

# **Australia- Vietnam Economic Reform (Aus4reform) Program**

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## **Activity Terms of Reference**

### **National consultants conduct the study on "Strengthening the capacity of Vietnam's private sector in the new stage"**

#### **1. Background to Aus4Reform**

The Australia-Viet Nam Economic Reform (Aus4Reform) Program works with the Vietnamese Government to boost productivity and competitiveness in Vietnam. The program supports 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.

Specific outcomes that the Program will contribute to by the end of 2020 include:

- a. An improved and more equitable business enabling environment resulting in the formal registration of at least one million private enterprises by 2020.
- b. More competitive and transparent product and factor markets
- c. Stronger competition law institutions, including an amended competition law, and restructured competition agency and enforcement mechanisms.
- d. Improved evidence base on impact of efforts to accelerate rural restructuring
- e. Increased evidence base and awareness of the links between Women's Economic Empowerment (WEE).

The Program will help the GoV achieve these objectives via four targeted 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.

and a Flexible Fund to Respond to Emerging Bottlenecks to Productivity Growth and Innovation.

#### **2. Activity Objectives and Approach**

##### **2.1. Context**

The private sector<sup>1</sup> increasingly asserted its role and position in the economy. The private sector contributes around 43 percent of GDP and attracts about 85 percent of working population in the economy, making an important contribution in mobilizing social resources, economic restructuring, creating jobs, increasing income for workers, etc. There have been a number of strong private economic groups formed and developed, pioneering in investment and application of science and technology, with domestic, regional and international competitiveness. The role and the development of the private sector is increasingly confirmed and embodied in the Party's guidelines and

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<sup>1</sup> In this study, private sector is understood in a broad sense, including private enterprises and household businesses

policies, especially in Resolution No.10-NQ/TW dated June 3, 2017 of the 5th Plenum of the 12th Party Central Committee on developing the private sector toward an important driving force of the economy.

In 2021, the Central Institute for Economic Management (CIEM) is assigned by the Ministry of Planning and Investment to perform the task of elaborating the report on the implementation of the Resolution on promulgating the Government's action program on implementation of Resolution No.10-NQ/TW dated June 3, 2017 of the 5th Plenum of the 12th Party Central Committee, on the development of the private economic sector into an important driving force of the socialist-oriented market economy and submitting to the Prime Minister in December 2021.

In order to promote private sector development to become an important driving force of the economy as proposed by the Resolution No.10-NQ/TW, it is necessary to improve the capacity of the private sector, especially private enterprises, and propose appropriate solutions to remove bottlenecks and barriers to the development of the private sector in the new stage.

Under the framework of the work plan for 2021 agreed with CIEM, Australia-Viet Nam Economic Reform (Aus4Reform) Program will support CIEM to carry out the study on ***"Strengthening the capacity of Vietnam's private sector in the new stage"***. To provide case study as input for the study, CIEM select four largest cities of Vietnam (including Hanoi, Hai Phong, Da Nang, Ho Chi Minh city) to analyse the capacity of the private sector. The number of businesses in 4 cities is very crowded and can provide information, ideas and investments to other areas. The number of Vietnam's acting enterprises was 811,538 enterprises in 2020, of which the highest rate was in Hanoi (20.1%), Hai Phong (9.8%), Da Nang (20.2%) and Ho Chi Minh city (27.6%)<sup>2</sup>. There were 5,200,479 household businesses in whole country, of which Hanoi, Hai Phong, Da Nang, Ho Chi Minh city account for 19.7% of total. Furthermore, Hanoi and Ho Chi Minh City were selected for this study as they are two of the most significant contributors to Vietnam's GDP, as the capital of Vietnam and the largest metropolitan in the country respectively. On the other hand, Da Nang was chosen as it is widely considered to be the capital of the central provinces, with its strong economic growth and rapid ascension as one of Vietnam's leading economic hubs with many administrative reform initiatives, while Hai Phong was chosen as an important port city, as well as an industrial center, the largest seaport in the North of Vietnam.

This Terms of Reference describes the scope of work that CIEM expects consultants to implement the research on "Analyzing capacity of the private sector in Hanoi, Hai Phong, Da Nang, Ho Chi Minh city" as inputs for the report ***"Strengthening the capacity of Vietnam's private sector in the new stage"***.

## 2.2. Objectives

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<sup>2</sup> Statistical Yearbook of Vietnam in 2020

The research is conducted with the following objectives:

- The objective of the study is to provide case study on the capacity of the private sector in the four largest cities of Vietnam (including Hanoi, Da Nang, Ho Chi Minh, Hai Phong) as input for the report "Strengthening the capacity of Vietnam's private sector in the new stage".

- The specific objectives of the study include:

- + An overview of the development of private sector in Hanoi, Da Nang, Ho Chi Minh, Hai Phong for the period of 2015-2020;

- + Evaluation of capacity of the private sector in Hanoi, Da Nang, Ho Chi Minh, Hai Phong, determining the limitations and shortcomings of the private sector, bottlenecks and barriers for the development of the private sector;

- + Identification of requirements for private sector in Hanoi, Da Nang, Ho Chi Minh, Hai Phong in new stage (specifically, the implementation of the 13th Party Congress Documents, of mega-FTAs, and post-COVID-19, etc.).

- + Proposing solutions to improve the capacity of the Vietnam's private sector in the new stage.

