



## Aus4Reform Program

### *First Annual Work Plan*

Program Summary	
Start date: 21 November 2017 November 2021	End Date: 20
Total proposed funding allocation: \$6.5 million	
Program components and implementing agencies:	<p><b>CIEM:</b> Building more Competitive and Transparent Markets and Business Enabling Environment</p> <p><b>VCCA:</b> Ensuring Markets Operate Competitively in Consumer and National Economic Interests</p> <p><b>IPSARD:</b> Facilitating the Restructuring of the Rural Economy</p> <p><b>VCCI:</b> Greater Business and Women’s Voice in Investment Climate and Economic Restructuring Issues.</p> <p><b>CIEM:</b> Flexible Fund</p>

**23 November 2017**

## TABLE OF CONTENTS

<b><u>GLOSSARY .....</u></b>	<b><u>1</u></b>
<b><u>A: THE AUS4REFORM PROGRAM.....</u></b>	<b><u>2</u></b>
AUS4REFORM SUMMARY PROGRAM LOGIC .....	3
AUS4REFORM PERFORMANCE BENCHMARKS.....	4
THE AUS4REFORM ANNUAL WORK PLAN 2017-18 .....	5
<b><u>B: CIEM AWP1 .....</u></b>	<b><u>6</u></b>
RECENT DEVELOPMENTS .....	6
END OF PROGRAM COMPONENT LEVEL OUTPUT TARGETS .....	6
FIRST ANNUAL WORK PLAN OUTPUTS AND ACTIVITIES.....	9
RESOURCES NEEDED .....	10
EXPECTED BENEFICIARIES.....	11
CROSS-CUTTING ISSUES.....	11
RISKS AND RISK MANAGEMENT .....	12
EXPECTED AWP1 IMPLEMENTATION MILESTONES.....	13
RECOMMENDATIONS TO PCC.....	13
<b><u>C: VIET NAM COMPETITION &amp; CONSUMER AUTHORITY (VCCA) AWP1 .....</u></b>	<b><u>14</u></b>
RECENT DEVELOPMENTS .....	14
END OF PROGRAM COMPONENT LEVEL OUTPUT TARGETS .....	14
FIRST ANNUAL WORK PLAN OUTPUTS AND ACTIVITIES.....	17
RESOURCES NEEDED .....	19
EXPECTED BENEFICIARIES.....	20
CROSS-CUTTING ISSUES.....	20
RISKS AND RISK MANAGEMENT .....	21
EXPECTED AWP1 IMPLEMENTATION MILESTONES.....	22
RECOMMENDATIONS TO PCC.....	22
<b><u>D: IPSARD AWP1 .....</u></b>	<b><u>24</u></b>
RECENT DEVELOPMENTS .....	24
END OF PROGRAM COMPONENT LEVEL OUTPUT TARGETS .....	24
FIRST ANNUAL WORK PLAN OUTPUTS AND ACTIVITIES.....	26
CROSS-CUTTING ISSUES.....	29
RISKS AND RISK MANAGEMENT .....	30
EXPECTED AWP1 IMPLEMENTATION MILESTONES.....	31
RECOMMENDATIONS TO PCC.....	31

**E: VCCI APW1 .....32**

RECENT DEVELOPMENTS ..... 32  
END OF PROGRAM COMPONENT LEVEL OUTPUT TARGETS ..... 32  
FIRST ANNUAL WORK PLAN OUTPUTS AND ACTIVITIES ..... 33  
RESOURCES NEEDED ..... 35  
EXPECTED BENEFICIARIES ..... 35  
CROSS-CUTTING ISSUES ..... 36  
RISKS AND RISK MANAGEMENT ..... 37  
EXPECTED AWP1 IMPLEMENTATION MILESTONES ..... 38  
RECOMMENDATIONS TO PCC ..... 38

**F: FLEXIBLE FUND .....39**

RECENT DEVELOPMENTS ..... 39  
END OF PROGRAM COMPONENT LEVEL OUTPUT TARGETS ..... 39  
FIRST ANNUAL WORK PLAN OUTPUTS AND ACTIVITIES ..... 40  
RESOURCES NEEDED ..... 42  
EXPECTED BENEFICIARIES ..... 42  
CROSS-CUTTING ISSUES ..... 43  
RISKS AND RISK MANAGEMENT ..... 44  
EXPECTED AWP1 IMPLEMENTATION MILESTONES ..... 44  
RECOMMENDATIONS TO PCC ..... 45

## Glossary

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ACCC	Australian Competition and Consumer Commission
AWP1	First Annual Work Plan
CPEC	Communist Party Economic Commission
CIEM	Central Institute of Economic Management, part of the Ministry of Planning and Investment
CMU	Component Management Unit
CPV	Communist Party of Vietnam
DFAT	Department of Foreign Affairs and Trade
ECNA	Economic Committee of the National Assembly
FF	Flexible Fund
GoV	Government of Vietnam
IPSARD	Institute of Policy and Strategy for Agriculture and Rural Development
MARD	Ministry of Agriculture and Rural Development
MOIT	Ministry of Industry and Trade
MPER	Master Plan on Economic Restructuring
MPI	Ministry of Planning and Investment
NA	National Assembly
NCD	National Component Director
NPD	National Program Director
OM	Operations Manual
OOG	Office of Government
PC	Productivity Commission
PCC	Program Coordination Committee
PM-SEAG	Prime Minister Senior Economic Advisory Group
PSU	Program Support Unit
RCV	Restructuring for a More Competitive Vietnam Program
SAG	Senior Advisory Group
SEDP	Socio-Economic Development Plan
SOE	State-Owned Enterprise
SPME	Senior Program Manager-Economist
SPA	Senior Policy Advisor
VCCA	Vietnam Competition and Consumer Agency
VCCI	Vietnam Chamber of Commerce and Industry
WEE	Women's Economic Empowerment

## A: The Aus4Reform Program

The Australia-Viet Nam Economic Reform (Aus4Reform) Program works with the Vietnamese Government to boost productivity and competitiveness in Vietnam by supporting the development of quality policies, laws, and institutions through advocacy, consultation, and by strengthening the evidence base for economic policies - drawing on international experience and expertise, especially from Australia. Aus4Reform aims to contribute to equitable improvements in productivity via a more inclusive, innovative and sustainable growth model by supporting reforms to:

1. Improve the investment climate and economic institutions in line with national interests and international agreements.
2. Improve factor market efficiency.

Aus4Reform aims to help the GoV achieve these objectives via the following components:

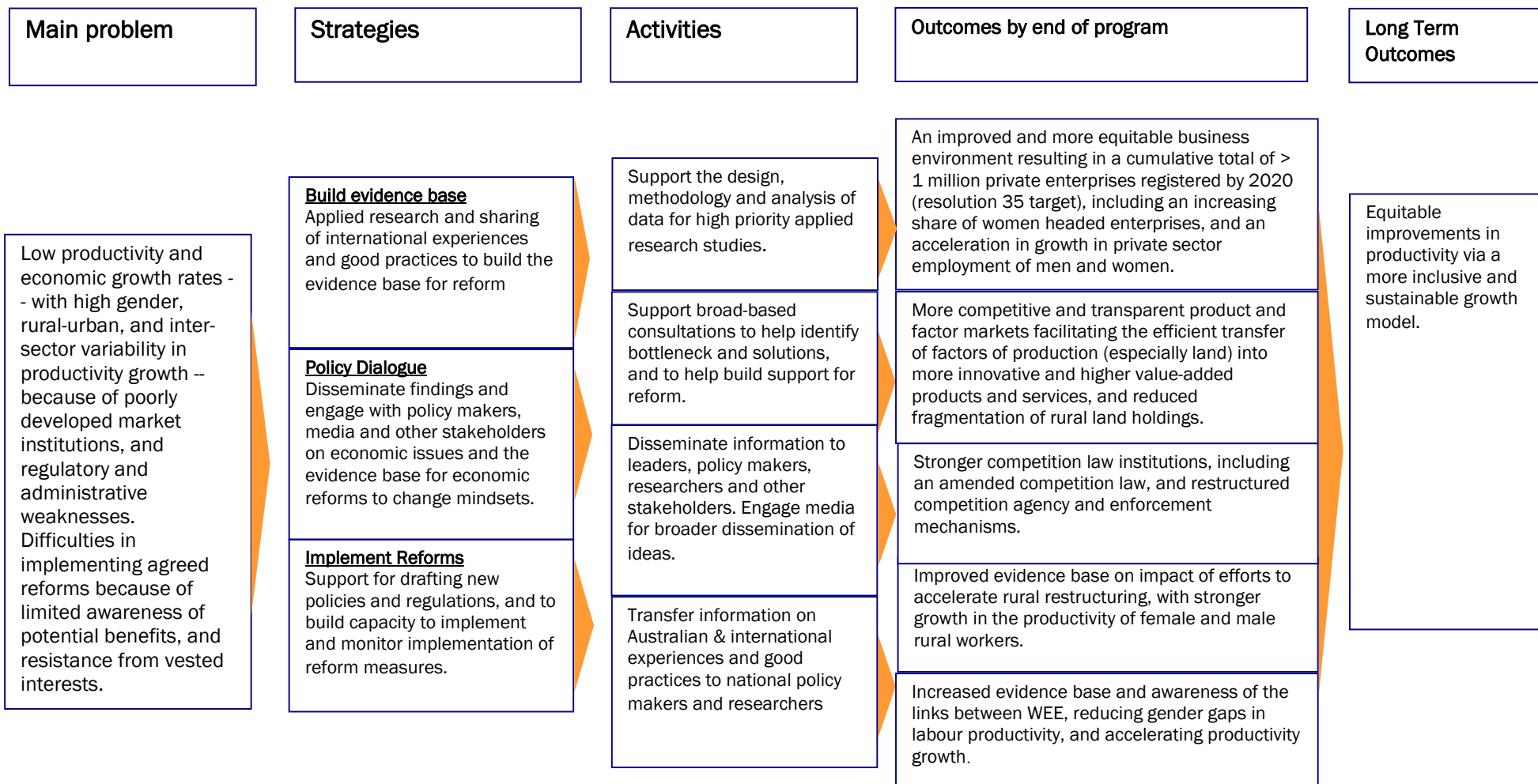
- Building more competitive and transparent markets and business enabling environment
- Ensuring markets operate competitively in consumer and national economic interests
- Facilitating the restructuring of the rural economy
- Greater business and women's voice in investment climate and economic restructuring issues.
- A Flexible Fund to respond to emerging bottlenecks to productivity growth and innovation.

