the digital economy became a higher priority as new opportunities opened in APEC economies to reach markets through digital trade. US-SEGA adapted its approach to activities across workstreams to operate within the context of COVID-19. US-SEGA adjusted its staffing structures to meet the new demands of virtual programming delivery in response to COVID-19 travel and safety considerations. Pivoting efficiently to online formats during the COVID-19 pandemic by US-SEGA staff was noted by many respondents. Two respondents said that US-SEGA missed opportunities to link the activities and learnings of the three components of the US-SEGA project. One respondent stated:

*“Increasing visibility of what is happening at the bilateral level with USAID Missions’ COVID-19 relief programming would be useful to inform USG regional perspective.”* -  
DOS Respondent

## **CONCLUSIONS**

Based on its analysis of primary qualitative data collection and analysis and secondary data contained in the desk review, the ET concludes that the US-SEGA mechanism was efficient and effective in delivering technical and operational support to the Inclusive and Resilient Growth Workstream. There was a strong consensus among key stakeholders that US-SEGA delivered vital operational support that advanced USG diplomacy. US-SEGA should assess its quality assurance processes for preparing conference materials and supporting documents so that the content of these materials will generate concrete deliverables by guiding participants through steps that result in desired outcomes. The US-SEGA team should develop a strategy to enable “good ideas” and best practices to be captured and adopted at the political level after the APEC Secretariat and Committees convene policy discussions.

Advancing the status of women and girls and other vulnerable populations is a stated goal of US-SEGA’s activities. In turn, US-SEGA has allocated significant project resources toward accelerating USG leadership in approaches to inclusive growth, women’s economic participation, and women’s leadership throughout the APEC region. It is difficult to assess the impact of US-SEGA support in advancing USG

gender equity and equality goals for several reasons. First, there is not sufficient sex-disaggregated data to measure the gender gaps in APEC economies. There was also limited evidence on how US-SEGA's activities produce results for cross-cutting and intersectional gender issues. The Economic Impact Assessment tool has the potential to illustrate if and how GDP may be affected when economies enact laws and regulations that remove structural barriers impeding women's economic participation. Second, other tools such as the La Serena Roadmap for Women and Inclusive Growth and the APEC Women and the Economy Dashboard provide relevant raw data and analysis, but the findings and recommendations in current communications and publications are not easily accessible to many audiences.

As the findings illustrated, US-SEGA should work with USG partners to support the development of more accessible communications and publications that could convey achievements and APEC policy advances to diverse audiences. The lack of expertise in strategic communications was frequently mentioned as a limitation. Somewhat related, USG partners suggested that US-SEGA should broaden its network of private sector partners and NGO stakeholders that can be engaged in policy dialogues. The USG has a comparative advantage in its approaches to private sector engagement compared to other APEC partners and this has not been fully leveraged. The ET did not find evidence that the US-SEGA communications and publications had been disseminated to these key external stakeholders.





# ANNEX IV: VIETNAM WORKFORCE DEVELOPMENT

## ACTIVITY CASE STUDY

### INTRODUCTION

US-SEGA was designed to deliver rapid technical assistance. It proved to be an efficient and effective mechanism for providing critical technical support to the Government of Vietnam (GOV) and the country’s digital ecosystem actors. This case study features US-SEGA’s support to the GOV from July 2020 through 2021, to address the skills gaps in Vietnam (see box) that need to be filled for the Fourth Industrial Revolution (4IR)<sup>23</sup> in Vietnam to succeed. This case study aims to provide deeper insights into the implementation of the US-SEGA interventions by including the perspectives of host-government beneficiaries, private sector training and financial partners, the local implementing partner, and USAID staff. These additional key informant interviews aided in measuring the efficiency, effectiveness, and sustainability of this specific intervention and overall technical assistance. The research allowed the ET to further assess the local context and challenges to improving 4IR workforce readiness solutions in Vietnam, and described lessons learned from the perspectives of beneficiaries and local partners.

*“There is a massive skills gap in Vietnam, but we were trying to do something beyond the main, traditional approach, we were looking for a private sector solution.”*

- USAID/Vietnam

### ACTIVITY DESCRIPTION

TABLE 5: ACTIVITY PROFILE FOR VIETNAM WORKFORCE DEVELOPMENT ACTIVITY CASE STUDY	
<b>USAID AND DEPARTMENT OF STATE PARTNERS</b>	USAID Asia Bureau Economic Growth USAID/Vietnam
<b>ACTIVITY DATES</b>	July 2020 – present

<sup>23</sup> The Fourth Industrial Revolution is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres. Source: Schwab, Klaus. “The Fourth Industrial Revolution: What It Means and How to Respond.” *World Economic Forum*, 14 Jan. 2016, [www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/](http://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/).

<b>BUDGET</b>	<p>\$89,083 – Workforce development assessment</p> <p>\$366,424 - Concurrence - “Workforce for an Innovation and Start-up Ecosystem” (WISE)</p> <p>\$2 million - “Workforce for an Innovation and Start-up Ecosystem” (WISE)</p>
<b>PRIVATE SECTOR AND NON-PROFIT PARTNERS</b>	The activity is implemented by Nathan Associates and its Vietnamese partner, MBI Innovation Challenges (MBI)
<b>PUBLIC SECTOR PARTNERS</b>	GOV Ministry of Planning and Investment, Vietnam National Innovation Center, and the Vietnam Youth Federation
<b>ACTIVITY LOCATIONS</b>	Hanoi, Ho Chi Minh, and other locations in Vietnam
<b>CASE STUDY LOCATIONS</b>	Remote data collection due to COVID-19 safety protocols
<b>ACTIVITY INDICATORS AND REPORTED RESULTS</b>	<p>1.1.1 Number of individuals who complete USG-assisted workforce development programs - M: 0; F: 0</p> <p>1.1.2 Number of individuals with new employment following participation in USG-assisted workforce development programs - M: 0; F: 0</p> <p>1.1.3 Number of training providers (organizations) supported with USG assistance - 6</p> <p>1.2.1 Value of education/talent finance obtained - US\$1,174</p> <p>3.1 Number of pilots or knowledge tools developed for USAID missions - 7</p> <p>3.2 Value of private sector resources leveraged for US-SEGA activities - US\$981,981</p>

## ACTIVITY CONTEXT AND BACKGROUND

Vietnam is experiencing rapid economic growth and may stand to gain from trade partners’ desires to diversify the sourcing of intermediate and final goods out of China, due to the immense challenges caused by the COVID-19 pandemic. Its desirability as an investment destination has grown as Vietnam’s ranks in

*“Many Vietnamese companies are transitioning to cloud-based IT systems, but there are not enough people with cloud computing skills to support these transitions and maintain once the transitions are complete. The existing vocational and university institutions are not responding quickly enough to these needed skills.”*

- Private Sector Training Institution and WISE Beneficiary

international benchmarking studies improve. To enhance its competitive advantage over the longer run, the GOV and international partners have recognized that the country's long-standing advantage based on the low cost of labor, which propelled the economy forward with jobs in export-oriented manufacturing, will fade as technological innovations, including automation and robotics, undercut the role of labor in manufacturing. To maintain forward momentum, remain competitive, access new economic sectors, attract new investments, and promote employment or entrepreneurship opportunities, Vietnam's workforce needs to support the country's manufacturing industries move up the value chain by acquiring the hard and soft skills associated with emerging 4IR technologies (see box).

