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**INDUSTRIAL RELATIONS
PROMOTION PROJECT**



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Industrial Relations Promotion Project

Quarterly Report: Q2, Year I

January 1, 2010 – March 31, 2010

Contract No. DFD-I-00-05-00220-00 Task Order No. 8

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List of Acronyms

ADR	Alternative Dispute Resolution
APHEDA	Australian Public Health, Education and Development Aid
BWP	Better Work Program (ILO)
CBA	Collective Bargaining Agreement
CIEM	Central Institute for Economic Management
CIRD	Center for Industrial Relations Development
DOLISA	Department of Labor, Invalids, and Social Affairs
FDI	Foreign Direct Investment
FES	Fredrich Ebert Stiftung
FLA	Fair Labor Association
FMCS	Federal Mediation and Conciliation Service
GVN	Government of Vietnam
ICD	International Cooperation Department
ILO	International Labor Organization
ILSA	Institute of Labor and Social Affairs
IPZ	Industrial Processing Zone
IR	Industrial Relations
LAO	Legal Aid Office
LAS	Legal Aid Service
LWD	Labor & Wages Department
LI	Labor Inspectorate
LTTA	Long Term Technical Assistance
MIS	Management Information System
MOLISA	Ministry of Labor, Invalids, and Social Affairs
MPI	Ministry of Planning and Investment
NA	National Assembly
NIRC	National Industrial Relations Commission
NLC	National Labor College
PCI	Provincial Competitiveness Initiative
PIRC	Provincial Industrial Relations Commission
PPP	Public-Private Partnership
PPT	Project Preparation Team
STTA	Short Term Technical Assistance
TOT	Training of Trainers
TDT	Ton Duc Thang University
ULSA	University of Labor and Social Affairs
STAR	Support for Trade Acceleration Project
VCCI	Vietnam Chamber of Commerce and Industry
VGCL	Vietnam General Confederation of Labor
VNCI	Vietnam Competitiveness Initiative

Quarterly Report Narrative Summary

During the quarter, the SIIR project worked on two areas: completing the process for formal approval of the Vietnamese government and finalizing project activity design. Also in the quarter the Project Design Needs report was completed as well as the report of an external consult who come in December.

A DAI IT specialist travelled to Vietnam January, to oversee the setting up of the SIIR office IT system and network as well as train the local IT consultant. With the IT systems installed, the SIIR office was finally set-up.

In the project approval process, the SIIR team worked with the International Cooperation Department (ICD) of the Ministry of Labor, Invalids and Social Affairs (MOLISA) to develop the two documents required by the government: the project framework document and the project document. The ICD lead the Project Preparation Team (PPT) which was consisted of representatives of: ICD (designated as the lead/focal point) and the Departments of the Labor Inspectorate (LI), Labor and Wages (LWD) and Legal Affairs (LA) – all of whom the SIIR project is slated to work with. The SIIR team met frequently with all three departments.

SIIR continued to follow up with the ICD, responding to its comments and the draft proposal framework and sent back further revisions and by the end of quarter it was working with Budget and Planning Department of MoLISA on final document preparation. In addition to meeting with PPT partners, the SIIR team continued to have planning meetings with some other project partners including the VCCI and the legal division of the VGCL. Working with an external consultant that ICD had recommended who could assist in shepherding the project documents through MoLISA higher the required project documents for approval were finalized.

Prior to the Tet holidays in February the SIIR COP and project officers briefed the COTR on the project design and approval process. The COP also provided draft inputs into USAID/Vietnam Operating Plan. The SIIR COP sent the draft Activity Framework, Annual Workplan and M & E plan the COTR for review as well as DAI. The COP was advised by DAI that a full project workplan document would probably be required. This was completed by the end of the quarter, although there had to be continual changes based on new requests of the main partners and with the increasing possibility that the Labor Code and Trade Union revisions, slated to happen this year would be postponed.

SIIR had meetings with VNCI and STAR project staff to discuss in detail some new cooperation activities. The idea is that joint planned activities could begin while the SIIR project awaited official approval. SIIR hopes to be able to discuss these planned activities with USAID in April. In preparation to begin activities the SIIR team began the process of identifying possible US based consultants.