Specific outcomes that Aus4Reform will have contributed to by the end of 2020 include:

- An improved and more equitable business enabling environment resulting in the registration of at least 1 million formal private enterprises by 2020, including an increasing share of women-headed enterprises, and an acceleration in growth in private sector employment of men and women.
- More competitive and transparent product and factor markets facilitating the efficient transfer of factors of production (especially land) into more innovative and higher value-added products and services, and reduced fragmentation of rural land holdings.
- Stronger competition law institutions, including an amended competition law, and restructured competition agency and enforcement mechanisms.
- Improved evidence base on impact of efforts to accelerate rural restructuring, with stronger growth in the productivity of female and male rural workers.
- Increased evidence base and awareness of the links between WEE, reducing gender gaps in labour productivity, and accelerating productivity growth.

All project components will contribute to these outcomes. The program design logic is summarised in the following diagram.

## Aus4Reform Summary Program Logic



## Aus4Reform Performance Benchmarks

### Performance Benchmarks 2017-18 to 2020-21

	2017-18	2018-19	2019-20	2020-21
<i>Increased competition and productivity providing more equitable and sustainable access to economic opportunities, and resulting in accelerated and equitable growth in numbers of SMEs and large private enterprises, and accelerated growth in more productive employment.</i>				
<i>Number of new business registrations (share (%) of female headed firms)</i>	100,000 (32%)	110,000 (33%)	120,000 (34%)	130,000 (35%)
<i>Average annual real growth in labour productivity (by gender if data becomes available)</i>	5.0%	5.0%	5.0%	5.0%
<i>Submission, approval and enactment of amended competition law (CL) in line with international commitments</i>	<i>Draft amendments to CL submitted to NA</i>	<i>CL and implementing decrees enacted</i>	<i>VCCA established as agency independent of commercial interests</i>	<i>VCCA enforcing CL in line with regional best practice</i>
<i>Increase in value added per hectare of cultivated land (as a result of a shift into higher value-added production)</i>	VND 90 million/ha	VND 105 million/ha	VND 120 million/ha	VND 140 million/ha
<i>Reduction in Viet Nam's gender gaps for economic participation and opportunity (WEF data).</i>	0.74	0.75	0.75	0.76

## The Aus4Reform Annual Work Plan 2017-18

This first annual work plan (AWP1) for Aus4Reform highlights the key targeted outputs and intermediate results expected this year from each component, and identifies the core activities and resource requirements needed to achieve these targets. Key beneficiaries and a summary of approaches to address cross-cutting issues are also identified.

The budget and key deliverables by component under Aus4Reform during 2017/18 are summarized below. Final output targets by component, and a summary of the key sub-results and key activities planned this year for each output are presented in subsequent chapters of this report.

### Summary Component Budget and Deliverables (by December 2018)

Component	Annual Budget (AUD)	Key Deliverables
CIEM	179,096	<ul style="list-style-type: none"> <li>• Quarterly economic reports feeding into public policy debate.</li> <li>• Draft Decree prepared on supervision of process of drafting business conditions. Substantive reduction in number of business conditions.</li> <li>• Publication &amp; dissemination of report on state monopoly focusing on network industries and PPP regulations.</li> </ul>
VCCA	156,063	<ul style="list-style-type: none"> <li>• Amended CL submitted to the National assembly for approval.</li> <li>• Implementing regulations for amended CL issued by Government.</li> <li>• Recommendations submitted to Government on measures to improve consumer protection</li> </ul>
IPSARD	70,308	<ul style="list-style-type: none"> <li>• Draft and promulgate a Circular on developing a land market</li> <li>• Initial analysis on the impact of FTAs on coffee value chains and work to build coalitions to address remaining issues.</li> </ul>
VCCI	70,036	<ul style="list-style-type: none"> <li>• Increased business voice in public debate on issues to improve the business enabling environment.</li> <li>• Improved evidence base on gender specific constraints to business, with recommendations to reduce gender gaps.</li> </ul>
FF CPEC	96,569	<ul style="list-style-type: none"> <li>• High-level economic forum on priority development issues stimulated policy debate at all levels.</li> <li>• Two evidence based reports addressing priority development issues submitted to national leaders</li> </ul>
ECNA	43,439	



## B: CIEM AWP1

### Recent Developments

There have been no major developments that will substantively impact on planned results and outputs since the program design documents was prepared.

However, the establishment of two new institutions within the Office of the Government (OOG) that are intended to facilitate and strengthen implementation of key reforms supported by Aus4Reform is a significant positive development. Members of the CIEM leadership and staff are directly involved with both institutions and will engage with both institutions (under this component and the Flexible Fund component) to maximize the potential impacts of Aus4Reform support. The two new institutions are:

- The Prime Minister Senior Economic Advisory Group of the (PM-SEAG) which advises the PM on economic development and restructuring issues. The President of CIEM (and NPD) is a member of the group (as are some other members of the Aus4Reform SAG).
- The Steering Board of the Task Force of the PM<sup>1</sup> on economic restructuring issues. Again, the President of CIEM is a member of this group, and the group have been using RCV supported research as core documents for support to the PM on economic restructuring issues. It is expected that the Aus4Reform research will also be directly used by the Task Force.

Although not directly included in the program design document, Aus4Reform engagement with these institutions is consistent with the design objectives, principles and logic. And, engagement will help reduce some of the political risks identified in the program design.

### End of Program Component Level Output Targets

The program design specifies the following targeted outputs for the CIEM component with the defined performance indicators for each output.

Outputs	Performance Indicators
1.1. Monitoring and implementation of economic development and economic restructuring initiatives linked to	<ul style="list-style-type: none"><li>• Quarterly economic reports published, discussed, and disseminated.</li><li>• Other analytical reports published, discussed, and disseminated, including analysis of gender gaps.</li><li>• Advocacy initiatives to implement economic development and economic restructuring</li></ul>

<sup>1</sup> The Task Force itself comprises ministerial level representative. Its Steering Board is responsible for compiling and drafting policy studies and recommendations for the Task Force.

Outputs	Performance Indicators
<p>new economic growth model (NEGM), including better understanding of progress and issues in implementing sub-national level reforms.</p>	<p>plans.</p> <ul style="list-style-type: none"> <li>• Increased reference to gender issues in economic policy debates.</li> <li>• Actions taken to implement elements of NEGM reform agenda supported by Aus4Reform, including sub-national level actions.</li> <li>• Analysis of lessons learned from implementing economic reforms in a selected province/region.</li> </ul>
<p>Output 1.2: Effective implementation of GoV actions plans to streamline the business enabling environment, including better understanding progress and issues in implementing sub-national level reforms.</p>	<ul style="list-style-type: none"> <li>• Revisions to business legislation in line with international good practice.</li> <li>• Review of competition policy published and actions taken on recommendations.</li> <li>• Reports on business environment and action taken to improve quality of business institutions (e.g. property rights, starting business, specialized inspection for export-import goods, enforcing contracts, resolving insolvency).</li> <li>• Quarterly CIEM reports on progress in improving the enabling environment for all businesses (at all levels), including progress relative to: (i) GoV regulatory reform targets; (ii) the national competition policy agenda; and (iii) international commitments.</li> <li>• Evidence of broad-based consultations with civil society and advocacy groups to identify issues and raise awareness.</li> <li>• Share of newly registered businesses owned by women.</li> </ul>
<p>1.3. Increased and more broad-based support for reform agenda to develop competitive factor markets, with a</p>	<ul style="list-style-type: none"> <li>• Publication and dissemination of quality analytical reports on the costs of weak factor markets.</li> <li>• Survey, report and recommendations on reforms to ensure more competitive land use markets and to facilitate the consolidation of</li> </ul>

Outputs	Performance Indicators
<p>focus on developing markets for agriculture land use rights</p>	<p>fragmented land holdings.</p> <ul style="list-style-type: none"> <li>• Quality and evidence based public policy debate on the need for agriculture land use market reform.</li> <li>• Sub-national level case studies of bottlenecks (e.g. by specific regions, value chains, disadvantaged groups, etc.).</li> </ul>
<p>1.4: Strengthen capacity to implement SOE restructuring, focusing on: monitoring and evaluation of SOE equitization; solving loss-making SOEs; SOE financial oversight; &amp; increased transparency governance and accountability institutions.</p>	<ul style="list-style-type: none"> <li>• Reports on monitoring and evaluation of SOE equitization; solving loss-making SOEs and recommendations.</li> <li>• Recommended actions to separate State ownership and regulatory functions and strengthening corporate governance of State investments in businesses.</li> <li>• Establishment of operational institution(s), “independent” of State sectoral agencies, exercising State ownership rights in most large SOEs (transferred from sector agencies: (e.g. MOIT, MOT, MOC, and MARD)).</li> <li>• Share of women holding Board and CEO positions in SOEs.</li> </ul>
<p>1.5. Recommended reform actions to restructure and improve public investment discipline and quality and to improve public service delivery institutions.</p>	<ul style="list-style-type: none"> <li>• Reports on public investment restructuring and solutions for improving quality of public investment according to international best practices.</li> <li>• Reports on efficiency of public service delivery and solutions for restructuring the public service delivery agencies.</li> </ul>

t this stage, CIEM is not including and activities for Output 1.5 under AWP1. The need to retain this as a planned output will be reviewed when planning for the next annual work plan, as CIEM may have increasing responsibilities

to support the newly established Steering Board of the Task Force of the PM on economic restructuring.