In this context, USAID/Vietnam recognized an opportunity to deliver targeted technical assistance to establish the rationale for a private sector-driven, market-oriented model that could serve as a viable solution to provide Vietnam's workforce with the requisite skills base to take advantage of emerging 4IR employment opportunities.

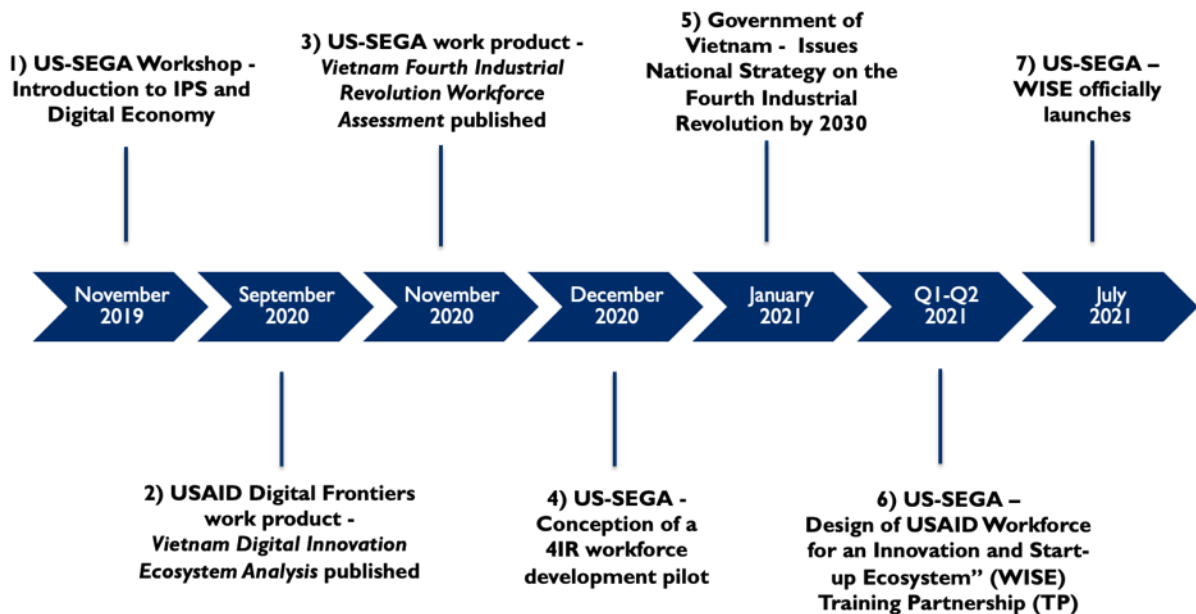
## **ACTIVITY APPROACH**

Detecting an opportunity to tap into the growing momentum to prepare Vietnam's workforce with 4IR skills, USAID/Vietnam executed a series of complementary activities under US-SEGA and USAID Digital Frontiers<sup>24</sup> to capitalize on this opportunity and take a leadership role in developing a private sector solution to address 4IR skills and workforce development gaps in Vietnam. These activities culminated in the July 2021 implementation by SEGA of the Workforce for an Innovation and Start-up Ecosystem (WISE) Project.

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<sup>24</sup> Due to the wide scope of the US-SEGA Component 1 and Component 2 activities, it was agreed that the ET would interview a subset of the partners involved in WISE implementation, described here in this case study. Several other implementing partners engaged with WISE (for example, FPT Software Academy, VINASA Academy, Supporting Center for Youth Startups etc.) were not included.

**FIGURE 6: VIETNAM WORKFORCE DEVELOPMENT ACTIVITY TIMELINE OF IMPORTANT MILESTONES AND USAID WORK PRODUCTS**



**1) Introduction to the Indo-Pacific Strategy and Digital Economy (November 2019) -** As part of an effort to assist the USAID/Asia Bureau and regional and bilateral missions to implement the Indo-Pacific Strategy (IPS), US-SEGA convened USAID missions from across the Indo-Pacific region in Bangkok, Thailand to participate in an Introduction to IPS and Digital Economy workshop to review and discuss trends and issues in the digital economy across the Indo-Pacific.

**2) Vietnam Digital Innovation Ecosystem Analysis (September 2020) -** In 2020, USAID/Vietnam executed a buy-in to the Digital Frontiers mechanism to explore issues related to e-governance and Vietnam’s Industrial Revolution 4.0 strategy. The resulting work product, the Vietnam Digital Innovation Ecosystem Analysis, issued in September 2020, assessed gaps preventing Vietnam’s private sector digital economy from being competitive, innovative, and inclusive while providing USAID with recommendations on areas of programming it could consider to help address those challenges.

**3) Vietnam Fourth Industrial Revolution Workforce Assessment (November 2020) –** Leveraging the Vietnam Digital Innovation Ecosystem Analysis work product’s findings and the Government of Vietnam’s interest in preparing the country’s workforce with 4IR skills, US-SEGA, with guidance from USAID/Vietnam and USAID/Asia Bureau, undertook a workforce assessment in Vietnam. The Vietnam Fourth Industrial Revolution Workforce Assessment activity occurred between July and November 2020 and focused on identifying 4IR, digital, and information and

communication technology (ICT) employment opportunities in Vietnam and the skills required to meet them.

**4) Conception of a two-year 4IR workforce development foundational project (December 2020)** – Drawing from a menu of options for initial activities proposed in the [Vietnam Fourth Industrial Revolution Workforce Assessment](#) that could be implemented over 12-18 months, US-SEGA, USAID/Asia Bureau, and USAID/Vietnam proposed an activity outline for a workforce development program focused on two primary concepts to pursue initially: 1) Scaling and customizing training for employers, and 2) Innovative methods to finance ongoing learning and 4IR skills development.

**5) National Strategy on the Fourth Industrial Revolution by 2030 (January 2021)** - Dovetailing with the momentum generated by USAID/Vietnam’s technical assistance activities in support of Vietnam’s digital innovation ecosystem, in January 2021, Vietnam’s Prime Minister issued the *National Strategy on the Fourth Industrial Revolution by 2030* (National 4IR Strategy), with stated aims to take advantage of 4IR opportunities, develop and apply new technologies in support of renewing Vietnam’s growth model, and advance Vietnam’s digital infrastructure and human resources (HR).<sup>25</sup>

**6) Design and launch of the WISE Training Partnership (TP) (Q1-Q2 2021)** - Leveraging US-SEGA’s buy-in mechanism, US-SEGA, USAID/Asia Bureau, and USAID/Vietnam proposed an activity outline for a workforce development program and subsequently designed the two-year WISE project, which officially launched in July 2021.

**7) WISE Project (July 2021 - Present)** USAID’s WISE project aims to provide resources and technical assistance that can improve Vietnam’s 4IR workforce readiness status. US-SEGA’s research and analysis validated that strong labor market demand exists in Vietnam for 4IR skills. But at the same time, the study also concluded that the network of training institutions involved in preparing the workforce with those skills was still embryonic, linkages between industry and training institutions were not strong, and in general, awareness of these alternatives to more traditional forms of education had not been adequately established in the labor market. With WISE, US-SEGA has put forward an approach whereby WISE’s primary role will be to create and maintain linkages between digital ecosystem actors and deliver targeted technical assistance and support co-investment to spread costs and risks across different digital ecosystem stakeholders. WISE is intended to focus on three workstreams: 1) Improving basic digital literacy skills among new entrants

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<sup>25</sup> USAID/Vietnam leveraged the Digital Frontiers buy-in mechanism to develop the [Vietnam Digital Innovation Ecosystem Analysis](#). The remainder of the activities highlighted in this graphic were executed under US-SEGA. Digital Frontiers is a \$74.4 million buy-in mechanism that is available to U.S. Agency for International.

to the workforce; 2) Developing a diverse, demand-driven, private sector-led market for upskilling and reskilling; and 3) Stimulating innovative financing solutions to promote lifelong learning.