Upcoming Activities

While waiting for official project approval, the project office is seeking creative ways to begin non-formal or low-level activities. Annex II (Chart of proposed pre-approval activities) is tentative blue print of the workplan, which shows what work is on-going or may be conducted next quarter. However the USAID workplan needs to be officially approved prior to the commencement of any activities.

Operating Environment: Problems encountered/overcame/outstanding issues

- The Project Office in its discussions with MoLISA has realized that they has not fully understood what a USAID-funded project in a contract agreement entails and that they are not receiving the bulk of funding directly. There seems to be misperceptions and confusion bordering on resentment in this regard. The Project Office has explained to MoLISA what the USAID contract process is like, that this is a technical assistance project, and tried to find ways of presenting a larger activity budget (that will go to local partners), but this will be an issue going forward.
- The original USAID taskorder needed to be more focused and less ambitious, given the original two-year timeframe. While its broadness does give flexibility, the expected impact of the project's outcomes needs to be tempered. It is apparent that the government of Vietnam's approach to labor relations and labor laws will not dramatically change due this project (though the Trans Pacific Partnership may be an important change factor). Even in terms of outputs, it is the government, not an outside project that will decide what is implemented and when (e.g. new systems). Also if something is not specified in labor law (e.g. formation of intra-ministry committees) there may need to be a regulation or directive on this particular feature, which lead to delays. The project office is working with both USAID and MoLISA (and other partners) to manage expectations.
- There are indications there may be delays in the approval process by Vietnam government. This is the first USAID-funded project for MoLISA in which various departments are involved. Consequently, it has taken more time and efforts to build a consensus on project design and project approval procedures. While the approval process is under way, it is difficult to know whether there will be more delays. SIIR will seek ways to begin activities as soon as possible (collaboration with STAR and VNCI, for example), but ideally there would be streamlined official approval of the project.
- There is a strong possibility that the Labor Code and Trade Union Law enactment will be delayed. While the development and adoption of both sets of laws (including pushing the revision of the Trade Union Law up a year) was made a priority by the government, many observers feel that there still are inconsistencies and unresolved items in both draft laws and wonder whether they can be both be synchronized in time. In terms of the technical assistance areas directly related to and affected by the current law revision processes, the SIIR project office assumes that most of main activity areas on the implementation of labor law can proceed, albeit there may be some revisions in approaches.
- While most of the main project partners are experienced in working with foreign-funded projects, most seem unaware of the differences between USAID-funded projects and other donor projects and do not know USAID requirements, regulations and restrictions. This has affected the project in various ways. First, on the initial timeline, MoLISA did not fully appreciate that for USAID the project began on October 1, 2009 and not after official approval. For example, based on practices from other donors, some partners may expect time working on project activities to be compensated somehow. The project's insistence on strict adherence to guidelines means that some partners may not want to commit the time needed to fully complete activities (in the absence of compensation). Anticipated attendance or participation in some activities may be affected at times, thus numbers of beneficiaries may decrease and the overall impact of the project diminished. The project has worked with USAID and MoLISA to make sure everyone understand procedures.

ANNEX I: LEVEL OF EFFORT SUMMARY

Labor Category/Position	Name	Workdays This Quarter	Cumulative Workdays
LTTA			
1. <i>Communications and Reporting, Senior Level</i>	William Conklin (COP)	59	104
2. <i>Deputy Chief of Party</i>	Vu Huu Tuyen	58	109
3. <i>Program Development Specialist</i>	Dang Thi Hai Ha	56	106
Home Office Support			
4. <i>Communications and Reporting, Senior Level</i>	Helle Weeke	6	6
5. <i>Administrative Support, Junior Level</i>	Allison DiSenso	-	13
	Miriam Counterman	12	21
6. <i>Information Technology</i>	Stamen Mitev	6	6
7. <i>Information Management Systems</i>	Tanja Lumba	1	1