## First Annual Work Plan Outputs and Activities

### 1.1. Monitoring and Evaluation Report on economic restructuring with draft priorities for actions in 2018-2020

Planned deliverables include:

- Quarterly economic reports. Three of these reports will be update reports, with a more substantive annual economic report.
- Consolidated draft M&E report on implementation of the master plan on economic restructuring (MPER) by June 2018.

The key inputs needed to produce these reports will be consulting services and financial inputs to facilitate consultations, workshops, peer reviews, plus the dissemination of study findings.

CIEM will endeavour to include a gender focus in relevant reports to better understand the impact of gender gaps on productivity growth.

### 1.2. Implementation of GoV actions plans to improve the business environment, including better understanding issues in implementing sub-national level reforms.

Planned deliverables include:

- Quarterly reports submitted to Government on progress in implementing reforms to the business enabling environment.
- Recommendations from above report to be reflected in required actions being specified in instructions from PM and/or the Government.
- Draft Decree prepared on supervision of process of drafting business conditions.

The key inputs needed to produce these reports will be consulting services and financial inputs to facilitate consultations, field visits, travel for consultations outside of Hanoi, workshops, peer reviews, plus the dissemination of study findings.

### 1.3. More broad-based support for reform agenda to develop competitive factor markets, with a focus on state monopoly, network industries and PPP regulations.

Planned deliverables include:

- Publication and dissemination of a quality analytical report on state monopoly with a focus on network industries.

The key inputs needed to produce these reports will be consulting services and financial inputs to facilitate consultations, workshops, peer reviews, plus the dissemination of study findings.

#### 1.4. Strengthen capacity to implement SOE restructuring.

Planned deliverables include:

- Reports on monitoring and evaluation of SOE restructuring, including evaluation of SOE performance and recommendations of improving efficiency in the use of State capital in SOEs.

The key inputs needed are consulting services and financial inputs to facilitate consultations, workshops, peer reviews, plus the dissemination of study findings.

#### 1.5. Recommended reform actions to restructure and improve public investment discipline and quality and to improve public service delivery institutions.

No activities planned for AWP1. CIEM is expected to develop proposals for funding under the second work plan as new priorities arise.

### Resources Needed

In order to implement the planned activities, the following resources are needed:

- Direction and support from MPI and the Government;
- Financial and technical assistance from Aus4Reform program sponsored by the Australia Government (AUD 180,000);

**Table: Aus4Reform Summary Component Financing**

Output	Budget (AUD)
1.1 M&E on economic restructuring and development	69,753
1.2 Implement GoV actions plans to improve the business environment	68,451
1.3 More broad-based support for reform agenda to develop competitive factor markets	19,922
1.4 Strengthen capacity to implement SOE restructuring	20,970
1.5. Recommended actions to improve public investment and public service delivery institutions	0
Total	179,096

- Technical and mentoring support from Australian institutions (e.g. PC);
- Contributions of CIEM leaders

- Cooperation and assistance from other Vietnamese relevant agencies.

### Expected beneficiaries

The expected direct beneficiaries of the above activities are expected to include:

- CIEM
- Representatives of business groups and associations (especially VCCI)
- Representatives of the relevant state management agencies responsible for improving the business enabling environment.
- Business community (especially less well-connected entrepreneurs, including women).
- Agencies responsible for economic restructuring.

In addition, the proposed support will benefit other subjects indirectly, including:

- Consumers will benefit from a more productive and efficient economy.
- Labourers will benefit from improved productivity.

### Cross-cutting issues

#### Women's Economic Empowerment (WEE)

WEE is an increasingly important issue for CIEM. In addition to promoting more equitable development, reducing gaps in entrepreneurship, workforce participation, and labour productivity are expected to make an important contribution to accelerating overall productivity growth. CIEM will adopt the following strategies for promoting WEE under Aus4Reform support.

- Provide gender disaggregated breakdown of participation in Aus4Reform supported events, and on the gender breakdown of Aus4Reform supported experts.
- Include a focus in studies on gender gaps in entrepreneurship, labour productivity, and workforce participation rates in relevant economic studies.
- Implement research on involving women in policy making.
- Analyse the need for gender targeted policy recommendations relating to factor market development.
- Engage with the Aus4Reform WEE expert to promote WEE.

#### Stakeholder engagement:

CIEM will mobilize appropriate and timely participation/interventions of relevant agencies, experts, the academia, business, consumer representatives and mass media. More specifically, CIEM will endeavour to:

- Ensure representation of key stakeholders at all Aus4Reform consultations and information dissemination events.
- Publish and disseminate draft studies and reports to stakeholder for comment wherever feasible.
- Organize a reasonable share of consultation and dissemination events outside of Hanoi.

### Communications:

CIEM is aware of the importance of effective communications in building support for change and overcoming potential resistance from vested interests. Specific strategies for effective communications include:

- Implementation of stakeholder engagement strategy noted above.
- Include specific initiatives to disseminate and communicate the key findings and conclusions of all Aus4Reform supported studies and events (including the issuance of press briefing material and inviting the mass media to key events).
- Providing copies of all studies and communications material for publication on the Aus4Reform website (and also publish material on the CIEM website).
- Liaise with the Aus4Reform communications expert to implement consistent branding of Aus4Reform and to develop strategies to make better use of social media.

### Component Monitoring:

- CIEM will provide regular reports to the Aus4Reform PCU in line with Aus4Reform Operations Manual requirements.
- CIEM will work with other implementing agencies to ensure that they prepare timely monitoring reports for consolidation prior to submission to GoV and DFAT.
- CIEM will ensure that its monitoring systems and reports directly address progress made against the outcomes and results targets as described in this AWP.
- CIEM will also provide gender disaggregated data to the Aus4Reform program wherever possible.

### Risks and risk management

Risk	Risk management
Inadequate political commitment to address resistance to	As noted in the IDD, the program design aims to mitigate this risk by strengthening the evidence base for

<b>implementation of economic reform agenda resulting in delays in implementation.</b>	reform, and broadening public engagement on economic reform issues.
<b>Human resource constraint.</b>	Improve capacity of project staff to well manage and balance their daily work with project activities. Consider applying for support from Aus4Skills.
<b>Project staff occupied by daily work commitments.</b>	Improve the capacity of the project staff to manage and balance their daily work with project activities.

### Expected AWP1 Implementation Milestones

<b>Key Milestone</b>	<b>Target Date</b>
Quarterly economic reports published and feed into national policy debate, including one more in-depth annual report.	Quarterly
Quarterly reports submitted to Government on progress in implementing reforms to the business enabling environment.	Quarterly
Draft Decree on supervision of process of drafting business conditions.	<b>March 2018</b>
Publication & dissemination of report on state monopoly focusing on network industries.	<b>June 2018</b>
M&E Report on SOE restructuring, including evaluation of SOE performance and recommendations of improving efficiency in the use of State capital and assets.	<b>June 2018</b>

### Recommendations to PCC

CIEM recommends that the Aus4Reform PCC approves:

- The work plan presented in this report (including detailed attachments).



- Three of the four quarterly economic reports will be shortened to make them more accessible to a broader audience. The other quarterly report (the annual report) will be more comprehensive.

## C: Viet Nam Competition & Consumer Authority (VCCA)<sup>2</sup> AWP1

### Recent Developments

Strengthening the design and implementation of competition policy and law is a key element of the GOV's and Aus4Reform strategy for accelerating productivity growth in Viet Nam. Aus4Reform efforts to strengthen competition institutions builds on past DFAT support under BWTO and RCV, and also on the close relationship between the VCCA and the Australian Competition and Consumer Commission (ACCC). Deficiencies in the design and implementation of existing competition institutions (including policies and laws) have been well documented (e.g. in studies supported by DFAT under the RCV project).

Following VCA/MOIT recommendations arising from analysis of ten years of implementing the Competition Law in Viet Nam, the Prime Minister issued Decision No.1840/QĐ-TTg (23 September 2016) on the program of making laws and ordinances for 2016 and 2017 which assigned the Ministry of Industry and Trade (MOIT) the task of chairing a committee to draft and amended the Competition Law (CL), in coordination with other relevant agencies. The amended CL has been submitted to the Government for verification and the GOV will submit the competition law project to the National Assembly in September 2017. The amended CL is scheduled to be adopted by the National Assembly in May 2018. The focus of component activities under AWP 1 focus on achieving that outcome

The component implementing agency (IA) is VCCA. At the time of Aus4Reform design, the former competition agency had three main functions: competition, consumer protection and trade remedies. That third function was recently transferred to the Trade Remedies Authority on August 18, 2017 (Decree No. 98, (18/8/2017)), and the competition agency was restructured as the Viet Nam Competition & Consumer Authority (VCCA). The change in name indicated an increasing focus on both (i) competition and (ii) consumer protection objectives. Given these changes – the VCCA recommends in this AWP that the (relatively minor) target relating to trade remedies be removed to allow a greater focus on building VCCAs capacity relating to enforcing competition and consumer protection law.

### End of Program Component Level Output Targets

The Aus4Reform program design targets the following component results. Full realization of these outputs will take time, but the AWP will contribute to the realization of these outputs.

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<sup>2</sup> The Vietnam Competition & Consumer Authority (Cục Cảnh tranh và Bảo vệ người tiêu dùng) was newly established on August 18, 2017 so the official English name might be subject to change when the Decision on its functions and duties is officially issued in the coming time.