### PROGRESS ON WISE TO DATE

US-SEGA has employed a Training Partnership (TP) mechanism to implement this approach and achieve WISE’s goals. Through technical assistance and co-investments, this TP aims to convene labor market supply actors (private or not-for-profit training institutions); labor market demand actors (employers and recruiters); select intermediaries (financing partners, human resource and communications firms, etc.); and the Ministry of Planning and Investment’s National Innovation Center, in a collaborative effort to deepen training offerings, improve demand-supply partnerships, and encourage the Vietnamese labor force to consider 4IR-related employment opportunities.

<b>TABLE 6: DESCRIPTION OF KEY IMPLEMENTING PARTNERS PARTICIPATING IN THE WISE TRAINING PARTNERSHIP<sup>26</sup></b>		
<b>TYPE OF IMPLEMENTING PARTNER</b>	<b>IMPLEMENTING PARTNER AND DESCRIPTION</b>	<b>IMPLEMENTING PARTNER ROLE IN WISE</b>
<b>Host Government</b>	<b>Ministry of Planning and Investment, National Innovation Center (NIC)</b> - aims to promote investment and speed up the commercialization of technological products, host domestic and foreign technology firms, and provide infrastructure for the research and development of technological and start-up ideas.	Convene employers, HR recruiters, private training institutions and intermediaries to join WISE’s Training Partnership and engage in WISE activities and collaborations.

<sup>26</sup>Development (USAID) Bureaus and Missions from 2017-2022. The project works closely with USAID’s Global Development Lab, the Center for Digital Development, USAID Missions, the private sector, and international and local development organizations to identify successful and sustainable digital development approaches and scale their impact globally. Source: Digital Frontiers, and United States Agency for International Development. *Vietnam Digital Innovation Ecosystem Analysis*. Sept. 2020.

<b>Private Sector or Not-for-Profit Training Institutions</b>	<b>BK Academy</b> - Authorized training partner for Cisco Systems, Microsoft, Pearson VUE, Sun Oracle, and Palo Alto Networks that delivers certifications.	Expand its reach and offerings of digital skills including offering online training to reach more students; scaling Cisco Networking certifications; support for part of the cost of training of trainers; exploring of delivering student financing solutions to enable more women and rural citizen participation in training.
	<b>AI Education</b> - Training organization that focuses on cloud computing training and is the certified educator of Amazon Web Service (AWS) in Vietnam and the Mekong region.	Expand the pool of cloud computing professionals in Vietnam by using Future Skills platform operated by AI Education to train forty university and vocational college teachers in AWS and become certified AWS trainers.
	<b>CoderSchool</b> - Computer programming coding training organization providing career-readiness training in full-stack web development, data science, basic programming with Python and basic HTML/CSS.	Work with Lotte Finance to develop an income-sharing mechanism such as cost-sharing arrangements with employers or conventional student loan products to enable more students to train at CoderSchool.
<b>Private Sector Financial Services Firm</b> <sup>27</sup>	<b>Lotte Finance</b> - Subsidiary of LOTTE Card, a South Korean credit card company that offers loan products to students of English and ICT courses in Vietnam.	Cooperate with training institutions and employers to develop concepts for alternative loan products for talent financing.
<b>Private Sector Development Consulting Firm</b>	<b>MBI Innovation Challenges</b> - Development consulting firm that focuses on technology, entrepreneurship, trade, competitiveness, private sector development, regulatory reforms, and governance.	Local WISE partnership coordination and project management supporting co-investment activities in Vietnam.

<sup>27</sup> It should be noted that at the time of writing this report, successful student loan products resulting from WISE-related activities had yet to be deployed in the marketplace.



WISE was only recently launched in July 2021, and few project activities had gotten underway during the period of performance considered in this review (September 2019- January 2022) and thus, few WISE activities were evaluated. However, a GOV respondent noted that the public launch of the WISE project was for building awareness both about the demand for 4IR skills and the training institutions that are providing training in 4IR skills, garnering important media attention.

## CASE STUDY METHODOLOGY

To inform this case study, the ET conducted nine key informant interviews (KIIs) with GOV direct beneficiaries, private sector training and financial partners, implementing partner staff, and USAID staff. The ET selected the respondents to participate in the qualitative interviews using a stratified random sampling technique.

TABLE 7: RESPONDENTS BY TYPE		
NO	RESPONDENT TYPE	ORGANIZATION
1	Host-country government	GOV employee
4	Project beneficiaries	Private sector training and financial services partners
2	Implementing partner	Nathan Associates Inc. and local subcontractor
2	Staff	USAID

### LIMITATIONS

This case study had limitations on data collection and analysis. The sampling includes GOV and private sector direct beneficiaries, US-SEGA advisors, and USAID staff. It does not include other potential beneficiaries from the private sector and civil society, which may also limit understanding of the opportunities and challenges faced in meeting Vietnam’s 4IR workforce preparedness objectives.

In addition, US-SEGA and USAID only recently launched WISE in July 2021 and therefore the ET evaluated only a few initial project activities that were undertaken during the second half of 2021. Additional limitations are covered in the main report.

## FINDINGS

### FINDING 1: US-SEGA PROVIDED RESOURCES TO TAP INTO GROWING MOMENTUM AROUND PREPARING THE 4IR WORKFORCE AND EFFECTIVELY ADVANCED U.S. POLICY PRIORITIES (EQ1)

USAID/Vietnam engaged the US-SEGA mechanism to provide additional complementary technical assistance that leveraged USAID's *Vietnam Digital Innovation Ecosystem Analysis* work product and the growing momentum around improving Vietnam's 4IR workforce preparedness. The research, analysis, and stakeholder engagement activities that informed US-SEGA's *Vietnam Fourth Industrial Revolution Workforce Assessment* work product provided USAID/Vietnam and US-SEGA with a solid understanding of the panorama of players in Vietnam's digital ecosystem. Importantly, these included key private sector digital skills training organizations and financial institutions interested in gaining market traction in the space and that could potentially be partners during any follow-on workforce development programming.

According to USAID respondents, these workforce development (WFD) efforts under US-SEGA positions USAID to advance U.S. policy priorities in several areas:

- It seeded market-driven concepts and approaches that further support Vietnam's transition from a centrally planned to a market economy, as articulated in USAID/Vietnam's 2020-2025 Country Cooperation Development Strategy (CDCS);
- It intentionally focused on women and rural citizens to help narrow Vietnam's digital divide, consistent with the USAID Digital Strategy;
- With the increasing pervasiveness of digital technologies, US-SEGA's emphasis on digital skills development and digital inclusion is poised to improve regional economic connectivity through increased technology trade, access to online services, enhanced linkages between people, companies, and organizations throughout the region, among others; and,
- Provided targeted resources to demonstrate the rationale for designing and implementing a more substantial, follow-on, bilateral activity that could represent an opportunity to further strengthen ties between the USG and GOV.

