

TERMS OF REFERENCE

Local consultants for

Report on “Improving Doing Business Indicators: Achievements, Lessons and Reform implications for the period of 2021-2025 and up to 2030”

1. Background of the Project

The Aus4Reforms program was designed to help Viet Nam improve productivity and competitiveness. The program supports the improvement of policies, laws and institutions through research, consultation, which is strengthened by evidence-based studies through practical research and international experiences, especially Australian experience.

By the end of 2020, the specific results contributed by the Program include the followings:

- a. To create a favorable business investment environment to achieve the goal of having at least one million enterprises by 2020;
- b. To improve efficiency and competitiveness, transparency of product market and factors market;
- c. Competition institution has been enhanced through amendment of competition laws, restructuring of competition authority and enforcement of competition law;
- d. Evidence of impacts on efforts of rural restructuring;
- e. Raising awareness of economic empowerment for women.

The Program will help the Government of Viet Nam achieve its goals through the following four target components:

- a. Creating competitive, transparent market and improving business and investment environment;
- b. Strengthening competitive institutions and consumer protection;
- c. Creating favourable conditions for rural restructuring;
- d. Strengthening the voice of enterprises and women in investment environment and economic restructuring; and
- e. A Flexible Fund to support reform initiatives.

2. Activity Objectives and Approach

2.1. Context

The Government of Vietnam has reformed and improved the business environment according to international practices since 2014. This approach is to create a strong shift from thinking to action of making policies, ensuring the freedom and safety of business for investors and businesses. Ministries and local governments and the business community have been gradually instilled and fully aware of the importance of this reform. As a result, thousands of unsuitable regulations have been removed or simplified; the corresponding barriers to investment and business activities were removed; the quality of business environment and competitiveness have been markedly improved; and Vietnam's positions on the global rankings have been raised significantly.

Over the past 7 years, especially for the 2016-2020 term, many reforms on the business environment were carried out, making meaningful contributions to promoting business development, growth and prosperity of the economy. With the results in 2019¹, Vietnam was ranked 70/190 on the World Bank's Ease of Doing Business and 67/141 on the World Economic Forum's Global Competitiveness Index 4.0 – GCI 4.0 (10 grades higher than in 2018). Vietnam was one of the economies having the best score and ranking improvements of GCI in the world, with 8/12 pillars having increased scores and rankings. In 2020, the World Intellectual Property Organization maintained to publish the Global Innovation Index (GII). Vietnam was placed at 42/131 economies – a good place in the global rankings.

In addition, in terms of human development index (HDI) published by the United Nations Development Program (UNDP), Vietnam currently ranks among the group of countries with high HDI levels in the world. In 2020, Vietnam's HDI score was 0.704, it was placed at 117/189 nations and territories, up 1 place compared to 2019. For the period of 1990 to 2019, Vietnam's HDI score increased by 45.8%, and Vietnam was among the economies with the highest HDI growth rates in the world. UNDP highly appreciates Vietnam's policy of people-centered development to prioritize human development and promote equality in the country's socio-economic development strategies and plans.

From the enterprise's perspective, the quality of the business environment has improved positively over the years, although the level of improvement is different between sectors. According to the survey results of the Vietnam Chamber of Commerce and Industry (VCCI), all indicators of business environment (according to

¹ In 2020, due to the impact of the COVID-19 epidemic, some international organizations have not published annual reports such as the Global Competitiveness 4.0 of the World Economic Forum, Ease of Doing Business of the World Bank, etc. These are also the indicators selected by the Government of Vietnam.

the World Bank's Doing Business) set out in Resolution No. 19/NQ-CP (2014-2018) and Resolution No. 02/NQ-CP (2019-2020) was improved, although the level of reforms is still different. The recent reform efforts of ministries and local governments in improving the quality of doing business indicators has significantly contributed to the above results.

However, the business environment in Vietnam still has many barriers, restrictions on freedom of business and hidden risks of business safety; some of the improvements are not sustainable. The Government set the objective of raising the doing business indicators of Vietnam to the four leading countries group in ASEAN (ASEAN 4). Up to now, Vietnam's place of Doing Business is quite far away from Singapore, Malaysia and Thailand; its position of GCI 4.0 was at the 7th, lower than almost countries in the ASEAN region. In the context that the world economies focus on and accelerate the implementation of doing business reform, the objective of Vietnam is becoming more and more challenging. Therefore, reform efforts need to continue, together with stronger participation and further acceleration of ministries and localities, and information sharing and cooperation from the business community.