Outputs	Performance Indicators
<p>2.1 Amended competition law and reformed implementing institutions in line with international commitments and good practice.</p>	<ul style="list-style-type: none"> <li>• Reports, consultations, international experience, and advocacy inputs used to amend the Competition Law in line with international commitments and good practice.</li> <li>• Amendments to the Competition Law submitted to the GoV (2017) and approved by the NA (2018). Competition Law implementing regulations issued by GoV.</li> <li>• Evidence that Aus4Reform -supported recommendations (e.g. institutional “independence”; stronger enforcement mechanisms; immunity for “whistle-blowers”) reflected in amended competition law.</li> <li>• Peer reviews of amended Competition Law and its compliance with commitments under regional economic cooperation agreements (e.g. AEC, RCEP).</li> </ul>
<p>2.2: Enhanced evidence base, information systems and skills to enforce competition agency responsibilities for regulating anticompetitive practices</p>	<ul style="list-style-type: none"> <li>• Successful implementation of advocacy campaign to launch new competition law regime, with international expert support for first few high-profile cases.</li> <li>• Simplified procedures to take action against anti-competitive behavior.</li> <li>• Staff trained (female and male on-the-job training) in skills needed to effectively investigate and handle competition cases</li> <li>• Peer reviews of Vietnam’s progress in implementing relevant competition policy commitments under regional economic cooperation agreements (e.g. AEC, AANZFTA).</li> <li>• Share of competition cases raised by women-headed firms, and share of these cases resolved in a timely manner.</li> </ul>
<p>2.3: Proposed key amendments to the Law on protection of consumers’ rights.</p>	<ul style="list-style-type: none"> <li>• Review, consultations, international experience, consumer awareness survey, etc. used as ground and input to propose the GoV to amend the 2011 Law on protection of consumers’ rights.</li> <li>• Proposal to the MoIT/GoV on amendments to the Law on protection of consumers’ rights.</li> </ul>

Outputs	Performance Indicators
2.4: Enhanced evidence base, information systems and skills to enforce consumer protection responsibilities of the competition agency.	<ul style="list-style-type: none"> <li>• Staff trained (gender balanced on-the-job training) in skills needed to effectively handle consumer complaints and disputes in response to emerging issues of consumption trend</li> <li>• Share of consultations on case-by-case and/or cross border cases (dealing with consumer protection) between the VCA and Australian partner agencies.</li> <li>• Number (and ratio) of consumer complaints (including online ones) resolved by VCA. Share of complaints resolved that were made by women.</li> </ul>
2.5: Strengthened capacity to implement trade remedies in line with international economic integration agreements.	<ul style="list-style-type: none"> <li>• <i>Successful implementation of advocacy campaign targeted at business community and trade associations to introduce new regulations on trade remedies under the Law on Foreign Trade Management.</i></li> <li>• <i>The Law on Foreign Trade Management (trade remedies) implementing regulations issued by the GoV.</i></li> <li>• <i>Decline in anti-dumping and/or countervailing actions taken against Vietnamese producers.</i></li> <li>• <i>Share of trade complaints raised by Vietnamese producers that are resolved in a timely manner.</i></li> <li>• <i>Share of trade complaints raised by female Vietnamese producers that are resolved in a timely manner.</i></li> </ul>

Responsibility for implementation of the targeted output 2.5 has been transferred from the old VCA when the VCCA was established. Moreover, output 2.5 is not directly linked to the higher level Aus4Reform targets.

**Consequently, VCCA recommends that the PCC approves the removal of the Output 2.5 target from the component targeted outputs.**

VCCA also recommends the PCC approve the inclusion of a new Output 2.5 with the following targets.

Outputs	Performance Indicators
2.5 Strengthen the structure and authority	<ul style="list-style-type: none"> <li>• Reports, consultations, international experience, and advocacy inputs used to enforce competition and consumer protection law in line with international commitments.</li> </ul>

Outputs	Performance Indicators
of VCCA to enforce competition/consumer protection law and regulations	<ul style="list-style-type: none"> <li>• <b>Adoption of recommendations from studies on international experience and good practice being reflected in new procedures adopted by the VCCA</b></li> <li>• <b>Peer reviews of enforcement of competition and consumer protection law in Viet Nam.</b></li> </ul>

Core AWP1 outputs and activities planned that contribute to Outputs 2.1 to 2.4 are outlined in the following section. Work-plans, budgets and TORs are attached as Appendixes.

### First Annual Work Plan Outputs and Activities

International good practice, and national policies, highlight the importance of substance consultation with key stakeholders – backed by evidence based research – on draft policies and legislation impacting on businesses. Aus4Reform will support VCCA efforts to organize consultations with the National Assembly, national and international experts, state management agencies, other relevant organizations, businesses, and researchers on key CL issues, including the model and legal status of the competition authority, the scope of regulation, procedures for handling competition cases, determination of market power, etc.

Following NA approval of the amended CL, VCCA will play a key and urgent role in drafting decrees to provide detailed guidance on implementation of the law. For new issues, such as determining market power in competition cases or the new approach to controlling economic concentration, the drafting committee will need to refer international experiences and good practices. VCCA will also need to disseminate information and educate key stakeholder on issues relating to rights and obligations under the amended legislation. VCCA will also need to build its capacity to deal with emerging non-traditional anti-competitive behaviour. Aus4Reform will provide support in all these areas.

#### 2.1. Amended Competition Law

*Amended competition law and reformed implementing institutions in line with international commitments and good practice.*

Building on initial RCV achievements of in sharing international experiences, consultations and technical assistance in drafting amendments to the CL, the focus of Aus4Reform support under APW1 will be on:

- Consultations leading up to expected National Assembly approval of the CL.

- Sharing of international experience, peer reviews and consultations as support for the drafting of implementing decrees and guidelines for the amended CL.

Planned deliverables include:

- Revised CL approved by NA.
- CL implementing regulations drafted and approved by the GoV.

## **2.2: Enhanced Evidence, Institutional and Skills Base to Enforce the CL**

*Enhanced evidence base, information systems and skills to enforce competition agency responsibilities for regulating anticompetitive practices.*

Building on earlier RCV (and BWTO) support – and VCCA’s close relationships with ACCC – Aus4Reform will continue to support activities to further build institutional and human capacity of VCCA to implement the CL. This will be particularly important after the proposed restructuring of VCCA in line with amendments to the CL. Support will also be provided to raise awareness of the rights and obligations of all stakeholders under the amended CL, with consideration given to the need to directly target women stakeholders in efforts to raise awareness. Following its restructuring, VCCA may also consider requesting skills development support from the Aus4Skills program to develop and partially fund a human resource development strategy for the restructured VCCA.

Planned deliverables include:

- Publish and disseminate information on the amended CL and implementing decrees.
- Organize events (conferences and media events) to build awareness of the business community, state agencies and relevant bodies on the amended competition law.
- Seek peer review/mentoring support from ACCC on draft documents.

## **2.3: Strengthen Consumer Rights (especially for women)**

*Proposed key amendments to the Law on Consumer Protection.*

Most earlier Australian support to VCCA has focussed on competition issues, with less direct focus on consumer protection issues. As a first step towards building VCCA capacity to meet its enhanced responsibilities for consumer protection, Aus4Reform support will support relevant research and outreach activities.

Planned deliverables include:

- Evaluation of current enforcement of consumer protection and provide recommendations to consolidate and strengthen consumer protection policy, including an analysis of the need for specific measures to protect women consumers.

- Report that provides a clear overview of consumer protection in Vietnam, together with more practical solutions to further improvements. This interim output will contribute to subsequent improvements in consumer protection legislation and institutions.
- Build a curriculum on consumer protection to be introduced in school education at selected levels. Increased public awareness about consumer rights from childhood will help to strengthen consumer rights.

#### **2.4: Enhanced Evidence, Institutional and Skills Base to Enforce Consumer Protection**

*Enhanced evidence base, information systems and skills to enforce consumer protection responsibilities of the competition agency.*

The focus of Aus4Reform support will be to strengthen the evidence base for VCCA to enforce consumer protection law and regulations.

Planned deliverables include:

- A report evaluating the status of handling cross border consumer disputes in Vietnam, and reviewing international experiences and lessons for Vietnam.
- Production and dissemination of a handbook for enterprises on the procedure of registering standard contracts and general transaction conditions.

#### **2.5 Strengthen the structure and authority of VCCA to enforce competition/consumer protection law and regulations**

The focus of Aus4Reform support will be to strengthen the structure and authority of VCCA to enforce competition/consumer protection law and regulations.

Planned deliverables include:

- Research on competition issues in multi-sided platforms
- Study tour (consisting of Vice Minister of the MOIT, a leader of the CPV-EC and VCCA representatives) to work and learn from the experience of the Korean Fair Trade Commission in enforcing Competition and Consumer Protection Laws.

#### **Resources Needed**

In order to implement the planned activities, the following resources are needed:

- Direction and support from the line Ministry or the Government (in line with provisions of the new CL);
- Financial and technical assistance from Aus4Reform program sponsored by the Australia Government (AUD 156,064);

**Table: Aus4Reform Summary Financing for VCCA Component**

<b>Output</b>	<b>Budget (AUD)</b>
2.1 Amended Competition Law	<b>60,703</b>
2.2 Capacity to Enforce the CL	<b>29,301</b>
2.3 Strengthen Consumer Rights	<b>14,361</b>
2.4 Enforcement of Consumer Protection	<b>14,361</b>
2.5 Strengthen the structure and authority of VCCA	<b>37,338</b>
<b>TOTAL</b>	<b>156,063</b>

- Technical and mentoring support from the ACCC;
- Contributions of VCCA leaders, officials and investigators directly involved in implementing the project activities;
- Cooperation and assistance from other Vietnamese relevant agencies.