### FINDING 2: ACTIVITIES INTENDED TO PROMOTE GENDER EQUALITY AND ADVANCE THE STATUS OF WOMEN AND GIRLS COULD BE MORE INTENTIONAL AND MEASURABLE (EQ2)

USAID WISE has a mandate to address the digital divide in Vietnam. Yet although advancing the status of women and girls is a stated goal of USAID's workforce development activities in Vietnam, specific

activities intended to help achieve this goal could be more intentional and measurable. For instance, a GOV respondent reported that there are plans to replicate the model employed in WISE in more underdeveloped areas of Vietnam and increase the focus of assisting women and people with disabilities to participate in 4IR skills training programs. A private sector beneficiary agreed, noting that WISE is prioritizing women and disadvantaged populations and that targeted communications campaigns and scholarships are being considered to target women and rural communities in the Mekong region. A separate private sector beneficiary reported that WISE's approach is allowing private sector training providers to extend the reach of their offerings of digital skills courses beyond the country's two main cities and creating opportunities for expansion and training of new trainers into new geographies.

But a separate private sector beneficiary noted that it was important to scale these efforts and reach more women and students in non-urban areas to develop digital and coding skills and develop financing products and pricing structures that facilitate reaching more of these students. According to this beneficiary, gender and inclusivity issues have been discussed in WISE partnership meetings. However, establishing concrete indicators to measure progress toward gender equality and advancement goals would more firmly integrate gender and inclusive development into WISE programming.

### **FINDING 3: IP DEMONSTRATED THE CAPACITY TO MANAGE WFD ACTIVITIES AND DEPLOY APPROPRIATE KINDS OF EXPERTISE REQUIRED (EQ3)**

Responding to an emerging priority for USAID/Vietnam, the IP was able to mobilize a team with relevant professional experience to conduct a 4IR workforce assessment. Complementing the IP's in-house subject-matter expertise, the IP also identified and contracted with a well-networked local partner with domain expertise to lead the local stakeholder engagement and field research and contributed to a menu of subsequent program recommendations that were appropriate for the local context.

According to USAID respondents, the 4IR workforce assessment was well received for its technical quality and the menu of programming options put forward, and interactions with the IP's team showed potential partners that there could be value in co-investing in a follow-on activity. The IP's team then assisted in the design of the subsequent WISE activity. Moreover, a GOV respondent noted that US-SEGA's activities have represented a good opportunity for Vietnam to absorb international knowledge and expertise, which is facilitating the country to move faster to develop and deliver 4IR skills.

Delivering these kinds of rapid, flexible, and locally contextualized supports allowed US-SEGA to transition quickly from a work product to the design of a foundational activity with buy-in from the GOV. US-SEGA is well-positioned to support inclusive and equitable economic growth by providing the workforce with the skills that will permit Vietnam to remain competitive in its key export-oriented

manufacturing industries while positioning the country to gain traction in new emerging economic sectors.

#### **FINDING 4: USAID'S WORK PRODUCTS WERE HELPFUL IN FRAMING ISSUES, IDENTIFYING OPPORTUNITIES, AND BUILDING CONSENSUS AROUND APPROPRIATE NEXT STEPS (EQ4)**

The series of USAID activities and work products helped set the stage for the design and launch of the WISE project. These work products and the activities involved in their development effectively,

- Leveraged the IP's own expertise and a local implementing partner's domain expertise and network to conduct important field work and analysis;
- Provided a strong analytical base and understanding of the digital ecosystem and 4IR landscape;
- Highlighted and assessed opportunities and sensitized appropriate stakeholders to those opportunities; and,
- Created opportunities for building linkages and trust between potential partners.

The work products themselves were largely well-received in the digital ecosystem, the GOV, and international organization circles. According to a GOV respondent, the work products have been helpful in identifying the 4IR skills delivery gaps in Vietnamese vocational schools and other public educational institutions, providing the GOV with guidance about how best to allocate resources to address those gaps.

These work products and the teams involved in developing them have helped position USAID/Vietnam to play a key role in supporting the GOV to implement elements of its National 4IR Strategy by helping to frame issues, identify and prioritize opportunities, and build consensus around appropriate next steps. As a USAID respondent noted, the same US-SEGA team that performed the initial analytical work was also heavily involved in subsequent project design and implementation, and thus there was no loss of continuity or institutional knowledge. This flow of activities has effectively facilitated the transition from an opportunity assessment to a more targeted work product to a full-on project (WISE).

#### **FINDING 5: WISE'S IMPLEMENTATION APPROACH LEVERAGED DIALOGUES AMONG PUBLIC AND PRIVATE STAKEHOLDERS AND EFFECTIVELY SEEDED A PRIVATE SECTOR AND MARKET-DRIVEN SOLUTION (EQ4)**

US-SEGA employed an implementation approach to WISE that positioned the project to advance a private sector and market-driven solution to address 4IR skills gaps in Vietnam. US-SEGA leveraged knowledge gained during earlier WFD project technical assistance activities in which important players in Vietnam's digital ecosystem were identified and their relative capacities to address some of the binding

constraints to scaling digitization and 4IR workforce readiness solutions were assessed. These analytical activities also underscored to US-SEGA that traditional approaches to skills development in Vietnam largely centered around public education and TVET institution training delivery mechanisms, which were not adequately providing Vietnam's workforce with the requisite skills base to take advantage of emerging 4IR employment opportunities.

The TP US-SEGA subsequently formed for delivering WISE intentionally and firmly seeded a private sector and market-driven orientation and approach for improving the workforce's 4IR preparedness. WISE's partnership strategy involves a more private sector-focused ministerial partner (the National Innovation Center from the Ministry of Planning and Investment), several private sector training institutions, a multinational private sector financial services firm, other intermediaries, such as human resource and communications firms, and a well-networked local subcontractor with digital ecosystem domain expertise to coordinate local TP activities. A private sector training institution respondent reported that the NIC's involvement is particularly important, as GOV buy-in is essential to ensuring continuity and sustainability after the WISE activity concludes.

#### **FINDING 6: MORE ROBUST COMMUNICATIONS CAPACITY AND HUMAN RESOURCES ARE NEEDED TO REACH A WIDER RANGE OF KEY STAKEHOLDERS AND TARGET AUDIENCES (EQ4)**

Several stakeholders interviewed emphasized the challenges in reaching the wide range of stakeholders and target audiences that are central to the success of WISE. These stakeholders and target audiences range from public sector stakeholders such as GOV, USG (such as Congress, other USAID Missions, DOS, and United States Trade Representative (USTR)) staff involved in other potentially complementary US-SEGA activities, to private sector actors, such as Vietnamese employers and recruiters to the Vietnamese public at large, including specific demographics such as rural populations and women. Each of these stakeholders and target audiences can require customized messaging, communication plans and/or awareness-building campaigns, depending on the specific nature of the messaging goal.

For example, a private sector beneficiary respondent noted how extreme the 4IR skills shortage is in Vietnam and that a robust awareness-building campaign is needed to show that numerous 4IR employment opportunities exist in Vietnam. A separate private sector beneficiary noted that most external WISE communications are project-oriented rather than partner-oriented and stressed that it is important to better promote and highlight the WISE implementing partners themselves to communicate to prospective students that there are training institutions in Vietnam that can provide 4IR skills and financing instruments that can assist with tuition expenses.

It is understood that US-SEGA is in the process of working on the TP website platform, which is intended to provide regularly updated information for Vietnamese learners interested in 4IR careers and

connect them to resources including salary scales, required skills, and resources for learning and financing tuition and that the launch of this platform will be accompanied by a social media communications strategy.

