

USAID/Vietnam Competitiveness Initiative, Phase II (USAID/VNCI)
Monthly Report for December 2012
(key activities)

Project 30/ APCA:

- *New reform initiative - the Master Plan on Simplification of citizen-related APs and Electronic Database of Residents:* The Minister of Justice, with a mandate from the National Assembly and Deputy Prime Minister Nguyen Xuan Phuc, requested APCA to prepare a document on “Master Project on Simplification of citizen-related administrative procedures and Electronic Database of Residents for State Management”. The purpose of the Project is to establish a single database of residents with citizen identity number. This will simplify administrative procedures that require identification and authentication of individual citizens. The goal is to reduce administrative burdens for citizens and increase effectiveness and efficiency of state management. The Project will be submitted to the Government for approval and implementation in 2013. VNCI assisted APCA in drafting this document by providing inputs, comments and translation of an English booklet on Austrian e-government strategies and implementation.
- *AP reform outreach:* APCA team including 2 APCA staff and 1 VNCI team member attended the WB-IFC workshop on sustainable reform in Singapore between November 27 and 28, 2012. Many participants expressed an interest in further understanding Vietnam’s reform program. Collaboration is being planned with other participants.
- *Institutional Support:* VNCI provided comments and inputs for the APCA’s 2013 budget and communication plans. VNCI also helped APCA to restructure the Advisory Council for Administrative Procedure Reform in the context of APCA’s move to MOJ and the MOJ Minister being assigned as the ACAPR Chairman. In addition, VNCI has been supporting APCA in drafting a circular on guidance of AP quality control using templates for use by AP control units at ministries and provinces. Currently, the guidance comes in form of official letter which lacks legal ground for compliance.

PERQ/RIA:

- *Revision of the Law on Laws:* VNCI team and Scott Jacobs worked with the MOJ’s core team responsible for RIA in discussing the problems that require resolution, their feasible solutions and how to present them in a more logical way. A workshop on the RIA and other important issues related to the Law was held on Friday, December 21 to collect comments and feedback from stakeholders. The workshop was attended by representatives from the National Assembly, the Office of Government, MOJ, various ministries and agencies, and news agencies. The workshop witnessed an active dialogue on the weaknesses of the current law-making rules and their causes, as well as international good practices in the field.
- *RIA training:* VNCI organized five RIA training workshops for government agencies, including the State Bank of Vietnam, the Office of Government, Ministry of Education and Training and the National Academy of Politics and Public Administration.
- *RIA outreach:* VNCI team discussed with a Vice Director of the Institute of Legal Science, MOJ, on building capacity for the Institute to be a RIA center. The purpose is to replicate and spread PERQ beyond VNCI-CIEM cooperation. MOJ has the mandate to appraise legal development projects including impact assessment reports. The ILS welcome the idea and we plan to train ILS staff on RIA in January.

PCI:

- *Construction of the 2012 PCI:* The construction of the PCI Index was completed with rigorous checks. The Index will be examined against the reality of business sentiment and governance initiatives in provinces to ensure its validity in the current business turbulences. Edmund Malesky, the PCI lead researcher had a meeting with the Director of VCCI, Can Tho branch in VCCI Can Tho's office on December 18, 2012 to collect information about the business sentiment of local enterprises in the Mekong Delta and reform efforts made by local governments.
- *PCI 2012 report:* The PCI team worked with Trang Nguyen, Doctor Candidate of the School of Law, New York University on the analysis of the relationship between number of provincial documents aimed at improving PCI ranking and the actual ranks. This study will be included in the PCI 2012 report. Initial results show that there is correlation between the number of documents issued to improve PCI performance and the probability of remaining at a high rank, however it cannot be confirmed that more documents actually cause an improvement in a province's PCI ranking.
- *PCI Outreach:* Edmund Malesky, PCI lead researcher, presented findings from the PCI 2012 survey data on policy risk and investor behavior at the Vietnam Business Forum on December 3, 2012. The presentation was highly appreciated as it demonstrated serious concern by business community over Vietnam's business climate. Edmund also presented his paper in a workshop organized by VCCI on December 4 to top Vietnamese experts and economists to collect comment and feedback for the paper to be included in the PCI report 2012. In addition, Scott Jazyanka, VNCCI's Chief of Party, shared VNCCI's model of promoting good governance through the PCI at the forum "The American Way of Doing Business" held on Saturday December 15, 2012.

PPP/Infrastructure

PPP Project Support

- *E-procurement project:* VNCCI drafted a Information Memorandum and reviewed and issued comments on a Request for Proposal prepared by Ubitek, the e-GP's technical advisors. VNCCI team also recommended that the e-GP PMU revise the assumptions on user demand and tariff structure to support a more conservative financial projection included in the feasibility study. VNCCI is taking the lead in upgrading and revising the financial model.
- *Soc Trang's Water Treatment Plant expansion:* VNCCI consultants presented an assessment and recommendations on the project to the PPA/PPP Office. The recommendation was to proceed with a project proposal. The PPA/PPP office is determined to move this project forward quickly and the bidding process is expected to be in Q2-2013.

Institutional Support

- The final draft of the PDF's operating guidelines, a full set of bidding documents for hiring PDF's consultants have been submitted to the MPI/PPA/PPP Office. VNCCI team, along with the PPA/PPP Office, met with MOF to discuss the PDF structure, the draft PDF operating guidelines and build an overall consensus for the PDF. The second draft was also completed. The guidelines were one of the pillars of the December 28, 2012 PPP Workshop described below.
- VNCCI team continued to support PPP Office by drafting a TOR for a PPP study tour to Canada. VNCCI team also met with the PPA to agree on the timing, participants and tentative agenda for study tour. The study tour is rescheduled from February 19- 28, 2013.

- VNCI team is waiting for final recommendation from our international consultant – Mr. Roy Torkelson on VNIF and will deliver it to MOF.
- A “PPP’s in Infrastructure” Workshop was held with the Ministry of Planning and Investment on December 28, 2012 in Hanoi. The workshop which included over 100 participants primarily from the various line ministries responsible for infrastructure (MoT, MoC), and Northern Provinces and City governments. The workshop was also attended by members of the media and a few private sector companies. The focus of the workshop was on receiving stakeholder input on proposed changes to Decision 71 (PPP Pilot Project), learning a “good practices” methodology for identifying PPP projects at the ASA level, understanding the process to be followed in applying for Project Development Facility funds for the hiring of technical and transactional advisors necessary for undertaking a PPP. Similar workshops will be held in Da Nang and Ho Chi Minh City over the next two months.
- Preparations are underway for the upcoming PPP Training visit of Mr. Edward (Ned) White. Ned will conduct two workshops. The first will be a half day workshop for members of the newly created Inter-ministerial Steering Committee and their designated staff and the second will be a 3-day workshop for PPP practitioners within the PPP Office, line ministries and provinces/cities.