

USAID/Vietnam Competitiveness Initiative, Phase II (USAID/VNCI)

Monthly Report for April 2012

Simplifying Administrative Procedures

- **Completion of 5 training courses on AP bundle review for 57 provinces:** USAID/VNCI's advisory team is providing support to APCA to co-ordinate with IFC to organize 5 two-day training courses on AP bundle review for about 600 staff from 57 provinces from April 11-24, 2012. Purpose of the training is to introduce a new tool (process mapping) to be applied to AP bundle reviews, improve review forms and draft set of criteria to assess AP reform to collect comments from provinces. This training is essential for ministries and provinces to carry out the Prime Minister's Plan of Focus Review of 24 groups of APs in 2012.
- **Guiding materials of AP bundle review for ministries and provinces:** USAID/VNCI team supported APCA to develop a set of guiding materials of AP bundle review. This guidance will be submitted to OOG's management for approval to implement. Purpose of the guidance is to facilitate ministries and provinces to carry out Focused AP Review Plan and Regular AP Review Plan, using AP bundle review and individual AP review tools under the PM's new Decision 263. This approach should streamline more APs, following the model used in South Korea after the first round of simplification.
- **M&E for AP reform:** M&E team of 5 members was set up at APCA, all the members are at departmental head level. A kick-off meeting was organized on March 28, 2012, participants include APCA M&E team, IFC and USAID/VNCI advisory team, followed by a series of meetings to develop draft M&E framework for AP reform assessment. This framework has been introduced in training courses mentioned above to collect comments from provinces, and received positive feedback. USAID/VNCI's Senior Regulatory Reform Consultant, Scott Jacobs, will be supporting APCA during his trip to Hanoi in May 2012 to review and strengthen this M&E framework.
- **OOG/APCA's successful trip to Paris to participate in OECD's 6th Regulatory Policy Committee Meeting:** Vietnamese delegation of two members (a Deputy Director and Expert) from OOG/APCA successfully completed the trip to Paris to participate in the OECD's meeting on April 11 – 13. Vietnam was one of the three South East Asian nations, along with Malaysia and Indonesia, which were invited to the event by OECD to meet and share with other country representatives their experiences in regulatory reform. Efforts of Vietnam in administrative procedures reform were highly appreciated by countries who attended the meetings. Richard Boucher, Deputy Secretary General of OECD, mentioned Vietnam in his opening remark at the joint meeting of the Regulatory Policy Committee and Public Governance Committee on the topic of Clean Government Biz that "*Administrative simplification in Vietnam is much better than we are sitting here and discussing about anti-corruption without action*". USAID/VNCI's Deputy Director also attended the meetings to facilitate OOG/APCA delegation on discussion with key players at the meeting, including Gary Banks, Chairman of the Regulatory Policy Committee (Australia), Rolf Alter, Director of OECD's Public Governance and Territorial Development Directorate, delegations from the Netherland, France, Malaysia, Egypt.
- **Communications:**

- **Communication to support Bundle Review:** a series of communication activities was carried out to update the public on Project 30's resolution implementation and Prime Minister's Decision No 263/QD-TTg on 2012 Focused AP Bundle Review Plan through VET and other mass media; to co-ordinate resources to develop e-learning videos on AP bundle review tools (process mapping and review forms) for ministerial and provincial AP control units to follow up a series of the past and upcoming bundle review trainings; and to prepare for press participation of the upcoming quarterly meeting with ministerial AP control units on April 12, 2012;
- **Vietnam Economics Times to highlight AP reform:** through USAID/VNCI's facilitation, a series of articles on AP reform involving both APCA and private sector representatives on the Prime Minister-focused review plan of 2012 will be featured on VET in early May.
- **Private sector supports APCA's communication effort:** Dong Tam and CanCham teams under the ACAPR are providing creative inputs to improve layout of the brochure on Decree 63 and a corporate identity set for APCA.
- **AP reform competition welcomed by the public:** over 8,000 entries were received by APCA on ideas for AP reform. Some entries are very well-thought out, and highly applicable, such as the suggestion to adopt a single citizen ID that incorporates the current identity card, personal income tax code, health and social insurance, etc to streamline paperwork for citizens when dealing with government agencies, and also help government to manage more efficient through coordination and sharing of information.
- **MONRE conducted press conference with APCA press contacts support:** the Vice Minister of MONRE highlighted the need for bundle review, close coordination between ministries and provinces, and shared his commitment with 14 press organizations. The IFC/CIEM/VCCI booklet on provincial best practices on investment - land- construction AP simplification were used for in depth review.
- **ACAPR activities:**
 - **Vietnam Business Forum to join ACAPR:** Alain Cany, co-chair of the restructured VBF has sent proposal to OOG asking to be a member of ACAPR as VBF representative. It is highly likely that Minister Dam will approve this request. Alain Cany was a member of ACAPR, representing Eurocham, and was instrumental to ACAPR's activities during Project 30. With Alain Cany joining ACAPR as VBF's representative, it is expected to build stronger link between VBF's activities and AP reform.
 - **Eurocham new board member joins ACAPR:** Eurocham assigns new board member, Mr. Nicolas Audier to replace Mr. Alain Cany to represent Eurocham in ACAPR.