Still, given the breadth of stakeholders and target audiences are vital to the success of the WISE project and any potential follow-on bilateral activity, more robust communications capacity and resources are needed with experience across various media and marketing and promotion channels (e.g., television, print, digital, social, such as Tik Tok, Instagram, and Facebook, etc.) and with the capabilities to distill the main points from both activities and work products, summarize key take-aways and make economic information with good graphics accessible to wider audiences that are useful for taking action.

### FINDING 7: MINIMAL FIELD PRESENCE DURING COVID-19 REQUIRES THE IP TO EMPLOY A MORE HANDS-ON APPROACH TO PARTNER COORDINATION (EQ5)

COVID-19 safety and security protocols drastically reduced the IP's field presence. According to all categories of respondents, the IP demonstrated the capacity to pivot to virtual project management and stakeholder engagement practices rapidly and effectively according to local circumstances in Vietnam. At the same time, a private sector beneficiary noted that *“presence matters, particularly within the COVID context”* (see box). Several public and private sector beneficiaries in the TP reported that the IP over-relied on its local subcontractor to manage partner coordination. WISE is the first time these actors have been involved in a partnership with one another, and COVID-19 has made coordination between the implementing partners even more challenging. A private sector beneficiary asserted that the IP needs to find new ways to facilitate the partnership while not having physical presence on the ground. For example, a private sector beneficiary emphasized that the anticipated student financing and loan products envisaged as a key feature of WISE's TP have not gained sufficient traction nor had the desired impact. Yet this respondent reported that there is currently no adequate plan in place to address and resolve the issues restricting these products from gaining traction.

*“It is important for the IP to take a more active role in managing the partnerships between implementing partners and help resolve any issues, so the partnerships can move forward. At a minimum, this means having more frequent regularly scheduled meetings between the IP's headquarters staff and all the implementing partners, especially because of COVID-19.”*

- Private Sector Training Institution and WISE Beneficiary

The IP should employ a more hands-on and active approach to partner coordination and help resolve any issues, so the partnerships can move forward. Particularly in the context of the pandemic and minimal field presence, over-reliance on the local subcontractor (rather than the IP's internal staff) to coordinate field activities can potentially create issues, depending on how the local subcontractor is perceived by the other partners involved. In contrast, on a separate US-SEGA activity in another country

reviewed by the ET, local partners were very satisfied with partnership coordination during the pandemic because the IP's internal staff has been very active in partner coordination and activity prioritization, design, and implementation.

## **CONCLUSIONS**

The WFD approaches and interventions used by US-SEGA have effectively positioned USAID to advance USG policy priorities in several areas. US-SEGA has helped seed market-driven concepts and approaches that further support Vietnam's transition to a market economy. WISE's intentional focus on digital skills development and digital inclusion for women and rural citizens can help narrow Vietnam's digital divide while also improving regional economic connectivity. Further, by buying into WISE's TP, the GOV has signaled its support for WISE's private sector-driven approach, which is potentially setting the stage for a more substantial, follow-on, bilateral activity that could represent an opportunity to further strengthen ties between the USG and GOV.

A fundamental objective of US-SEGA was to respond quickly to new opportunities in economic growth assistance. Responding to an emerging opportunity, USAID/Vietnam engaged the US-SEGA mechanism to provide targeted catalytic resources to further USAID's priorities in the country. Through US-SEGA's flexible funding mechanism, the IP was able to rapidly mobilize a qualified team to develop a work product that was largely well-received and helped position USAID/Vietnam to play a key role in supporting the GOV to implement elements of its National 4IR Strategy by helping to frame issues, identify and prioritize opportunities, and build consensus around appropriate next steps. Delivering these kinds of rapid, flexible, and locally contextualized support allowed US-SEGA to transition quickly from a work product to the design of a foundational activity, with buy-in from the GOV.

In addition, with WISE's TP, US-SEGA has implemented an innovative approach. WISE's partnership approach involves a more private sector-focused ministerial partner and firmly puts private sector and not-for-profit training institutions in the driving seat to improve Vietnam's 4IR workforce readiness. In addition, bringing in a financial services partner from the outset with the aim of developing tailored student loan products was innovative, as a lack of student loan and other financing products can often be a key constraint that prevents prospective students from participating in structured workforce development efforts.

Ultimately, US-SEGA and USAID learned it was positive to have a rapid-response mechanism, as USAID can be more efficient and effective when comprehensive technical assistance is readily available. US-SEGA is currently well-positioned to drive private sector, market-driven workforce development activities in Vietnam. To sustain this forward momentum, it will be important for the IP to employ a more hands-on and active approach to partner coordination, which, at a minimum, means having more frequent regularly scheduled meetings between the IP's internal staff and the partners in the TP. More robust

communications capacities and resources should also be deployed to reach the wide range of stakeholders and target audiences that are central to the success of the US-SEGA's WFD program. WISE could also be more intentional in developing and implementing specific activities to further women's economic empowerment and inclusivity goals and establish concrete indicators to measure progress toward these goals.



# ANNEX V: MALDIVES PUBLIC FINANCIAL MANAGEMENT CASE STUDY

## INTRODUCTION

US-SEGA was designed to deliver rapid technical assistance and it proved to be an efficient and effective mechanism for providing critical technical support to the Government of Maldives (GOM) following the October 2018 elections. This case study features the USAID Maldives Public Financial Management Technical Assistance Program, which supported the GOM in technical assistance from December 2018 through May 2021. This case study aims to provide deeper insights into the implementation of the US-SEGA interventions by including the perspectives of host-government beneficiaries, technical advisors, and USAID staff. These additional key informant interviews aided in measuring the efficiency, effectiveness, and sustainability of this specific intervention and overall technical assistance. The research allowed the ET to further assess the local context and challenges to improving public financial management (PFM), specifically program-based budgeting (PBB), public investment management (PIM), and national development support. The ET identified challenges and opportunities, and described lessons learned from the perspectives of beneficiaries and local partners.

## ACTIVITY DESCRIPTION

TABLE 8: ACTIVITY PROFILE FOR THE MALDIVES PUBLIC FINANCIAL MANAGEMENT CASE STUDY	
<b>USAID AND DEPARTMENT OF STATE PARTNERS</b>	USAID Asia Bureau Economic Growth USAID/Sri Lanka and Maldives
<b>ACTIVITY DATES</b>	December 2018 – May 2021
<b>BUDGET</b>	\$899,462
<b>PRIVATE SECTOR AND NON-PROFIT PARTNERS</b>	Involved as stakeholders in early Public-Private Dialogues

<b>PUBLIC SECTOR PARTNERS</b>	Ministry of Finance, Ministry of National Planning and Infrastructure, Ministry of Transport and Civil Aviation, Hanimaadhoo Regional Airport, and the Maritime Public Transport System
<b>ACTIVITY LOCATIONS</b>	Malé and other atolls
<b>CASE STUDY LOCATIONS</b>	Remote data collection due to COVID-19 safety protocols
<b>ACTIVITY INDICATORS AND REPORTED RESULTS</b>	<ul style="list-style-type: none"> <li>1.1 Number of Pilots or Knowledge Tools Developed for USAID Missions</li> <li>1.2 Number of Pilots or Knowledge Tools under C2 Replicated or Applied</li> <li>3.1 Person Hours of USG-supported Training Completed in Trade and Investment</li> <li>3.7 Number of Communication and Outreach Activities Implemented to Raise Awareness of US-SEGA technical assistance</li> </ul>

## ACTIVITY CONTEXT AND BACKGROUND

The overall objective of the Maldives PFM Technical Assistance Program was to strengthen public financial management through improved budget formulation and public investment management in the Maldives. The October 2018 elections in Maldives ushered in a new presidency and the urgent need for reforms to support economic growth and improve the transparency and accountability of government expenditures. An immediate challenge was determining the amount of debt from China accumulated under the previous Maldivian president, which was estimated to range from \$1.5 billion to \$3.5 billion, according to the International Monetary Fund<sup>28</sup> and other sources. The country's debt-to-GDP ratio may have increased by as much as 10 percent in 2018, but the new government was not certain about the overall level of debt when it took office. Although USAID had a limited presence in the Maldives, the newly elected GOM reached out to USAID in November 2018 with an urgent request to provide rapid technical assistance and capacity support. USAID agreed to support the new GOM to develop a reform plan to rebuild democratic institutions and establish policies and procedures in areas related to PFM.