**ANNEX II: CHART OF PROPOSED PRE-APPROVAL ACTIVITIES:
APRIL – JUNE 2010**

YEAR ONE	SIIR ACTIVITY WORKPLAN	Apr, 2010	May, 2010	Jun, 2010
		Project Start-up - Need Assessment and Cooperation Extension		
A	Project Start-up			
B	Assessment of needs of stakeholders and project design			
C	Project document development process	→		
D	Coordination workshops including project presentation and strategic planning		→	
1.1	Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity			
1.1.1	International consultants for strategic planning process on compliance and inspection and development of draft curricula			
1.1.2	National tripartite strategic planning workshop on compliance and inspection			
1.1.3	Pilot capacity building activities – testing and evaluation (to be continued in Year II)			
1.2	Strengthening management information system for labor inspectors			
1.2.1	Planning workshop on management information system for labor inspectors			
1.2.2	Training workshop on client MIS for labor inspectors			
2.1	Strategic planning for implementation of IR-related laws and regulations			
2.1.1	Evaluation process of capacity of stakeholders to implement labor laws and on labor law education			
2.1.2	Expert meetings for strategic planning to develop a program of action for labor education strategies			
2.1.3	Regional strategic planning workshops on developing labor education strategies			
2.1.4	International specialist for strategic planning and development of model labor law education templates (to be continued in Year II)			
2.2	Formulation of Accompanying Ordinances and Guidelines			
2.2.1	Tripartite planning workshops on developing dispute resolution procedures			
2.2.2	Dispute Prevention Overview/Preliminary Meetings			→

YEAR ONE	SIIR ACTIVITY WORKPLAN	Apr, 2010	May, 2010	Jun, 2010
2.2.3	FMCS service model overview workshops			
2.4	Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL			
2.4.1	International consultant reviews and assesses current LAC and LAO system performance and capacity			
2.4.2	National workshop on LAC/LAOs to development of new strategies			
2.4.3	Development of legal service related training materials/technical manuals for union counselors and leaders (continued in Year II)			
2.4.4	Pilot capacity building activities – testing and evaluation			
3.1	Building towards Participatory national strategy for promoting sound industrial relations			
3.1.1	An integrated FDI survey is conducted to gather empirical information on IR systems in Vietnam (with VNCI)			
3.1.2	Targeted IR themed study of selected IPZs			
3.1.3	Roundtable on development of IR indicators for labor research and studies			
3.2	Enhancing MOLISA's IR information system on industrial relations			
3.2.1	External consultant to assess current information system and make recommendations on changes			
3.2.2	Expert meeting and regional workshops to build consensus on IR information systems and design			
3.2.3	Pilot development of IR data yearbook template (to be continued in Year II)			
4.1	Strengthening capacity for tripartite stakeholders on ADR and conflict management strategies			
4.1.1	International consultancy to evaluate system and capacity of stakeholders, develop model curricula and initiate pilot testing			➔
4.1.2	Training workshop on developing ADR education/capacity for VCCI experts (HRMN involved)			
4.1.3	Basic trainings on ADR and IR fundamentals for tripartite stakeholders (MOLISA Legal Department)			
4.1.4	Pilot tripartite training for third party ADR (MoLISA LWD)			
4.2	Strengthening capacity for tripartite stakeholders on CBAs			
4.2.1	Pilot CBA training activity with VCA (training courses, same trainers with that of VCCI)			
4.2.2	Pilot CBA training activity with VCCI (HRMN utilized)			

YEAR ONE	SIIR ACTIVITY WORKPLAN	Apr, 2010	May, 2010	Jun, 2010
4.2.3	External consultants evaluate existing CBAs, develop training materials for VGCL and LWD and begin pilot training (to be continued in Year II)			
5.1	Strengthening Educational Institutions in Promoting Sound Industrial Relations			
5.1.1	International educational consultant evaluates institutional and human resource capacities of university IR education programs			➔
5.1.2	A national tripartite consultation on industrial relations education in response to the National Human Resource Management (HRM) Framework Program			
5.1.3	Development of Labor Educator Network (to be continued in Year II)			
5.2	Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University (compared with the narrative)			
5.2.1	Pilot activities for targeted IR educators and staff from the universities including presentations by international resource persons, capacity building, and material development (to be continued in Year II)			➔
5.2.2	International expertise to begin capacity building and strengthening of IR education programs			