The year 2021 has important implications for socio-economic development and reform in Vietnam as it is the first year of implementing the socio-economic development strategy 2021-2030 and the socio-economic development plan 2021-2025; and is also the year to promote economic recovery after the COVID-19 pandemic. The success of 2021 in socio-economic development and reform will create a strong foundation and encouragement for the coming years. In such a context, it is very necessary to conduct a research to evaluate the results of reforming doing business indicators according to international practice (namely the Ease of Doing Business ranking of the World Bank); identify barriers of business environment; draw lessons learned in doing business reform; then propose orientations and solutions to reform the business environment for a period of 5 years (2021-2025) and up to 2030. Therefore, within the framework of the Australian Program to support Vietnam's economic reforms, the Central Institute for Economic Management proposed a study "Improving Doing Business Indicators: Achievements, Lessons and Reform implications for the period of 2021-2025 and up to 2030".

2.2. Objectives

Overarching objective: Assess the results of improving some doing business indicators according to international practices for the 2016-2020 period; identify shortcomings and lessons learned in reform; then propose orientations and solutions to reform the business environment for a 5-year period (2021-2025) and up to 2030.

Specific objectives:

- Assess the results of improving some doing business indicators according to international practices (specifically, the Ease of Doing Business ranking of the World Bank) for the 2016-2020 period;
- Identify problems and barriers through doing business indicators;
- Withdraw lessons learned in the reform of business environment in the 2016-2020 period;
- Propose orientations and solutions on doing business reform for a 5-year period (2021-2025) and up to 2030 in order to enable a business environment, and reduce costs and risks for businesses; at the same time, to reform the state management method according to international practices.

2.3. Scope and Approach:

Scope of the research:

- The results of improving some doing business indicators according to international practices (namely the Ease of Doing Business ranking of the World Bank) in the period of 2016-2020;
- Identify the issues at the time of research through doing business indicators;
- Lessons learned in reform of the business environment in the 2016-2020 period;
- Propose orientations and solutions to doing business reform for the 5-year period (2021-2025) and until 2030.

This research is conducted through a combination of different research methods. Specifically:

- Desk study: To review policies and regulations relating to doing business indicators.
- Field studies to collect information and practical evidences from line ministries, local authorities, business associations and enterprises in various sectors.
- Consultation with experts: to consult with experts, policy makers and other stakeholders on doing business issues (workshops/meetings).

Recruitment of three (03) local consultants including: 02 junior consultants and 01 senior consultant.

(1) 01 junior consultant: preparing report on “Starting a Business, Getting Credit, Paying Taxes, Protecting Minority Investors, Registering Property in the period of 2016-2020: Achievements, Lessons and Recommendations for the period of 2021-2025 and up to 2030”, including: (i) The results of improving some doing

business indicators according to international practices in the period of 2016-2020, including 5 indicators: Starting a Business, Getting Credit, Paying Taxes, Protecting Minority Investors, Registering Property; (ii) Identify the issues at the time of research through above mentioned 5 doing business indicators; (iii) Lessons learned in reform of the business environment in the 2016-2020 period and (iv) Propose orientations and solutions to doing business reform for the 5-year period (2021-2025) and until 2030.

- Methodology: (i) Desk study: to review policies and regulations relating to doing business indicators; (ii) Field studies to collect information and practical evidences from line ministries, local authorities, business associations and enterprises in various sectors; (iii) Consultation with experts to consult with experts, policy makers and other stakeholders on doing business issues.

- Tentative outline (will be elaborated by consultant after signing contract):

+ *The result of improving 5 doing business indicators according to international practices in the period of 2016-2020 (including: Starting a Business, Getting Credit, Paying Taxes, Protecting Minority Investors, Registering Property);*

+ *Identify the issues at the time of research through above mentioned 5 doing business indicators;*

+ *Policy recommendations and solutions.*

- 45 working days;

(2) 01 junior consultant: preparing report on “Getting Electricity, Trading across Borders, Enforcing Contracts and Resolving Insolvency in the period of 2016-2020: Achievements, Lessons and Recommendations for the period of 2021-2025 and up to 2030”, including (i) The results of improving some doing business indicators according to international practices in the period of 2016-2020, including 4 indicators: Getting Electricity, Trading across Borders, Enforcing Contracts and Resolving Insolvency; (ii) Identify the issues at the time of research through above mentioned 4 doing business indicators; (iii) Lessons learned in reform of the business environment in the 2016-2020 period and (iv) Propose orientations and solutions to doing business reform for the 5-year period (2021-2025) and until 2030.