At the start of the US-SEGA activity, there was a lack of information and limited standardized processes that showed how new expenditures were made. The World Bank and Asia Development Bank had put in place a systems, applications, and products (SAP) automated payment process system and provided some written guidance, but the GOM needed assistance in framing decision-making, because bad decisions had

<sup>28</sup> International Monetary Fund. *Joint-Bank Fund Debt Sustainability Analysis*. 2019.

been made, and the sources of financing were unclear, but presumably involved China. There were many political pressures according to international respondents, and the US-SEGA advisors needed to explain that Chinese assistance was a short-term solution that may cause long-term consequences. Further, the new President did not know how these payments had been processed and how the Maldives had agreed to these commitments.

## **ACTIVITY APPROACH**

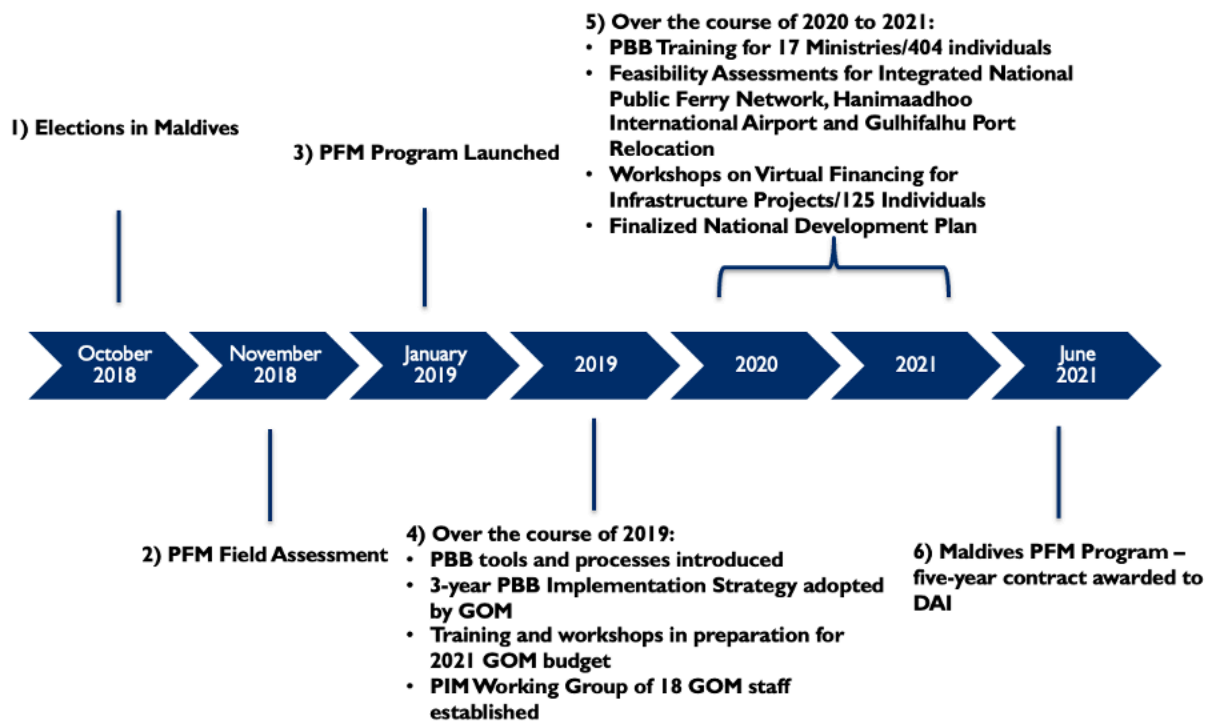
The Asia Bureau Economic Growth team, USAID/Sri Lanka, and the Maldives Mission quickly engaged the US-SEGA mechanism to provide technical assistance. The Implementing Partner, Nathan Associates Inc., rapidly mobilized a four-person advisory team to conduct a PFM assessment. The preliminary results of this field assessment were presented to USAID within two weeks of meeting with GOM counterparts. Approximately two months later, the US-SEGA team, alongside USAID/Sri Lanka and Maldives and USAID/Asia Bureau, created the Maldives PFM Technical Assistance Program as a bridge to providing longer-term technical assistance. According to the US-SEGA advisors and USAID Operating Units (OUs), it was very important to identify potential risk areas and problems quickly so that the GOM understood these issues. One of the principal challenges was the lack of human resources and the availability of skilled individuals. There were two or three people who knew budgeting procedures but lacked the technical resources within the MOF and Ministry of National Planning, Housing, and Infrastructure (MNPHI) to implement significant reforms. The mid-level staff were very junior and unprepared to take on new budgeting responsibilities. The public servants were poorly paid and many only worked less than about four hours a day. The ministries needed to recruit and hire economists and more individuals to lead key tasks.

According to the US-SEGA and USAID respondents, any delays in delivering technical assistance would be negatively viewed by the GOM. The advisory team used the findings of the PFM assessment to manage expectations and to build trust with GOM counterparts without knowing exactly the future direction of the technical support. In January 2019, US-SEGA launched a program providing short-term technical assistance, while USAID designed and procured a new five-year PFM project. The Maldives PFM Technical Assistance Program was designed to be a rapid-response bridge activity with the new GOM. The overall objective was to strengthen PFM through improved budget formulation and public investment management and supporting institutional capacity building for strategically allocating public resources. There were three work streams:

1. Program Based Budgeting (PBB) technical assistance to the GOM Ministry of Finance (MOF);
2. Public Investment Management (PIM) technical assistance to the Ministry of National Planning, Housing and Infrastructure (MNPHI) and Ministry of Transport and Civil Aviation (MoTCA); and
3. National Development Plan support to the MNPHI to finalize the GOM's development plan.

The US-SEGA mechanism provided USAID with a window of opportunity to support the development of evidence-based driven policies and procedures within the GOM, according to the US-SEGA 2021 Annual Report.<sup>29</sup>

**FIGURE 7: MALDIVES ACTIVITY TIMELINE OF IMPORTANT MILESTONES AND USAID WORK PRODUCTS**



## CASE STUDY METHODOLOGY

**FIGURE 8: KII RESPONDENT TYPE**

NO	RESPONDENT TYPE	ORGANIZATION
4	Beneficiaries	GOM employees
3	Implementing Partner	Nathan Associates Inc.

<sup>29</sup> United States Agency for International Development. *Annual Report: January 1, 2021 - December 31, 2021*. Jan. 2022.

