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**INDUSTRIAL RELATIONS
PROMOTION PROJECT**



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Industrial Relations Promotion Project

Quarterly Report: Q3, Year I

April 1, 2010 – June 30, 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

Quarter Accomplishments

- The SIIR project supported two roundtable talks on U.S dispute resolution and ADR systems by the Dean of School of Law, University of San Francisco. One roundtable was organized with MOLISA Legal Department and the other was at the University of Labor, Invalids and Social Affairs (ULSA).
- The SIIR project has been following up with the International Cooperation Department on the official approval of the project and has been in contact with various stakeholders in the process, including at MPI and OOG, on the status of approval. The consensus is that approval should happen soon after the beginning of July.
- The Workplan for Year I was officially approved by the COTR after the draft was submitted and then revised based on feedback. This will allow for low-level activities to move forward.
- The project welcomed a volunteer law student from University of San Francisco to work for the project in 2 months and conduct research works on dispute resolution and other IR related issues.
- A DAI regional management information system development specialist came to provide training on TAMIS, an internal reporting system for SIIR staff.
- The Technical Area Manager/Project Technical Lead from DAI/HO also arrived in Vietnam to meet the project staff and be briefed on the project approval process and progress.
- In order to carry out the activity on evaluation of stakeholders' capacity in the area of dispute resolution, the SIIR staff identified both national and international consultants. The first international consultant, a US-based ADR specialist, is slated to arrive in July.

Detailed summary

Through the quarter, the SIIR project continued to focus on the two following areas: (1) working with relevant MoLISA agencies to facilitate the official approval of SIIR project, and (2) preparing for Year I activities implementation in both main project activity components.

During the approval process, the SIIR team attended the final meeting of the Project Preparation Team (PPT - consisting of the designated MoLISA department for the project) in which the detailed proposal framework was presented and the PPT members discussed all remaining issues. Some key areas such as description of project activities, management structure, the project owner (Labor Inspectorate) etc were all addressed. After the meeting, the project dossier was finalized and submitted to MoLISA leaders and MPI for review.

Also in April, the SIIR technical team continued to work with working levels of MoLISA implementing agencies (Legal Department, Labor Wages Department, and Labor Inspectorate) to discuss in detail the implementation of a number of project activities. The two sides have been developing terms of reference for external consultants to be used in proposed activities and making changes to relevant activities. To this end, the SIIR team began to contact various relevant US based organizations and institutions (e.g. universities) as well as individuals which had expertise in the identified activity areas to see gauge their interest, availability and willingness to undertake short term assignments.

Following February and March, SIIR had meetings with VNCI to have elaborate discussion on the collaborated FDI enterprises in-depth survey. The two project staff has been in the stage of designing and brainstorming all labor related questions incorporated in the survey. The questionnaire is slated to be finished by mid May for distributing out. With STAR project, as it is in the course of phasing out, some potential cooperation activities that had been identified for possible joint SIIR have to be reconsidered. Once a timeline for approval is established, the SIIR will submit a plan to ICD of MoLISA for various activities that could be implemented prior to official approval.

As the approval of the project is in the process of review and evaluation among concerned ministries, the SIIR project is planning on starting some activities on low level prior to formal approval (and through notification of the MoLISA/ICD). The project technical team has identified and drafted the scopes of work for many of the international and national consultants slated of upcoming activities. SIIR planned two roundtable talks featuring presentations by the Dean of School of Law, University of San Francisco with Legal Department, MOLISA and University of Labor and Social Affairs.

The project director and technical staff had intensive meetings with Vietnam Confederation of Labor to revise any previously discussed activities and the two sides agreed how to update and revise planned activity areas - mainly on legal advisory services, ADR related work and institutional training and capacity building. Follow-up meetings with the working levels of VGCL were scheduled by SIIR to go over the details of how implement of planned activities.

The program development specialist had a follow-up meeting with VCCI to map out the activity areas and proposed cooperation extension between VCCI and other implementing partners. A number of ideas on collaboration with the MOLISA labor inspectorate on self-inspection and third party monitoring were put forward. Other activity areas include Labor Law Education for Employers and bilateral training on ADR and/or CBA between IPZ (upper level) unions and HCMC IPZ associations.

SIIR has been working with Legal Department to initiate and conduct the assessment survey on the capacity of labor laws implementation. A draft questionnaire was prepared by the SIIR and Legal Department staff and was tested.