- Methodology: (i) Desk study: to review policies and regulations relating to doing business indicators; (ii) Field studies to collect information and practical evidences from line ministries, local authorities, business associations and enterprises in various sectors; (iii) Consultation with experts to consult with experts, policy makers and other stakeholders on doing business issues.

- Tentative outline (will be elaborated by consultant after signing contract)

- + *The result of improving 4 doing business indicators according to international practices in the period of 2016-2020 (including: Getting Electricity, Trading across Borders, Enforcing Contracts and Resolving Insolvency);*

- + *Identify the issues at the time of research through above mentioned 4 doing business indicators;*

- + *Policy recommendations and solutions.*

- 45 working days;

(3) 01 senior consultant: preparing report on “Improving Doing Business Indicators: Achievements, Lessons and Reform implications for the period of 2021-2025 and up to 2030”, including:

- Methodology: (i) Desk study: to review policies and regulations relating to doing business indicators; (ii) Field studies to collect information and practical evidences from line ministries, local authorities, business associations and enterprises in various sectors; (iii) Consultation with experts to consult with experts, policy makers and other stakeholders on doing business issues.

- Tentative outline (will be elaborated by consultant after signing contract)

- + *The results of improving doing business indicators according to international practices (namely the Ease of Doing Business ranking of the World Bank) in the period of 2016-2020;*

- + *Identify the issues at the time of research through doing business indicators;*

- + *Lessons learned in reform of the business environment in the 2016-2020 period;*

- + *Propose orientations and solutions to doing business reform for the 5-year period (2021-2025) and until 2030.*

- 46 working days;

2.4. Deliverables

Final products

- 01 final report on “*Improving Doing Business Indicators: Achievements, Lessons and Reform implications for the period of 2021-2025 and up to 2030*” and

- 02 thematic research reports on related content.

Consultant 1

- Draft report: Consultant will submit the draft report at the time agreed with Project.
- Final report: Finalize the draft report based on the comments of the Project Director and other stakeholders.
- All documents/data/results of data analysis must be submitted to Component Project management and Coordinate Office by email (by PDF or Word, or Excel).

Consultant 2

- Draft report: Consultant will submit the draft report at the time agreed with Project.
- Final report: Finalize the draft report based on the comments of the Project Director and other stakeholders.
- All documents/data/results of data analysis must be submitted to Component Project management and Coordinate Office by email (by PDF or Word, or Excel).

Consultant 3

- Draft report: Consultant will submit the draft report at the time agreed with Project.
- Final report: Finalize the draft report based on the comments of the Project Director and other stakeholders;
- All documents/data/results of data analysis must be submitted to Component Project management and Coordinate Office by email (by PDF or Word, or Excel).

2.5. Requirements for local consultants**** Junior consultants***

Requirements:

- Have a Bachelor's degree or higher levels of education and a minimum of 05 years' experience in research on economics or economic management.
- Have knowledge/experience of analysis and research on economic policies, business environment, DBI and private business sector.
- Have the ability to use at least one foreign language commonly to look up, refer to foreign documents.

Responsibilities:

- Collecting legal documents, reports related to research;

- Prepare a report based on the requirements on the content, quality and deadline in the TOR.
- Consultation with CIEM and related agencies and experts (if any).

*** *Senior consultant***

Requirements:

- Have a Master's degree or higher levels of education and a minimum of 10 years' experience in research on economics or economic management.
- Be good at analysing and studying the economic policy.
- Have expert knowledge of business laws in Vietnam.
- Have knowledge/experience of analysis and research on economic policies, business environment, DBI and private business sector.
- Have the ability to use at least one foreign language commonly to look up, refer to foreign documents.

Responsibilities:

- Prepare drafts of reports according to the content, quality and deadline in the TOR.
- Coordinate and use intermediate reports of national experts, consultations with CIEM and relevant agencies and experts (if any).
- Acquire comments and complete the report.
- Advise CIEM on related issues

*** Application of local consultants**

- CV of consultants;
- Detailed contacts of consultants.

3. Timing

- Junior consultants will work from the date of signing contract to 30 August 2021.
- Senior consultant will work from the date of signing contract to 30 September 2021.

4. Directions

- All reports must be submitted to Office for Aus4reforms Project in both hard-copy and soft-copy by PDF or WORD.
- The consultants will be responsible to the Aus4reforms Project Director, the Project Management Board will support the consultants.

- The use of documents, research results for other purposes not within the scope of activities should be approved by the Project.

5. Resources needed

Requested resources including:

- Consultant 1: 45 working days;
- Consultant 2: 45 working days;
- Consultant 3: 46 working days;