4	Staff	USAID/Washington and USAID/Sri Lanka and Maldives
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To inform this case study, the ET conducted 11 key informant interviews (KIIs), reaching GOM direct beneficiaries, implementing partner staff, and USAID staff. The ET selected the respondents to participate in the qualitative interviews using a stratified random sampling technique.

## LIMITATIONS

This case study had limitations on data collection and analysis. The sampling includes GOM direct beneficiaries, US-SEGA advisors, and USAID staff. It does not include other potential beneficiaries, and the limited perspectives may not provide a full understanding of the opportunities and challenges faced in transforming the PFM and institutional capacity.

## FINDINGS

### FINDING 1: US-SEGA MECHANISM DELIVERED RAPID AND FLEXIBLE SUPPORT (EQ1)

The early technical support created a new framework to improve evidence-based decision-making for targeted GOM beneficiaries. GOM respondents characterized the technical support as efficient and effective. These respondents noted the high level of technical expertise provided by advisors who had relevant public sector experience. The mechanism was flexible and allowed for many adjustments in the Scope of Work, because there were many gaps in the GOM's institutional capacity and human resources. For example, the Program supported the organizational and structural development of the key ministries, identified key skill sets needed, and helped draft position descriptions. The US-SEGA mechanism allowed for the development and delivery of training workshops, hands-on skills-building exercises, and human resource materials and processes, such organizational structures and drafting of job descriptions. The workshops were customized for beneficiaries to support the development of the GOM's annual budget and decisions regarding investment into state-owned infrastructure and transportation, including the national ferry system.

On the technical side, the US-SEGA advisors rapidly assessed the GOM's PFM needs to strategically allocate public resources related to public investments and infrastructure, according to USAID respondents. The US-SEGA team built important relationships with the new GOM and developed work plans for technical assistance across ministries and public sector agencies. This short-term technical assistance not only informed future Mission programming, but also gave USAID opportunities to support new reforms that incorporated good governance and transparency.

### FINDING 2: CAPACITY WAS STRENGTHENED IN KEY GOM MINISTRIES (EQ1)

The activity's overall objective was to support the GOM to strengthen its ability to strategically allocate public resources, particularly those relating to public investments and infrastructure. The US-SEGA advisors introduced PBB tools and processes. They trained staff from 17 GOM institutions so they could better understand PBB structures and develop budget frameworks. US-SEGA reviewed and provided feedback on the MOF's draft program, budget structures, and key performance indicators throughout 2021. According to GOM respondents, the staff gained new skills, understood the steps in the budgeting process, and learned how to identify priorities.

One GOM employee said the US-SEGA advisors were experienced in PBB and understood the political aspects of the work. According to all four GOM respondents, the hands-on training was critical, because the staff was familiar with PBB principles but did not know how to develop the criteria for assessing budget priorities. The PBB structure helped GOM technical staff to improve dialogue with political leaders. According to another GOM respondent, the PBB training guided the professional staff in developing public investment guidelines, and this "manual" explained the changes to the budgeting process and how this tool can support better decision-making.

The activity primarily supported technical working groups drawn across the Ministries of Finance, National Planning and Infrastructure, Transport and Civil Aviation, and other public sector agencies. When asked whether the technical support could be applied or replicated in other ministries, about half of the GOM and IP respondents agreed the budget training and development of feasibility studies could be applied in other ministries, including transportation, health, and civil service, in general. In fact, the GOM used the same PFM training materials for civil service training and adopted a train-the-trainer model. On the other hand, about half of the respondents said that other ministries did not have the same commitment and culture that drives modernization and the need for transparency, so the technical support could not be easily replicated. The MOF and MNPHI staff were more Western-oriented and motivated to overcome constraints, so staff-orientation was an important factor for success, according to two respondents.

### **FINDING 3: US-SEGA SUPPORT HELPED ALIGN MALDIVES WITH REGIONAL STANDARDS AND INCREASED REGIONAL CONNECTIVITY**

Due to the Program's intensive capacity building activities in PBB and PIM, the GOM improved its institutional ability and exceeded global standards for transparency, PFM, and reporting, according to all categories of respondents. Under the new PBB system, the GOM provided a means by which the decision-making processes became structured and more transparent. The new focus on the pre-planning stages for public expenditures was important, because it allowed the GOM to be more independent in making decisions, as it no longer had to rely on external assistance to access expertise and financing.

According to USAID and US-SEGA respondents, the Maldives is now better equipped to make decisions about investments and the “predatory” lending practices of China and Indian banks after receiving extensive capacity building support and engaging with international technical advisors. The US-SEGA respondent noted that the GOM had strengthened its technical capacity, which made the country less susceptible to predatory financing and more independent, which is also good for the USG.

The governance of budgeting has been improved in the Maldives, due to the US-SEGA training and skill-building exercises, and this has had a positive impact on the country’s regional and global standing. According to one GOM respondent, as a result of the US-SEGA assistance, the Maldives improved its standing within APEC, because of its new PFM procedures and commitment to transparency in its decision-making. Similarly, another GOM respondent said the new approaches to transportation planning and PFM have helped the Maldives align its approach to public sector investment with good practices in the region.

#### **FINDING 4: NO EVIDENCE OF GENDER-SPECIFIC OR SOCIAL INCLUSION APPROACHES (EQ2)**

USAID supports APEC’s efforts to bring about greater gender awareness as part of the process of integrating women more fully into the regional economy. During the early design phase of the intervention, US-SEGA facilitated stakeholder discussions to emphasize the importance of input from different stakeholders and views that should be taken into consideration. These consultations were held with the President’s Office, parliamentarians, and their staff, and with a few private sector firms and NGOs. These outreach efforts did not integrate a gender lens, which may have limited learnings about legal and regulatory processes that impede women’s economic empowerment in the Maldives. The technical approach to developing the PFM regulatory frameworks did not include gender considerations in policy formulation and implementation.

On the operational side, the US-SEGA approach did not set gender-specific goals in project participation and benefits. According to the US-SEGA *Final Report: Maldives Technical Assistance Program*,<sup>30</sup> about 38 percent of the 404 individuals who received PBB training were female. The ET interviewed two female GOM respondents working in the MOF and MNPHI, who confirmed that the US-SEGA team collected sex-disaggregated data regarding the participation of women in all learning and training activities and that the reported 38 percent female participation in PBB training seemed accurate. There were not, however, intentional approaches in the program design or delivery to target gender differential barriers from men’s and women’s participation to ensure everyone benefited equally from the activity. The creation of the PBB technical working group, drawn from a diverse group of functional and technical experts, did

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<sup>30</sup> United States Agency for International Development. *Final Report; Maldives Technical Assistance Program US-Support for Economic Growth in Asia (US-SEGA)*. Apr. 2021.

represent diverse perspectives but not necessarily a gender perspective, according to GOM respondents. There was limited evidence regarding the participation of women in the PIM and NDP work streams.

### **FINDING 5: ADAPTIVE MANAGEMENT APPROACH WAS CRITICAL FOR INSTITUTIONAL AND PERSONNEL CAPACITY BUILDING (EQ3)**

US-SEGA and USAID communicated frequently and effectively, according to respondents, which built trust between these partners in implementing an adaptive management approach. The IP's technical advisors shared with USAID the main challenges to improving policy and the enabling environment, which were related to underdeveloped institutional and staff capacity. The Maldives public sector staff had limited access to resources, including poor IT infrastructure and no country databases for research and statistical analysis. Another GOM respondent said that staff had no experience in multilateral approaches to public investment that required the cooperation and input from different stakeholders. In response, US-SEGA guided the formation of working groups, which were composed of functional and technical experts from diverse backgrounds and had varying degrees of expertise.