Regulatory Reform and Regulatory Impact Assessment (RIA)

- **Better regulations:**
 - **Continue support on Spatial Planning Law:** USAID/VNCI had meeting with the Editing Team for Spatial Planning Law, MPI on April 24 to discuss details of the problem definition and policy objectives for a RIA report. The RIA principles are well applied, which makes it clear that it needs thorough discussion as to what the scope and objectives of the law should be.

- **Continue support on Civil Status Law:** USAID/VNCI team helped the drafting team of Civil Status Law, MOJ, to conduct cost-benefit analysis for policy options. RIA method is appreciated by the drafting team though they need technical assistance in doing quantification of costs and benefits. Specifically, the team gave comments on the issue of decentralization of the responsibility to provide civil status certificates to local authorities.
- **Draft Price Law:** USAID/VNCI worked with Vriens & Partners, a regional public affairs firm representing corporate clients, to produce a Factsheet of Regional Experience in Price Control which will be delivered to National Assembly deputies in the coming session. This document is aimed to show to deputies how regional governments are dealing with price fluctuations which are different from what the authors of the draft Price Law have claimed. We also support a pamphlet on the Price Law to be disseminated at the upcoming session of National Assembly in June 2012.
- **Draft Advertising Law:** work with NA Committee of Cultural Affairs to give comments on the final draft on Advertising Law.
- **RIA training**
 - **RIA for Ministry of Information and Communication** on 12 and 13 April 2012 at the request of the Ministry. The MIC's purpose is to provide staff of their functional departments with knowledge and skills to carry out RIA for regulatory proposals. This is a positive trend towards building knowledge and consensus about the importance of RIA in policy and regulatory process in the GoV.
 - **RIA for HCMC:** on 16 and 17 April 2012 in Ho Chi Minh City for staff of Ho Chi Minh City's departments as requested by the WTO Center under the HCMC People's Committee to improve their policy analysis skills. This training was requested and hosted by the WTO Center, part of Ho Chi Minh City Institute for Development Studies (HIDS) under HCM People's Committee.
 - **The Center of Business Studies and Assistance:** Facilitated a Roundtable on April 6 organized by BSA (The Center of Business Studies and Assistance) Media Club in Ho Chi Minh City, in which USAID/VNCI team gave comments on the draft Price Law, its implications for business sector and potentially harmful provisions that needs media coverage. This is an effort to reach out to the media to spread the concepts of RIA and the role of inclusive dialogue for better regulations

The Provincial Competitiveness Index (PCI)

- **PCI 2011 diagnostic workshops:** i) presented at the two half-day workshops in Ba Ria - Vung Tau on April 20 2012. The workshops were chaired by the Chairman of BR-VT People's Committee and Chairman Loc of VCCI and attended by nearly 300 government officials who are leaders of the provincial line departments and administrations at provincial, district and commune level. It's the first time Ba Ria - Vung Tau emerged in the Excellent governance group and is awarded for its out-standing performance in the PCI 2011. Nevertheless, the province has been repeatedly organizing PCI diagnostic analyses on an annual basis; ii) traveling for regional workshop in Dak Lak for central highland region on April 24; iii) prepared presentation which focuses on insights and perception of Hanoi-based foreign investors who responded to the PCI 2011 survey for the workshop in Ha Noi on April 26, 2012