### Expected beneficiaries

The expected direct beneficiaries of the above activities are expected to include:

- VCCA officials (especially investigators).
- Representatives of the relevant state management agencies in charge of competition and consumer protection (at both central and local level).

In addition, the timely issuance of the amended CL and implementing guidelines, information dissemination, and enhanced VCCA enforcement capacity will benefit other subjects indirectly:

- Business community (especially less well-connected entrepreneurs);
- Consumers especially female consumers;
- High school students (via introduction to rights in school curriculum).
- Other organizations working in the area of competition and consumer protection.

### Cross-cutting issues

#### Women's Economic Empowerment (WEE)

While the VCA only gave WEE limited attention, VCCA will need to focus more on WEE issues as it increases its role in consumer protection. Consumers, many of whom are female, are often in a relatively weaker position when entering transactions with firms. Education and dissemination activities will

target female consumers in different ways such as: encourage female participants in project seminars/workshops; listen more to female consumers' problems/obstacles in consumer disputes; and study the perspectives of female consumers when doing research/surveys to develop more female-oriented recommendations.

**Stakeholder engagement:**

As multi-stakeholders will engage in competition and consumer protection aspects, the project will recognize the diverse interests in all program activities and explore where competition and consumer protection could be supplementary as the two wings of the same house. The project will mobilize the appropriate and timely participation/interventions of relevant agencies, experts, the academia, and consumer and business interests.

**Communications/advocacy:**

The project is well aware of the need for effective communications and advocacy to implement reforms. In the context of new competition law and new organization structure including new leadership, the program will support efforts to use communications as to advocate for both project and VCCA objectives. Communications and advocacy initiatives will help spill over the efficiency of project activities. Specifically, during AWP1, efforts will be made to promote and raise awareness about consumer and business rights and obligations under the amended CL and VCCA's enhanced consumer protection mandate.

**Risks and risk management**

Risk	Risk management
<b>Restructuring the MOIT and VCCA may lead to some “disorder” in giving direction or implementing the project.</b>	The Aus4Reform component and project teams will update the VCCA leader regularly to get support and handle any arisen issue.
<b>It may be hard to convince the individuals/boards the necessity of introducing the new technical provisions in the amended CL.</b>	Enhance the explanation capability, provide due and adequate explanation.
<b>There is a low risk that the amended CL will not be promulgated as scheduled and/or with expected reforms.</b>	Project activities will be duly re-designed to adapt to the new situation.
<b>Human resource constraint.</b>	Provide training and skills development to meet the differing needs of senior and junior officials.



Risk	Risk management
	<p>Improve capacity of project staff to manage and balance their daily work with project activities.</p> <p>Consider applying for support from Aus4Skills program, for skills training and/or a human resource needs assessment for the new VCCA.</p>
<p><b>Availability of foreign experts – especially ACCC experts – when conducting training activities</b></p>	<p>Set out early plans and take advantages of foreign experts' engagement in regional activities (for example, regional events of ASEAN, East Asia, etc.)</p>
<p><b>Project staff might be occupied by their other daily professional work.</b></p>	<p>Improve the project staff capacity to manage and balance their daily work with project activities.</p>

### Expected AWP1 Implementation Milestones

Key Milestone	Target Date
NA Approval of Competition Law	May 2018
New VCCA Institutional Arrangements Approved	MOIT will issue Decision on VCCA Institutional Design in 2017
CL Implementing Regulations Approved	2018-2019
CL Awareness Campaign Launched	Soon after the law is approved: 2018-2019
Consumer Protection Campaign Launched	Regular basis

### Recommendations to PCC

The VCCA recommends that the Aus4Reform PCC approves:

- The work plan presented in this report (including detailed attachments)

- Replacing the existing Output 2.5 target (focussing on trade remedies) from the component targeted outputs and Aus4Reform Program M&E targets, with the new output targets focussing on building the authority of the VCCA as proposed earlier in this section (see below).

Delete

<p><b>2.5:</b>  <b>Strengthened capacity to implement trade remedies in line with international economic integration agreements.</b></p>	<ul style="list-style-type: none"> <li>• <del>Successful implementation of advocacy campaign targeted at business community and trade associations to introduce new regulations on trade remedies under the Law on Foreign Trade Management.</del></li> <li>• <del>The Law on Foreign Trade Management (trade remedies) implementing regulations issued by the Gov.</del></li> <li>• <del>Decline in anti-dumping and/or countervailing actions taken against Vietnamese producers.</del></li> <li>• <del>Share of trade complaints raised by Vietnamese producers that are resolved in a timely manner.</del></li> <li>• <del>Share of trade complaints raised by female Vietnamese producers that are resolved in a timely manner.</del></li> </ul>
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Replace with

Outputs	Performance Indicators
<p>2.5 Strengthen the structure and authority of VCCA to enforce competition/consumer protection law and regulations</p>	<ul style="list-style-type: none"> <li>• Reports, consultations, international experience, and advocacy inputs used to enforce competition and consumer protection law in line with international commitments.</li> <li>• Adoption of recommendations from studies on international experience and good practice being reflected in new procedures adopted by the VCCA</li> <li>• Peer reviews of enforcement of competition and consumer protection law in Viet Nam.</li> </ul>

## D: IPSARD AWP1

### Recent Developments

Recent years have marked important steps in the integration of Vietnam into the international economy when completed TPP negotiations, and signing FTAs with important partners, including South Korea, Eurasian Economic Union and EU. This strong and deep international integration brings a lot of opportunities as well as new challenges for Vietnam agriculture in the future.

According to the evaluation of World Bank, the openness of Vietnam's economy is the second highest in Southeast Asia and Asia, only behind Malaysia. However, per capita incomes have not yet surpassed the average. This situation places Vietnam at a vulnerable position in the face of changes in the international economic - trade relations, especially for a large part of the population that is dependent on agriculture and receive very small profit in the global commodity chain.

In the orbit of opening up the economy, Vietnam's agriculture is currently focus on producing products for export: Export share predominates in the production of coffee, rubber, pepper, cashew, cassava, tea and seafood; increasingly in the production of rice, vegetables, fruits, timber and wood products. At the same time, the excess production capacity of the livestock sector is causing this industry to experience bubble cycles - fluctuations stemming from the risk of export activity. Meanwhile, domestic economic growth, demographic change and urbanization are shifting the balance between supply and demand of agricultural commodities and domestic foodstuffs from quantity to quality, poses a risk of supply-demand gap structure, instead of supply - demand

### End of Program Component Level Output Targets

The Aus4Reform program design targets the following component results (and indicators of outputs). Full realization of these outputs will take time, but the AWP below is designed to contribute to the realization of these outputs.

Outputs	Performance Indicators
<b>3.1:</b> Recommended actions to mitigate adverse impacts of economic integration on rural economy based on credible analysis of bottlenecks.	<ul style="list-style-type: none"><li>• Ongoing evidence based analysis of the distributional impacts of economic integration with recommended actions to mitigate adverse impacts.</li><li>• Policy actions taken to mitigate adverse impacts.</li><li>• Engagement with stakeholders (including women's groups) involved in related advocacy work.</li><li>• Accelerated growth in rural per capita incomes.</li></ul>

Outputs	Performance Indicators
<p><b>3.2: Promote agribusiness development with tangible reforms in a selected province and/or value chain.</b></p>	<ul style="list-style-type: none"> <li>● Ongoing evidence based analysis of key bottlenecks in agricultural product markets (input and output) and factor markets (land, capital, science and technology), including evidence of any gender bias.</li> <li>● Policy actions taken to remove bottlenecks in agricultural product and factors markets, including any actions targeted at disadvantaged groups.</li> <li>● Engagement with stakeholders (private sectors, associations, local and central government) in advocacy activities.</li> </ul>
<p><b>3.3: Improved productivity, and well-being for rural households in a selected province(s)</b></p>	<ul style="list-style-type: none"> <li>● Evidence based analysis of barriers for transferring labour to higher productivity sectors; and factors impeding the productivity and well-being of farm households.</li> <li>● Policy actions taken to increase share of rural labour shifted to higher productivity sectors; and increase income and value added for agricultural labour.</li> <li>● Engagement with stakeholders (farmers; MARD, MOLISA at both local and central; local and central government; private sectors) in advocacy and implementation activities.</li> <li>● Rural land accumulation: increase in plot size and cultivated land per household</li> <li>● Increase in the amount of agricultural land used as collateral for bank loans</li> </ul>
<p><b>3.4: Rural “coalitions” established in selected provinces and pro-actively advocating for reforms to increase value added and labour productivity in rural areas.</b></p>	<ul style="list-style-type: none"> <li>● Cooperation between different stakeholders (private, associations, local government, institutes, and central agencies) to address priority issues.</li> <li>● Gender balance among members of these coalitions</li> <li>● Examples of “coalition” recommendations for institutional development and/or reforms that have been implemented.</li> <li>● Actions taken to reduce regulatory compliance costs incurred by agribusiness.</li> </ul>

The following section outlines the core outputs and activities planned under AWP1 to contribute to the achievement of these targeted outcomes. More detailed work-plans, budgets and TORs are attached as Appendixes.

## First Annual Work Plan Outputs and Activities

### Overview

The focus of activities under APW1 will be on elements of Outputs 3.1, 3.2 and 3.4, with a particular focus on building support for land reforms to generate more competitive markets for agriculture land use rights. The aim is to begin changing mindsets to mobilize support for reforms that will help to increase economic opportunities in rural areas by creating a more favorable and less restrictive business environment for transactions in agriculture land market, and thereby increase value added per hectare of cultivated land and reduce land fragmentation. More flexible land markets will also help reduce an important disincentive for rural populations moving to higher income earning employment opportunities in other areas. AWP1 activities will begin building rural coalitions to help mobilize support for further reforms of agriculture land markets. Initial activities will also start under Output 3.1 to better understand the impacts of FTAs on producers of a specific commodity (coffee). This will be complemented by initial efforts to build coalitions (Output 3.4) to better understand the impact of FTAs on the whole coffee value chain.