The SIIR project met regularly with the USAID Mission COTR and briefed him on the status of project preparation and the approval process and other relevant issues.

Operating Environment: Problems encountered/overcame/outstanding issues

- It would be unrealistic to assume that any project could change the course of the industrial relations process in two years. The original concept of the project was to use a two-year timeframe to provide technical assistance in order to allow partners to develop more effective means to improve and strengthen systems, processes, and capacity in conjunction with on-going labor law reforms. While the technical assistance will be provided, the role of the project in strengthening systems, process and capacity will not be as great as if the original timeframe was kept – given the probable delays in approval.
- 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.
- 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.
- Presently the Labor Code and Trade Union Law are now re-scheduled to be passed in the National Assembly session in May 2012. This can be an opportunity for the project, but also can affect the implementation of activities. The anticipated outcomes activities, including policy recommendations and development of new IR approaches could potentially be used by lawmakers. Conversely the main tripartite partners, especially MoLISA, could delay conducting most other activities, regardless of commitments, (with its attention focused on finishing and passing the draft Labor Code (and draft Trade Union Law). The project is aware of this possibility and has tried to build flexibility in the workplan to accommodate such a change.

- Given the degree of control mandated by government procedures, the project cannot directly implement activities as such but needs to work through each partner through an officially approved workplan. However, while the project is not supposed to deviate from this workplan, this does mean a particular partner is obligated to complete their particular activity areas. This inflexibility means the project is unable to reprogram activities, even if a partner's priorities have changed. This may be an issue towards the end of the contract if some anticipated activity areas are not completed by a specific partner and the project is unable to bring in another partner to complete the activity.

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)	56	160
2. <i>Deputy Chief of Party</i>	Vu Huu Tuyen	62	171
3. <i>Program Development Specialist</i>	Dang Thi Hai Ha	56	162
Home Office Support			
4. <i>Communications and Reporting, Senior Level</i>	Helle Weeke	-	6
5. <i>Administrative Support, Junior Level</i>	Allison DiSenso	-	13
	Miriam Counterman	7	28
6. <i>Information Technology</i>	Stamen Mitev	-	6
7. <i>Information Management Systems</i>	Tanja Lumba	9	10

**ANNEX II: Number of Participations of Direct Beneficiaries in Project Activities
Compiled Data**

No.	USAID ID	WORKSHOP	No. of participants			Date of implementation	Note
			Total	F	M		
COMPONENT I : ENHANCEMENT OF IMPLEMENTATION OF IR RELATED LAWS AND REGULATIONS							
Sub Component 1: Strengthening Capacity for Labor Inspectorate							
	1.1	Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity					
	1.3	Labor inspection training development					
	1.4	Regional labor inspectorate model in supplying technical advice					
Sub Component 2: Promoting Effective Approaches to Laws Implementation							
	2.1	Strategic planning for implementation of IR-related laws and regulations					
	2.2	Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL					
	2.3	Strengthening capacity of Legal Advisory Services for Employers					
COMPONENT II: PROMOTION OF SOUND INDUSTRIAL RELATIONS							
Sub Component 3: Developing National IR Strategies on IR Promotion							

	3.1	Building towards Participatory national strategy for promoting sound industrial relations –					
	3.2	Enhancing MOLISA’s IR information system on industrial relations					
Sub Component 4: Strengthening capacity for tripartite stakeholders on CBA and dispute resolution							
	4.1	Strengthening capacity for tripartite stakeholders on collective bargaining					
	4.2	Strengthening capacity for tripartite stakeholders on ADR					
		Round table talk on labour law systems in US	35	11	24	2 June 2010	Jeff Brand
Sub Component 5: Building Capacity for IR Education Institution							
	5.1	Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University					
		ULSA: Seminar on Fundamentals of IR in US and Vietnam	40	12	28	3 June 2010	Jeff Brand
Total			75	23	52		

ANNEX III: CHART OF PROPOSED ACTIVITIES: JULY – SEPTEMBER 2010

YEAR ONE	SIIR ACTIVITY WORKPLAN	Jul, 2010	Aug, 2010	Sep, 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			→

YEAR ONE	SIIR ACTIVITY WORKPLAN	Jul, 2010	Aug, 2010	Sep, 2010
2.2.2	Dispute Prevention Overview/Preliminary Meetings			
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			

YEAR ONE	SIIR ACTIVITY WORKPLAN	Jul, 2010	Aug, 2010	Sep, 2010
	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)			→
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 industrials 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	→		