According to the IP staff, adaptive management and responsiveness to the unique needs of GOM counterparts within institutions was critical, because of the evolving needs and requirements. One respondent said, "The problem was not reaching an agreement on how to structure the approach but how to address the resource constraints in terms of the budget while going through the hiring process."

### **FINDING 6: SUSTAINABILITY WAS ENHANCED THROUGH IMPROVED FINANCIAL AND OPERATIONAL CAPACITY AND GOVERNMENT POLITICAL COMMITMENT**

The US-SEGA technical assistance established an important foundation for the five-year USAID Public Financial Management Maldives project launched by USAID/Sri Lanka and Maldives in 2021. Through the capacity building interventions, such as training on program budget formulation through hands-on workshops and follow-on support, the GOM and its staff understood the benefits of long-term planning, in large part because they saw the value and why it mattered, according to an IP respondent. The PBB and PIM processes are applied world-wide, but the situation in the Maldives was unique. There were not many case studies applicable, so the US-SEGA team and USAID had to develop real-time case studies to aid the GOM staff in understanding their own development context. This approach was effective, according to GOM respondents, because it improved the GOM's internal capacity to conduct financial and cost-benefit analysis successfully to inform decision-making in key investments. The PIM assistance helped increase transparency within GOM procurements and major infrastructure projects. For example, the GOM became more ready and able to develop an economically viable and sustainable ferry system. The GOM staff improved personal and institutional capacity to respond to changing contexts and emerging needs with adapted approaches. GOM respondents said they had better skills to identify



and evaluate potential infrastructure investments and how to finance them. The Maldives PFM Program follow-on activities increase the likelihood of sustainability for the gains achieved under US-SEGA.<sup>31</sup>

## FINDING 7: DISSEMINATING BEST PRACTICES THROUGH MALDIVES PFM CASE STUDY (EQ4)

Ongoing communications and outreach were essential to the USAID regional and bilateral Missions and other interagency partners, including the U.S. Department of State and U.S. Department of Commerce, according to respondents. The US-SEGA SOW<sup>32</sup> specifically states that overarching objectives are to promote best practices in economic growth activities, with a particular emphasis on issues with regional relevance and to assist missions to apply these best practices. Therefore, it was important that US-SEGA document best practices and disseminate learnings gained from its technical assistance to the Maldives.

US-SEGA produced a *Final Report: Maldives Technical Assistance Program US-Support for Economic Growth in Asia* in April 2021, which described its three main workstreams in PBB, PIM, and National Development Plan support. This publication highlighted four main lessons: 1) building strong relationships with government counterparts facilitated demand-driven implementation, 2) creating diverse, cross-cutting working groups brought diverse perspectives, 3) applying adaptive management approaches responded to evolving needs, 4) learning by doing effectively transferred knowledge and skills. This report illustrated how the USAID/Asia Bureau, through US-SEGA, could conduct evidenced-based assessments of key regional and country-level trends in the Indo-Pacific Region.

US-SEGA also supported the development of a two-page *Case Study: Utilizing the Asia Bureau's US-SEGA Mechanism to Strengthen Infrastructure and Public Financial Management in the Maldives*. According to USAID respondents, this case study enabled USAID/Asia Bureau and USAID regional and bilateral Missions to see how US-SEGA could identify performance gaps and incubate innovative short-term technical assistance programs that could be scaled into longer term assistance, such as the Maldives PFM Technical Assistance Program. Although metrics do not capture the total number of consumers of this learning product, it seems likely that distributing briefs that highlight successes of the buy-in mechanism contributed to the sharing of economic growth and financial management best practices related to mission strategic objectives in both Washington and the field. The publication was done in a practical, easy-to-use format that allowed for easy retrieval by a wide range of users.

## FINDING 8: US-SEGA PIVOTED AND REALLOCATED RESOURCES DURING COVID-19 (EQ5)

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<sup>31</sup> DAI. "Maldives—Public Financial Management · DAI: International Development." *Wwww.dai.com*, [www.dai.com/our-work/projects/maldives-public-financial-management](http://www.dai.com/our-work/projects/maldives-public-financial-management).

<sup>32</sup> Per the Scope of Work contained in Request for Proposal No. 7200AA18R00055, published May 17, 2018.

According to respondents, there were many unexpected changes and unprecedented challenges caused by the COVID-19 pandemic, which disrupted the in-person collaboration between US-SEGA and GOM. After GOM employees shifted to working remotely, the activity had to change its communication and training modalities. Consequently, workshops were delivered online, and consultations were held via video and voice calls. Many of the GOM employees had limited internet access, which also meant they could not access work resources and relevant data services. GOM respondents noted the difficulty in working remotely, which slowed down capacity building activities and the 2021 budget preparation. The technical assistance transitioned to a new contractor in April 2021, so the pandemic accelerated the ramp-down, and the IP worked remotely to tie up loose ends. According to USAID and US-SEGA respondents, these disruptions due to poor internet access and limited communication also affected the handover to the new implementing partner.

## **CONCLUSIONS**

The activity approach was successful in strengthening the GOM budgeting process. US-SEGA helped strengthen government capacity to mobilize public revenue for better public expenditure management, increased the efficiency of investments in public facilities and services, and streamlined public financial management processes. US-SEGA supported and strengthened the GOM's capacity to prepare budgets and plan infrastructure projects. Further assistance was given to the MNPHI to develop the country's National Development Plan. This technical assistance in PBB improved strategic resource allocation and provided a budgeting framework for the GOM. Through the PIM, the GOM used data-driven analysis to make decisions about the country's strategic investments. The broad PFM assistance enabled the GOM public sector to integrate long-term planning objectives more effectively into yearly budget allocations. By incorporating relevant international best practices tools and methodologies for project assessment and project selection, the GOM aligned its PFM practices with other countries in the APEC region.

A fundamental objective of US-SEGA was to build local capacity, enhance participation, and encourage accountability, transparency, decentralization, and the empowerment of communities and individuals. Achieving this objective generally includes improving financial and operational capacity, engaging public-private partnerships, and increasing political and social commitment by local government and local NGO interests. The US-SEGA approach relied almost exclusively on public sector engagement. Best practices have shown that creating a demand for good governance and budget transparency is linked directly to private sector and citizen engagement. Therefore, one factor for consideration is whether the absence of private sector and NGO involvement reduces the GOM's continuation of this PFM approach without an external demand for it.

Ultimately, US-SEGA and USAID learned that it was positive to have a rapid-response mechanism. USAID Missions may not know exactly what is needed for a new country or when there is rapid political and economic change. USAID can be more efficient and effective when comprehensive technical assistance is readily available. This provision of immediate support also fostered the development of a new country relationship. All respondents noted the importance of identifying the risk areas and potential obstacles while simultaneously ensuring that the GOM understood these issues. USAID/Asia Bureau and USAID/Sri Lanka and Maldives recognized that delays would be negatively viewed. The technical assistance needed to be framed so that expectations could be managed in real time. The urgent nature of the technical assistance made it imperative for all partners, USAID, the IP, and GOM, to take measurable steps to build trust and set expectations that allowed the activity to be designed without knowing the exact parameters of technical assistance.

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