Planned deliverables include the delivery of the following intermediate outputs which will serve as inputs to the realization of the above-mentioned final targeted outputs:

1. Reports reviewing on agricultural land market including government policies, previous studies and international experiences
2. Synthesis report and policy brief on developing more efficient and transparent market for agriculture land.
3. Support for consultation and approval process of revision to regulations governing transactions in agriculture land market .

These reports will provide the evidence base to:

- Revise Decree No. 43/2014/ND-CP “Detailing a number of articles of the land law”;

Although past and ongoing research has addressed land-use barriers and the development of effective agricultural land markets, this study adds value to this earlier work to:

- Consolidating the evidence base on the costs of continuing constraints to the transfer of agriculture land use rights to more productive agriculture or other uses.
- Systemize barriers to the transaction of agriculture land use rights by each policy group; clarify the inconsistency between policies that promote and impede transactions.

- Provide practical evidences on policy barriers such as sub-licenses to transactions of agriculture land use rights.
- Propose specific recommendations for developing the Circular on developing a land market as part of amendments and supplements to the Investment and Business Laws that relate to a series of laws including the Land Law, laws relate to land management and large-scale commodity production in agriculture.
- Facilitate broad consultations with relevant actors to help build a coalition for action to improve the efficiency of the market for agriculture land use rights.

In addition to the focus on agricultural land market, other IPSARD deliverables will include:

- Initial work on designing and implementing a study on the impact of FTAs on coffee value chains and;
- Begin building coalitions of participants in the coffee value chain to extend this work in the subsequent year.

IPSARD will also continue to review work priorities and, if still appropriate to begin developing concrete plans for program support to directly target the other targeted end of program indicators for consideration under the second annual work-plan.

### **Links with Targeted Outputs**

As noted above, the planned AWP1 activities and outputs are most directly focused on outputs 3.1, 3.2 and 3.4 by providing evidences on the barriers in agricultural factor markets (land) to the consolidation of agriculture land use rights and, and to improving the evidence base of potential economic benefits of efforts to promote more active and competitive markets for agriculture land use markets.

A more transparent market for agricultural land that provides opportunities to accumulate rural land to increase in plot size and cultivated land per household, and to transfer land to more productive uses will create more opportunities to increase productivity and well-being of farm households. Because of the close ties between land ownership and labor, the support will also facilitate the transfer of labor to more productive uses.

Planned AWP1 activities will also contribute to output 3.4 by bringing together the voices and perspectives of agri-business stakeholders including farmers, companies and local, center government, including a special focus on the coffee value chain.

The planned activities will begin contributing to output 3.1 on addressing possible negative impacts of economic integration, by developing understanding about the impact of FTAs on the coffee value chain. IPSARD will consider options for developing the most appropriate outputs in this area for future work-plans.

## Resources Needed

In order to implement the planned activities, the following resources are needed:

- Direction and support from MARD and subnational authorities in selected provinces;
- IPSARD staff will be in charge of undertaking field trips, organising workshops, consulting with related stakeholders and other works required to run smoothly proposed activities.
- Cooperation and assistance from relevant Vietnamese agencies, and from those who own and/or are engaged in trading agriculture land use rights.
- Financial and technical assistance from Aus4Reform program sponsored by the Australia Government (AUD 70,000);

**Table: Aus4Reform Summary Financing for IPSARD Component**

Deliverable	Budget (AUD)
Evidence base for the policy recommendations to mitigate adverse impacts on economic integration on selected agricultural commodities (coffee)	13,955
A report reviewing government policies in relation to agricultural land market development	50,160
Field survey and analysis report on laws/policies/regulations and its implementation that created barriers for agricultural land market development.	
Synthesis report and policy brief on agricultural land market development.	
Improved awareness of opportunities for increasing transparency on agricultural land market development.	
A pilot model of linking value chain in production and business for coffee commodity	4,595
Contingency	1597
<b>Total</b>	<b>70,308</b>

## Expected beneficiaries

The expected direct beneficiaries of the above activities are expected to include:

- IPSARD officials.
- Representatives of the relevant state management agencies (especially MARD and MONRE) in charge of land administration (at both central and local level).
- Policy makers in Government, National assembly and Party will have access to more evidence based policy analysis to make informed decisions on key legislation.

In addition, expected improvements in the efficiency and transparency of land use markets would benefit a broad cross-section of society, especially:

- Farmers and other rural land owners.
- Agri-businesses and other rural businesses.
- Consumers (better choices and increase competition via more effective markets).

## Cross-cutting issues

### Women's Economic Empowerment (WEE)

WEE is a key issue for IPSARD, with women accounting for a major share of agriculture employment and ownership of agriculture land use rights. IPSARD will adopt the following strategies for promoting WEE under Aus4Reform support.

- Provide gender disaggregated breakdown of participation in Aus4Reform supported events, and on the gender breakdown of Aus4Reform supported experts.
- Include a focus in studies more on the perspectives of female land use rights owners when doing research/survey.
- Analyse the need for gender targeted policy recommendations relating to the development of agriculture land use markets.
- Engage with the Aus4Reform WEE expert to promote WEE.

### Stakeholder engagement:

IPSARD will mobilize appropriate and timely participation/interventions of relevant agencies, experts, the academia, and business and consumer representatives. More specifically, IPSARD will endeavour to:

- Ensure representation of key stakeholders at all Aus4Reform consultations and information dissemination events.
- Publish and disseminate draft studies and reports to stakeholder for comment wherever feasible.



- Organize a reasonable share of consultation and dissemination events outside of Hanoi.

### Communications:

IPSARD is aware of the importance of effective communications in building support for change and overcoming potential resistance from vested interests. Specific strategies for effective communications include:

- Implementation of stakeholder engagement strategy noted above.
- Include specific initiatives to disseminate and communicate the key findings and conclusions of all Aus4Reform supported studies and events (including the issuance of press briefing material and inviting the mass media to key events).
- Providing copies of all studies and communications material for publication on the Aus4Reform website (and also publish material on the IPSARD website).
- Liaise with the Aus4Reform communications expert to implement consistent branding of Aus4Reform and to develop strategies to make better use of social media.

### Component Monitoring:

- IPSARD will provide regular reports to the Aus4Reform PCU in line with Aus4Reform Operations Manual requirements.
- IPSARD will ensure that its monitoring systems and reports directly address progress made against the outcomes and results targets as described in this AWP.
- IPSARD will also provide gender disaggregated data to the Aus4Reform program wherever possible.

### Risks and risk management

Risk	Risk management
Vested interests can be expected to resist changes that adversely impact them.	The formulation of a strong evidence base, regular consultations with a broad range of stakeholders and a pro-active communications strategy have been included in this design to address this risk.
Challenges in recruiting quality experts.	Information on the expert recruitments will be broadly announced and advertised in mass media. The key skills, technical background and

	experiences requirement will be developed and clearly informed in the TOR
<b>Information on the land assets and land transaction seem be sensitive for Vietnamese people. Some household representatives may not be willing to share information on that.</b>	Questionnaires and interview techniques will be carefully developed to persuade people sharing information and to collect the data.

### Expected AWP1 Implementation Milestones

Key Milestone	Target Date
Report reviewing government policies in relation agricultural land market development	January 2017
Synthesis report and policy brief on agricultural land market development finalized.	July 2018
Scientific evidences and support for development of Decrees on detailing a number of articles of the land law is revised.	June 2018
Report reviewing on assessment of integration impacts on coffee commodity	August 2018
Report reviewing on linkage models on coffee value chain	November 2018

### Recommendations to PCC

IPSARD recommends that the PCC approves:

- The work plan presented in this report (including detailed attachments), with a strong focus on increasing the efficiency and transparency of markets for agriculture land use rights during AWP1.

During the AWP1 period, IPSARD will evaluate emerging MARD policy research priorities and provide clear recommendations related to the ongoing need and feasibility of achieving the outstanding targeted outputs and targeted indicators under Aus4Reform. Work plans to achieve remaining outputs and targets will be submitted as part of the planning for the second annual work plan (AWP2). Strong justifications for any proposed changes to these targets will need to be provided during the AWP2 planning process.

## E: VCCI APW1

### Recent Developments

While economic restructuring has achieved some results, it has not yet realized the potential benefits for businesses. Implementation has been passive, tardy, and inefficient, with little coordination between levels, sectors and localities. There has been no institutional breakthrough, especially in building market institutions to ensure effective factor markets. Monitoring of implementation needs to be strengthened at all levels to hold agencies accountable for results.

The Central Committee of the Communist Party of Vietnam has issued Resolution No.5 on innovating growth model and the National Assembly also issued Resolution No.24 on economic restructuring in 2016 – 2020 aimed at promoting reforms to reach national economic targets. The Government has developed and action plan on restructuring the economic growth model in line with these resolutions. The Prime Minister has recently made strong and clear political announcements, that the nation needs to build a “Tectonic Government”, which has integrity and is action-oriented to serve the needs of the population and businesses.

One of the prioritized targets of these documents is to improve the quality of business environment, including effective implementation of resolutions 19/NQ-CP (Resolution 19<sup>3</sup>; implementing key missions and solutions to improve the business environment and increase national competitiveness) and 35/NQ-CP (Resolution 35, May 2016; Supporting and developing businesses). These resolutions set specific, innovative, and monitorable targets for improvement. Changes introduced under these resolutions have resulted in many improvements and Viet Nam’s ranking under the WB Doing Business Index improve 9 places. However, many set targets have not been achieved. Therefore, this is the right time to review these Resolutions.

