

USAID/Vietnam Competitiveness Initiative, Phase II (USAID/VNCI)
Monthly Report for October 2012

Project 30/ APCA

AP Control

- USAID/VNCI and IFC, an ACAPR member, supported APCA in developing an M&E framework for AP control and in organizing a workshop to introduce the AP control Scorecard. Participants included all APCA staff, representative of UNDP, 4 ministries and 3 provinces. The Scorecard is the method in which APCA evaluates how ministries and provinces perform AP control and determines how to improve the AP process.

National contest for AP reform initiatives

- USAID/VNCI advisory team supported APCA to organize an award ceremony for the National Contest "*Join Hands for AP Reform*" on October 19, 2012. VNCI's support included making presentations and press releases. With VNCI's coordination, APCA received support from VCCI and Dong Tam Corporation both in cash and in kind. This support reflects the private sector's interest in APCA. The event attracted over 250 participants from key ministries, cities and provinces neighboring Hanoi, civil societies and mass organizations. There were over 31,000 entries in the contest. Deputy Prime Minister Nguyen Xuan Phuc chaired the event and on behalf of the Government presented the award prizes to the top 21 individuals/organizations. Most importantly, he mentioned that APCA's move to the Ministry of Justice is a positive development in the continuing effort to strengthen the AP control system. A Deputy Minister of MOJ and a Deputy Chairman of OOG were present at the ceremony along with over 30 key national media agencies. The contest is now planned as a regular event to showcase the Government's commitment to reform its administrative procedures and to establish a permanent platform to gather reform initiatives from citizens and businesses.

Institutional support

- APCA study mission to the UK, the Netherlands and Austria: VNCI supported APCA in preparing the logistics and substance for a study mission to the UK, the Netherlands and Austria. The delegation consists of 10 APCA staff that tentatively scheduled to travel from October 23, 2012 to November 5, 2012. The purpose of the study mission is to enable APCA to improve its capacity, professional knowledge and to build a vision for the next ten years. USAID/VNCI's advisory team is actively involved in developing the itinerary and co-ordinating between APCA and the related embassies. In addition, a professional staff from USAID/VNCI's advisory team has joined APCA's delegation to facilitate discussion between APCA and its hosts.
- A two day training course on upgrade version of the national database and communication skills took place on October 1 for 50 APCA in Tam Dao, Vinh Phuc Staff. The objective of the training course was to equip APCA's staff with communication skills as part of USAID/VNCI's exit strategy. It also enabled APCA's IT team to test the upgraded version of the national database. USAID/VNCI's advisory team supported APCA in developing the training materials, organizing presentation flows and delivering parts of the presentations.

Regulatory Reform and Regulatory Impact Assessment (RIA)

RIA training

- In October USAID/VNCI organized two RIA training workshops. The first workshop for the Ministry of Home Affairs (MOHA) on October 2 and 3, and the second for the Ministry of Industry and Trade (MOIT) on October 10 and 11. The participants in both workshops were impressed by the potential value of using the RIA method in performing policy analysis. Both groups also asked for an extended training time to fully absorb the concepts and methods. A deputy director of MOHA's Personnel Department attended the workshop and expressed the need for training for civil servants on a systematic approach to impact assessment of legal documents.
- USAID/VNCI sent a RIA expert to speak at an October 24-25, 2012 training workshop organized by the National Assembly's Committee for Finance and Budget organized for Bac Kan province's elected representatives. The purpose of the course was to teach RIA principles to participants so that they have better analytical skills in appraising legal normative documents.

RIA outreach

- RIA Handbook for National Assembly deputies: USAID/VNCI RIA team had a meeting with the Office of the National Assembly's Training Center for Elected Representatives (TCER) to discuss how to get the RIA handbook approved and published and to explore further opportunities to cooperate. It was agreed that the handbook would be published in November. This would give enough time to receive approval by relevant people of the ONA and possible revision following comments by ONA and PERQ associates. It was also agreed to explore the possibility of organizing a RIA training workshop for the NA deputies sometime in January 2013.

The Provincial Competitiveness Index (PCI)

PCI 2012 report

- Data processing: the PCI team continued working on the PCI index construction and rankings for the PCI 2012 report.
- PCI 2012 report: the PCI team held a conference call on October 12 to discuss with USAID the timeline for launching the PCI 2012 report and its outline. Content of the report discussed might include; a standard chapter on the PCI 2012 rankings and tracking of changes in the local business climate perceived by domestic and foreign investors over-time. An FDI chapter would also be included to discuss observed investment risks in Vietnam, risk mitigation strategies of currently being used by foreign investors as well as analysis of the module on labor relations and labor training characterized by sector, mode and countries of investment. It is agreed that the PCI 2012 launching would be targeted for the week March 8 – 15, 2013. This will allow sufficient time for preparing a quality report and will not conflict with the Tet period to ensure maximum participation by the provincial leaders and media. Since VNCI II is scheduled to end on February 28, 2013, a project extension on the PCI component will be required. VNCI II will start preparing for subsequent approval by USAID as well as transition plan of PCI to our counterpart - VCCI.