- **Ha Nam Province:** Presented at the workshop in Ha Nam on April 6, 2012. Ha Nam slipped to 62th position in PCI 2011 from 56th in PCI 2010. The workshop was chaired by Director of Ha Nam DPI and attended by about 60 government officials who are leaders and representatives of line departments and Ha Nam's city and district administration. The discussion focused on understanding the causes of Ha Nam's drastic decline in the ranking and solutions to improve its business environment such as strengthening its one-stop-shop implementation in public service, specifically business registration, construction permit, and improve channel of information provision to firms and citizens, review and simplification of burdensome administrative procedure, improve pro-activity of its leadership
- **PCI 2012 survey:**
 - **AP Reform Indicator:** Discussion with Edmund Malesky and VCCI and OOG/APCA on possible hard data sources for measuring the Administrative Procedures Reforms including Data on timeliness of processing AP transactions at local government agencies and Data on the compliance with the requirement of disclosing information on administrative procedures (AP) and legal normative documents (LND) to the public through the National Database of Administrative Procedures. The suggested set of data is envisioned to provide an in-depth understanding/measure of progress of AP reforms across 63 provinces while setting nuances on PCI sub-indices such as Time Costs and Transparency. At the request of the Prime Minister, APCA is coordinating the efforts and collecting the information and expect to complete it by quarter 4 of this year. The team also agreed to narrow down the coming FDI survey to 11 provinces including 10 provinces which account over 80% of total FIEs plus Ba Ria - Vung Tau, the oil province.
 - **Sampling:** Collected firm lists of currently operating domestic and foreign enterprises from the General Tax Authority to prepare sampling for the PCI 2012 survey. Decision is made to retain the panel data for both domestic and foreign firms which will require identifying domestic firms answered both PCI 2006 and PCI 2011 and foreign firms responded to both PCI 2010 and PCI 2011 from the collected lists. To target 8,000 domestic responses and 2,000 foreign respondents and planned budget options accordingly.
- **PCI dissemination:** preparing a 5 minute video clip with English sub-title on messages from the PCI 2011 for showing at diagnostic workshops and relevant events
- **PCI cooperation:** met with Vietnam Invest Network to discuss opportunity to produce a series of in-depth articles featuring provincial business environment based on PCI results to be published on Vietnam Investment Review
- **PCI improvement efforts in Thai Nguyen Province:** provided comments to the draft PCI action plan for the year 2012 and afterwards at the request of Thai Nguyen People's Committee. The comments pointed out the missing critical elements in the draft which is a timeline of quantitative objectives to facilitate plan implementation and monitoring. Thai Nguyen is planning a diagnostic workshop on May 8, 2012 to analyze its PCI performance and discuss recommendations set out in its action plan.
- **PCI data to support anti-corruption effort:** DFID has requested and met USAID/VNCI team to discuss possibilities of collaboration on using PCI data at the 11th Anti-corruption Dialogue (ACD) in November 2012 led by DFID in cooperation with the Government Inspector. The main objectives are to draw information from PCI to incentives stronger measures by Provinces to tackle corruption and provide central anti-

corruption agencies evidence based information for monitoring and policy making. USAID/VNCI team is also discussing with DFID the possibility of an initiative to address the core problem of corruption at central level. DFID is preparing a concept paper on this issue to discuss among like-minded donors with USAID/VNCI's input.

Infrastructure Financing/Development via Revenue Bonds & Public-Private Partnerships

- **PPP Office:** Meeting with MPI's newly set up PPP office leaders on April 17 to discuss how USAID/VNCI team can assist and provide technical support for PPP initiative in coming months under the new restructure strategy for PPP. Mr. Tang, Director General of the Public Procurement Agency, who was assigned by Minister Vinh to lead and manage the PPP initiative, has shown great determination, commitment and action-oriented attitude to move the PPP agenda forward. First support would be the preparation of the internal meeting with key stakeholders on PPP initiatives, including 11 Director Generals within MPI, representatives from MOF, SBV, MOT, MOC, MOIT, Hanoi, HCMC, Quang Ninh, Thanh Hoa. USAID/VNCI team was invited to participate in the meeting as an extended part of the new PPP Office (no other donor projects were invited).
- **First engagement of MPI's PPP initiative with key stakeholders:** Vice Minister Sinh chair one day workshop on April 20 with representatives from MOF, MOT, MOC, MOIT, Hanoi, Hai Phong, HCMC, Quang Ninh, Thanh Hoa, etc. to take stock of implementation of PPP initiative to date, challenges and opportunities, and how to move forward. USAID/VNCI supported PPP Office in preparing technical materials and organizing the workshop, and will continue to address some of the issues raised at the workshop through upcoming consultancy of Roy Torkelson, USAID/VNCI's Senior PPP Advisor, and Scott Jazyanka, Senior Infrastructure Advisor.
- **Finalized action plan and draft proposal** to provide TA to MOF/Banking and Finance Department. MOF has suggested a streamlined process to start cooperating with USAID/VNCI without going through the formal signing cooperation agreement route. It is expected that Roy Torkelson will spend half of his time during the trip in May 2012 to work with MOF on the development of financial mechanism for PPP projects.
- **Donor coordination:** consulted with DFID/UK embassy, which is providing support to MOF to carry out a study on financial framework for PPP projects to ensure synergies among donor support.
- **Discussed with HSBC** to understand the hedging instruments and services available in Vietnam. That could help understand better the infrastructure investment risks in Vietnam.

Project Management

- **Recruitment of Senior Infrastructure Financial Advisor:** Scott Jazyanka, a highly experienced PPP transaction advisor, started working in Vietnam from April 27, 2012 on a full-time basis.
- **Vu Nguyen, IT Manager for the National Database resigned from USAID/VNCI** to join the private sector, effective May 1.
- **USAID/VNCI is supporting the ICAF Delegation** which is studying the financial sector in Vietnam from May 5 – 9, 2012.

International Visitors

- **Roy Torkelson, Senior Infrastructure Financial Advisor, May 2012**, to advise MOF on sovereign wealth revolving fund and state contribution policy, as well as MPI on PPP initiative.
- **Scott Jacobs, Senior Regulatory Advisor, May 14 – 25**, to advise APCA and PERQ on regulatory programs and MOJ on review of Law on Laws and requirements for public consultation and RIA.