The implementation of studies and related activities to help the business community to more actively engage in developing and improving policies and legal regulations, and in monitoring implementing of the Government's economic reform agenda (e.g., Resolutions 19 and 35) is essential to building a more favourable business environment. There is also a need to more directly target an increased involvement of business led by women. These efforts are particularly important now with implementation of the SME Support Law passed by National Assembly in 2017 (to be enacted from 2018).

### End of Program Component Level Output Targets

The Aus4Reform program design targets the following component results (and indicators of outputs). Full realization of these outputs will take time, but the AWP below is designed to contribute to the realization of these outputs.

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<sup>3</sup> Resolution 19 was first issued on 18 March 2014 and has been updated annually (in 2015, 2016, and 2017).

Outputs	Performance Indicators
<b>4.1: Increased business perspective in the monitoring and implementation of GoV economic reform action plans (e.g. Resolution 19 and 35).</b>	<ul style="list-style-type: none"> <li>● Reports describing business views on progress in implementing economic reform action plans (e.g. Resolution 19 and 35) and recommendations for further action.</li> <li>● Actions taken on recommendations in Aus4Reform supported business association studies.</li> </ul>
<b>4.2: More pro-active role of business associations in promoting women’s economic empowerment</b>	<ul style="list-style-type: none"> <li>● Reports, PPPD and workshops conducted/</li> <li>● Media references to Aus4Reform-supported reports and events.</li> <li>● Actions taken on recommendations from Aus4Reform supported business association reports and events.</li> </ul>

The following section outlines the core outputs and activities planned under AWP1 to contribute to the achievement of these targeted outcomes. More detailed work-plans, budgets and TORs are attached as Appendixes.

### First Annual Work Plan Outputs and Activities

The focus of activities under APW1 will be on:

#### 4.1 Greater Business Voice in Policy Making and Oversight

- Strengthen business associations and businesses' participation in monitoring and evaluating implementation of economic reform of the Government and Action Plans on restructuring to promote the realization of the goals set out in Government Resolutions 19 and 35.
- Specific outputs will include a report (in Vietnamese and English) providing feedback from structured surveys on:
  - The most important benefits to businesses from Resolution 19 and 35. What reforms have worked best and why? What processes have been particularly beneficial to businesses
  - The problems and challenges faced by businesses during the implementation of Resolutions 19 and 35? What do business people think that the GoV should do to improve the business reform agenda? And how could the implementation of the business reform agenda be improved.
  - What are the key lessons from the business reform processes, and what best practices should be adopted in future reform processes.?

- What are the priority reform action for future GoV resolutions aimed at improving the business enabling environment? What are the key lessons and recommendations for sub-national authorities implementing reforms.
- This report with recommendations will be submitted to the GoV and will be launched with focussed effort made to disseminate findings and recommendations via a publicized workshop and engagement with the media.

#### 4.2 Increased Voice of Women Entrepreneurs in Policy Making and Oversight

- Provide an overview of the abilities of accessing business service development for women entrepreneurs, from which there will be proposals to improve the existing obstacles for women, enhance their roles and position, promote women's economic empowerment. Aus4Reform will support the following steps:
  - Collect, compile and analyse existing data:
    - Consolidate data from available surveys of 10,000 private enterprises annually conducted by VCCI;
    - Review and identify data appropriate for this study;
    - Process and analyse data (including charts)
    - Review central level policies relating to business services for female entrepreneurs, and analyze and assess implications for WEE.
    - Identify additional data needed from make in-depth interviews;
  - Organize and conduct field surveys in 6 representative provinces to collect additional information.
  - Draft a report providing a preliminarily assessment of the situation of accessing business service development by women led enterprises (the inadequacies, difficulties, good practices, and suggest indicators and targets for monitoring efforts to promote women entrepreneurship.
  - Propose follow-up activities for the Aus4Reform AWP2 to develop more concrete recommendations for policy and institutional reforms to boost women led businesses.

Under AWP1, Aus4Reform support will help Vietnam Chamber of Commerce and Industry to enhance its role in advising the Party and the State on issues related to promoting the development of businesses, promoting investment activities and contributing to carry out the economic reform. The capacity of VCCI experts in implementing quantitative research, investigations and surveys will also be increased. The proposed support will also help identify priorities for follow-up support under AWP2.

### Resources Needed

In order to implement the planned activities, the following resources are needed:

- Direction and support from VCCI, with support from the MPI and the Government;
- VCCI staff will be in charge of undertaking field trips, organising workshops, consulting with related stakeholders and other works required to run smoothly proposed activities.
- Financial and technical assistance from Aus4Reform program sponsored by the Australia Government (AUD 69,957);

**Table: Aus4Reform Summary Component Financing**

Output	Budget (AUD)
4.1 Greater Business Voice in Policy Making and Oversight	56,632
4.2 Increased Voice of Women Entrepreneurs in Policy Making and Oversight	13,403
Total	70,036

- Contributions of VCCI leaders
- Cooperation and assistance from other Vietnamese relevant agencies.

### Expected beneficiaries

The expected direct beneficiaries of the above activities are expected to include:

- State agencies will have practical information, initiatives, recommendations to successfully implement Resolution 19 and Resolutions 35, promote successful implementation of economic reforms; they can enhance the capacity and effectiveness of law enforcement, state management;
- Enterprises, business associations and investors will be able to participate, express their opinions, suggestions and assessments on the implementation of the strategy on economic reform, enhance

Vietnam competitiveness; they will have favourable legal business environment, increased opportunities to develop effective production, attract investment, and enhanced capacity of researching, policies and laws reviewing; promote the intermediary role of the business associations in connecting enterprises and the Government, reinforce the belief of the Government agencies in them, and increase the effectiveness of policies, laws enforcement and implementation;

- VCCI can increase its capacity and role in advising in the Party and the State to promote the development of enterprises, promote investment activities and contribute to the implementation of economic reforms;

In addition:

- The media can get information to monitor the implementation activities on Resolution 19 and Resolution 35 of the Government, bring to bear the pressure on the authorities to improve the ineffective legal regulations, promote economic reform, and propagate to raise the awareness and capacity of the community;
- People and society: the favorable business environment will promote the development of business and the economy, therefore increase the employment opportunities, guarantee the rights and benefits of the people, and enhance the quality of life.

## Cross-cutting issues

### Women's Economic Empowerment (WEE)

The activities of Project are designed to develop transparent, favourable and equal business environment, to promote economic reform and increase Vietnamese business competitiveness. Furthermore, these activities will focus on gender equality and women's economic empowerment. In the first year, Project will interview to learn about the situation of assessing business service development by women entrepreneurs, find out problems, obstacles in order to make recommendations on revising regulations/ policies to facilitate for women led businesses.

### Strengthening transparency, anti-corruption and private sector development

The Project's activities aim to improve effective implementation of Resolution 19 and Resolution 35, including solutions to institutional improvement, improving business environment, increasing national competitiveness, reforming administrative procedure towards transparency, convenience way. When those solutions are implemented, the transparency will be enhanced, risk of corruption is minimized, favourable business environment will promote the development of private sector in term of quality and quantity, especially the development of business group led by women. Improved business competitiveness will promote economic integration in region and worldwide.

### Stakeholder participation

The project attracts the participation of central and local government, enterprises, business associations, the media and other people in society.

The main subjects who make up success and also benefit from projects' activities are private business sectors and women led enterprises. From the context and practical needs in Vietnam, the project activities are thoroughly considered and designed towards major objectives of State: promoting private sector development, strengthening and enhancing the role of private sector in monitoring the implementation of Government Resolutions as well as contributing to the improvement of institutions and business environment, monitoring operations of State agencies, promoting women's economic empowerment and gender equality.

### Communications

VCCI will help communicate businesses' feedback to the government in order to improve government's strategy and policy. The project's results will be widely announced to central and local government, enterprises/business associations, donors, international organizations and media for maximum convey to related stakeholders to (i) promote state agencies to study recommendations, proposals, as well as to take timely and appropriate actions, (ii) increase awareness of the core issues which project heading to; (iii) enhance the trust and linkages between State agencies and the private sectors.

Project results will be officially published through workshop, reports (publication), website, online and print newspaper. This will help in holding government agencies accountable for the effective implementation of Government's Resolution 19, Resolution 35 and in sustaining pressure to improve ineffective policies and legal regulations to promote economic reform and business growth, and to raise awareness and capacity for the community, enhance the role and status of women entrepreneurs.

### Risks and risk management

Risk description	Possibility	Impact level	Solution
Available data from survey a number of selected enterprises does not surely reflect the view of the whole community	Low	Average	Enterprises have been selected by scientific sampling method, therefore the sample is highly representative
The small number of localities selected for in-depth interviews may not exactly	Average	Average	The selection will be thoroughly considered based on survey data from 10,000 private enterprises in 63 cities/provinces of Vietnam



Risk description	Possibility	Impact level	Solution
reflect actual situation			and also based on regular work practices between VCCI and local governments will ensure the regional diversity
The State agencies lack commitment to study and adopt recommendations	Low - medium	Significant	VCCI will promote the study through Government meetings, face to face contacts, dialogues with State agencies, executing the role of being a member of Council for Administrative Procedures Reform and other Working Groups of the Government.

### Expected AWP1 Implementation Milestones

Key Milestone	Target Date
New Resolutions of the Government aimed at improving the business enabling environment reflect key findings and recommendations included in the VCCI report.	April 2018
Preliminary Report on the situation of accessing business service development by women led enterprises finalized and disseminated.	August 2018

### Recommendations to PCC

VCCI recommends that the Aus4Reform PCC approves:

- The work plan presented in this report (including detailed attachments).