PCI 2011 diagnostic workshop

- The PCI 2011 diagnostic workshop in Yen Bai province took place on October 16, 2012. The workshop was co-chaired by Vice Chairman of Yen Bai People's Committee and Mr. Nguyen Dinh Cung, Deputy Director General of CIEM and attended by over 60 representatives of local government and businesses. In the last three years, Yen Bai has made steady improvement in governance performance, its PCI ranking moved from 23rd in 2009 to 21st in 2010 and to 14th on 2011 ranking. Joining the PCI team to present and discuss the customized PCI results to the provincial leaders, Cung emphasized on the under-development of local businesses as well as local economy and urged the province to make more efforts to effectively enhance their governance.
- The PCI team conducted the PCI 2011 diagnostic workshop in Hoa Binh on October 24, 2012. The workshop was co-chaired by the Chairman of Hoa Binh People's Committee and the Chairman of VCCI and attended by 65 participants who were leaders at provincial and district level, businesses, investors and local media. Hoa Binh improved by 13 positions to 47th place in the PCI 2011 ranking. In line with diagnosis results by the PCI team, current investors including representatives of Hong Kong and Japanese investors in the province highlight improvement in certain areas of reform such as transparency, labor training, infrastructure quality and power shortage.
- The PCI 2011 diagnostic workshop in Lam Dong took place on October 26, 2012. The workshop was chaired by a Vice Chairman of Lam Dong People's Committee with 75 participants from line departments, district administrations, business association, foreign investors, media of national and local branch. Lam Dong plummeted 32 positions to 61th place on the PCI 2011 chart. The PCI team helped diagnose problems in its governance and business climate and discussed solutions with Lam Dong's leaders and businesses. Local firms recorded nationally-low performing areas of pro-activity, time costs and labor training. On behalf of its leaders, the Vice Chairman committed to improve its PCI results in the coming year through raising awareness and performance of administrations at provincial, district and town level. Specific action plans were reported at the workshop by the Tax Authority, DPI, DONRE and DOLISA.

Infrastructure Financing/Development via Public-Private Partnerships

PPP project support

- **Dong Nai Inter-port highway project:** VNCI drafted a TOR for hiring international consultant to develop a project proposal.
- **E-procurement project:** VNCI's consultant continued to draft an Information Memorandum based on the outline agreed to with the PMU and Ubitek, technical consultants. In the mean time, VNCI team also helped the e-GP PMU to review the FS outline submitted by Ubitek consultants. The project was going in the right direction with strong support from e-GP PMU.
- **Soc Trang's Water Treatment Plant expansion:** VNCI drafted a pre-assessment report with further questions for this project after gathering information by desk study on the availability document and will send to PPA. The project has great potential for PPP based on successful Phase I plant's revenue stream and in term of the CAPEX size, the complexity of project and readiness of project.
- **Lao Bao ICD and Dong Ha Logistic Center in Quang Tri provinces:** VNCI team reviewed the data and prepared a quick report for next step. These projects are also ideal for PPP development in term of future revenues resources the investor can earn, the wide scope of activities the investor can think of such as customer service,

transportation and storage service, stop-over car park and maintenance, property businesses. VNCI team is also scheduling to meet with the ADB consultant team that supported the projects.

- **Bien Hoa – Vung tau expressway and Ninh Binh – Bai Vot expressway:** The PPP Office updated the progress of those project for VNCI team and waited for an open channel to work with MOT under the same umbrella of Decision 71. Both projects are huge CAPEX investments and face a lot of resistance.

Institutional support

- USAID/VNCI drafting TORs to hire local consultants to work with our consultant Mr. Zack Kaplan on PDF operation mechanism guideline, PDF project selection criteria and capacity building for PPP Office in order to maintain sustainability of support and prepare for hand over.
- USAID/VNCI completed a workshop in coordination with AFD's consultant – ASPA in delivering updated PPP implementation progress under Decision 71 to Hanoi ASA for the 02 days workshop in Hai Phong, which was focusing on implementation PPP model for Water Treatment Project in Hanoi.
- USAID/VNCI team joined the ASEAN Regional Agricultural Trade Environment (RATE) assessment workshop in Hanoi on October 22, 2012 and tried to determine the collateral information with Quang Tri's projects: Lao Bao Inland Container Deport project and Dong Ha Logistic Center.
- USAID/VNCI team presented the outline of PDF selection criteria to PPP Office to get opinion and feedbacks. The result was quite good and VNCI team would develop further details.
- USAID/VNCI team supported the PPP Office to draft a TOR for a study tour to Canada. VNCI also called for additional support to rise fund from other sponsors such as SIDA, NIKE, UBS...