### **2.3. Scope and approach**

- Spatial scope: All sectors of economy in Hanoi, Da Nang, Ho Chi Minh, Hai Phong

- Time range: Assessing the situation from 2015 to 2020; proposing perspectives, orientations and solutions for the period of 2021-2025, vision to 2030

- Contents: Institutions, regulations, enforcement on the fields of economic activities of private sector in Hanoi, Da Nang, Ho Chi Minh, Hai Phong. Private sector includes formal private sector (registered under the Enterprise Law) and non-agricultural business households.

### **2.4. Deliverables**

- 01 thematic report on analysing capacity of the private sector in Hanoi
- 01 thematic report on analysing capacity of the private sector in Hai Phong
- 01 thematic report on analysing capacity of the private sector in Da Nang
- 01 thematic report on analysing capacity of the private sector in Ho Chi Minh city

All reports must be submitted to Aus4Reform Program Office in both hard copy and soft-copy in PDF or WORD format.

### **2.5. Specific requirements from consultants**

#### **(i) Junior consultant (Consultant No.1):**

*Consultant No. 1 implements the following tasks:*

- Overview of the private sector development policies in Hanoi
- Evaluating the implementation of private sector development policies in Hanoi

- Analysing the contribution to socio-economic growth and performance of the private sector in Hanoi (through considering job creation and income for workers, GDP growth, contribution to the state budget, economic transformation, development of science and technology, linkage of value chains, etc.)
- Some recommendations to improve policies to support private sector development in the coming period
- Provide research materials, other documents and data to senior consultant implementing the final report “Strengthening the capacity of Vietnam's private sector in the new stage”.

*Requirement for consultant No.1:*

- Graduated from university with a major in law, economics, development economics or other related fields (with a Master's or Doctorate degree is an advantage).
- Have at least 10 years of research and analysis experience in the areas related to Hanoi’s economic policy, enterprise development and business investment activities;
- Understand Vietnam laws and legislation
- Ability to use at least one common language to look up, refer to foreign documents.

**(ii) Junior consultant (Consultant No.2):**

*Consultant No. 2 implements the following tasks:*

- Overview of the private sector development policies in Hai Phong
- Evaluating the implementation of private sector development policies in Hai Phong
- Analysing the contribution to socio-economic growth and performance of the private sector in Hai Phong (through considering job creation and income for workers, GDP growth, contribution to the state budget, economic transformation, development of science and technology, linkage of value chains, etc.)
- Some recommendations to improve policies to support private sector development in the coming period
- Provide research materials, other documents and data to senior consultant implementing the final report “Strengthening the capacity of Vietnam's private sector in the new stage”.

*Requirement for consultant No.2:*

- Graduated from university with a major in law, economics, development economics or other related fields (with a Master's or Doctorate degree is an advantage).
- Have at least 10 years of research and analysis experience in the areas related to Hai Phong’s economic policy, enterprise development and business investment activities;
- Understand Vietnam laws and legislation

- Ability to use at least one common language to look up, refer to foreign documents.

**(iii) Junior consultant (Consultant No.3):**

*Consultant No.3 implements the following tasks:*

- Overview of the private sector development policies in Da Nang
- Evaluating the implementation of private sector development policies in Da Nang
- Analysing the contribution to socio-economic growth and performance of the private sector in Da Nang (through considering job creation and income for workers, GDP growth, contribution to the state budget, economic transformation, development of science and technology, linkage of value chains, etc.)
- Some recommendations to improve policies to support private sector development in the coming period
- Provide research materials, other documents and data to senior consultant implementing the final report “Strengthening the capacity of Vietnam's private sector in the new stage”.

*Requirement for consultant No.3:*

- Graduated from university with a major in law, economics, development economics or other related fields (with a Master's or Doctorate degree is an advantage).
- Have at least 10 years of research and analysis experience in the areas related to Da Nang's economic policy, enterprise development and business investment activities;
- Understand Vietnam laws and legislation
- Ability to use at least one common language to look up, refer to foreign documents.

**(iv) Junior consultant (Consultant No.4):**

*Consultant No.4 implements the following tasks:*

- Overview of the private sector development policies in Ho Chi Minh city
- Evaluating the implementation of private sector development policies in Ho Chi Minh city
- Analysing the contribution to socio-economic growth and performance of the private sector in Ho Chi Minh city (through considering job creation and income for workers, GDP growth, contribution to the state budget, economic transformation, development of science and technology, linkage of value chains, etc.)
- Some recommendations to improve policies to support private sector development in the coming period
- Provide research materials, other documents and data to senior consultant implementing the final report “Strengthening the capacity of Vietnam's private sector in the new stage”.

*Requirement for consultant No.4:*

- Graduated from university with a major in law, economics, development economics or other related fields (with a Master's or Doctorate degree is an advantage).
- Have at least 10 years of research and analysis experience in the areas related to Ho Chi Minh City's economic policy, enterprise development and business investment activities;
- Understand Vietnam laws and legislation
- Ability to use at least one common language to look up, refer to foreign documents

### **3. Timing**

- Submitting 04 thematic reports: by September 20<sup>th</sup>, 2021

### **4. Direction**

- Consultants will take responsible before Aus4Reform Program Director. The Project Management Board will assist the consultant.
- In case the consultants are required to participate in activities within the Program outside Hanoi, travel and accommodation costs will be paid separately.
- The utilization of research materials and results for other purposes beyond the scope of activities should be approved in writing by the Project.

### **5. Resources needed**

- Curriculum Vitae of consultants;
- Contact details of consultants.