## F: Flexible Fund

### Recent Developments

There have been no major developments that will impact on planned results and outputs since the program design documents was prepared.

However, the establishment of two new institutions within OOG to facilitate and strengthen implementation of key reforms supported by Aus4Reform is a significant positive development. The two new institutions are:

- The Prime Minister Prime Minister Senior Economic Advisory Group of the (PM-SEAG) which advises the PM on economic development and restructuring issues. The President of CIEM (and NPD) is a member of the group (as are some other members of the Aus4Reform SAG).
- The Steering Board of the Task Force of the PM<sup>4</sup> on economic restructuring issues. Again, the President of CIEM is a member of this group, and the group have been using RCV supported research as core documents for support to the PM on economic restructuring issues. It is expected that the Aus4Reform research will also be directly used by the Task Force.

The Flexible Fund provided Aus4Reform a useful tool to engage with these institutions and FF funds are earmarked for engagement with these institutions as identified below. Aus4Reform engagement with these institutions is consistent with the design objectives, principles and logic.

### End of Program Component Level Output Targets

Outputs	Performance Indicators
5.1: Stronger analytical and reporting capacity within ECNA to exercise its role in overseeing and guiding the GoV economic development agenda. More substantive dialogue (e.g. via high-level economic	<ul style="list-style-type: none"><li>• Reports, PPPD and workshops conducted with Aus4Reform FF support.</li><li>• Media references to Aus4Reform - supported reports and events.</li><li>• Actions taken by NA economic committee on recommendations from Aus4Reform -supported reports and events.</li></ul>

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<sup>4</sup> The Task Force itself comprises ministerial level representative. Its Steering Board is responsible for compiling and drafting policy studies and recommendations for the Task Force.

Outputs	Performance Indicators
forums)  5.2: Increased evidence base to support the CPV economics committee role in overseeing the national economic reform and development agenda.	<ul style="list-style-type: none"> <li>• Reports, PPPD and workshops conducted with Aus4Reform FF support.</li> <li>• Media references to Aus4Reform - supported reports and events.</li> <li>• Actions taken by CPV economics committee on recommendations from Aus4Reform -supported reports and events.</li> </ul>
5.3: Increased capacity of rural province to implement economic reform program in line with new economic growth model, to serve as a model for other provinces.	<ul style="list-style-type: none"> <li>• Reports on implementation of NEGM in rural province.</li> <li>• Evidence that selected province is being used as a model for improved implementation of NEGM in at least five other provinces.</li> <li>• Evidence of Aus4Reform -supported activities and/or forums to help build regional (multi-provinces) cooperation to facilitate implementation of NEGM.</li> </ul>
5.4 Report and recommendation on options for HCMC to shift to a new growth model with a strong focus on providing support services for neighbouring regions.	<ul style="list-style-type: none"> <li>• Report and recommendations.</li> <li>• Media coverage of report and recommendations.</li> <li>• Actions taken to implement recommendations.</li> </ul>

As discussed later, CIEM recommends that the PCC includes an additional output related to support for the newly established senior economic adviser group of the Prime Minister.

## First Annual Work Plan Outputs and Activities

### 5.1 Stronger analytical and reporting capacity within ECNA

Planned deliverables by June 2018 include:

- A report and consultations on challenges and opportunities in drafting and implementing amendments to the Competition Law.
- A report and consultations on policies and laws on management and use of state capital and assets at enterprises and equitization of state enterprises during 2011-2016.

The key inputs needed are consulting services and financial inputs to facilitate consultations, workshops, peer reviews, plus the dissemination of study findings.

## **5.2 Increased capacity of CPV economics committee (EC-CPV) to oversee the national economic reform and development agenda.**

Planned deliverables by June 2018 include:

- The Second Vietnam Economic Forum (expected January 2018). A two-day event consisting of 2 keynote plenary sessions, 6 workshops and 1 special workshop about Vietnam Sustainability Development (TOR for more details). The forum will build capacity via the timely exchange of information between the Party, Government, policymakers, academics, businesses, practitioners and international organizations on initiatives, practices, and trends for sustainable economic development.
- Publication of 2 quality economic reports to help build CPEC capacity to undertake such reports for submission to Party forum and policy debates.

The key inputs needed are consulting services and financial inputs to facilitate consultations, workshops, peer reviews, plus the dissemination of study findings.

### **Others**

The remaining activities will depend on demand and will have to be developed and approved using the flexible fund mechanisms. Initial ideas which are being explored are:

5.3: Increased capacity of rural provinces to implement economic reform program in line with new economic growth model.

5.4 Report & recommendation on options for HCMC to shift to a new growth model with linkages to neighbouring regions.

5.5 Strengthened capacity of PMAG to monitor & enforce implementation of national economic restructuring and development strategies.

5.6 Other Emerging Issues

## Resources Needed

In order to implement the planned activities, the following resources are needed:

- Direction and support from the Government;
- Financial and technical assistance from Aus4Reform program sponsored by the Australia Government (AUD 280,000);

**Table: Aus4Reform Summary Component Financing**

Output	Budget (AUD)
5.1 Increased capacity of ECNA to exercise its role in overseeing the GoV economic development agenda.	43,439
5.2 Increased capacity of (EC-CPV) to oversee the national economic reform and development agenda.	96,569
5.3 Increased capacity of rural province to implement economic reform program.	
5.4 Recommended options for HCMC to shift to a new growth model focussing on support services for southern region.	
5.5 Strengthened capacity of PM-SEAG to enforce implementation of economic development strategies.	
5.6 Other emerging issues	
Sub-total	280,000

- Technical and mentoring support from Australian institutions (e.g. PC);
- Contributions of CIEM leaders, members of the PM-SEAG;
- Cooperation and assistance from other Vietnamese relevant agencies.

## Expected beneficiaries

The expected direct beneficiaries of the above activities are expected to include:

- CIEM, ECNA, the CPV economics committee, related rural provinces, Ho Chi Minh City.
- Representatives of the relevant state management agencies in charge of.

- Business community (especially less well-connected entrepreneurs).

In addition, the proposed support will benefit other subjects indirectly, including:

- Labourers and citizens.

### Cross-cutting issues

#### Women's Economic Empowerment (WEE)

Recipient of FF support will be required to

- Provide gender disaggregated breakdown of participation in Aus4Reform supported events, and on the gender breakdown of Aus4Reform supported experts.
- Include a focus on gender issues in FF supported studies.
- Involve women in policy making.
- Engage with the Aus4Reform WEE expert to promote WEE.

#### Stakeholder engagement:

Recipients of FF support will be encouraged to:

- Ensure representation of key stakeholders at all Aus4Reform consultations and information dissemination events.
- Publish and disseminate draft studies and reports to stakeholder for comment wherever feasible.
- Organize a reasonable share of consultation and dissemination events outside of Hanoi.
- Organize high level dialogues/ forum of economic reform issues.

#### Communications:

Specific strategies for effective communications include:

- Include specific initiatives to disseminate and communicate the key findings and conclusions of all Aus4Reform FF supported studies and events (including the issuance of press briefing material and inviting the mass media to key events).
- Providing copies of all studies and communications material for publication on the Aus4Reform website.
- Liaise with PSU and Aus4Reform communications expert to implement consistent branding of Aus4Reform.

#### Component Monitoring:

- Recipient of FF support will provide regular reports to the Aus4Reform PSU in line with Aus4Reform Operations Manual requirements.
- Recipients of FF support will provide gender disaggregated data to the Aus4Reform program wherever possible.

## Risks and risk management

Risk	Risk management
Adequate supply of quality proposals directly related to the achievement of Aus4Reform targeted outcomes.	CIEM, PSU will mobilize support from NPD, SPA, and member of the SAG to help develop quality proposals.
Ensuring quality of outputs and results from agencies not directly involved in Aus4Reform management and accountability structure.	Peer reviews will be conducted of key studies and reports produced with Aus4Reform FF support.
Ad hoc initiatives may not generate sustainable results.	Support will only be provided to activities that will build on, and are directly linked to, related Aus4Reform activities.

## Expected AWP1 Implementation Milestones

Key Milestone	Target Date
High level CPV-EC-led economic forum	January 2018
Report to the Prime Minister on assessing the economic restructure, growth model transformation and solutions to boost economic growth in a period 2018-2020	August 2018
Report on solutions of macroeconomic policies and financial market development to lay a steady foundation for sustainable development of Vietnam.	June 2018
Report on the development of value chains of some agricultural competitive-advantages products and the manufacturing in association with agricultural production	August 2018
Improve the efficiency of state management, building a facilitating and action-oriented government	August 2018

## Recommendations to PCC

CIEM recommends that the Aus4Reform PCC approves: approves:

- The work plan presented in this report (including detailed attachments).
- An additional output 5.5 for the FF component (see below): “Strengthened capacity of the PMAG to monitor and enforce implementation of national economic restructuring and development strategies”. The approval for specific activities of this output will be subject to the Flexible Fund procedures.

CIEM also recommends periodic contact between the NPD, DFAT, and ECNA to ensure quality preparation and sufficiently high-level participation at the high level economic forum scheduled for January 2018.

Outputs	Performance Indicators
<p>5.5 Support PM Senior Economic Adviser Group</p> <p>Report to PM on assessing economic restructuring and growth model transformation and solutions to boost economic growth in a period 2018-2020.</p> <p>Report on solutions of macroeconomic policies and financial market development to lay a steady foundation for sustainable development.</p> <p>Actions taken on recommendations to develop value chains of some agricultural products and manufacturing with agricultural production in areas of comparative advantage</p> <p>Improve the efficiency of state management, building a facilitating and action-oriented government</p>	<ul style="list-style-type: none"> <li>• Reports and recommendations.</li> <li>• Media coverage of report and recommendations.</li> <li>• Actions taken to implement recommendations.</li> </ul>