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USAID/VIETNAM SUPPORT FOR TRADE ACCELERATION PLUS (STAR PLUS)

FINAL REPORT



AUGUST 2013

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USAID/VIETNAM SUPPORT FOR TRADE ACCELERATION PLUS (STAR PLUS)

FINAL REPORT

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ABBREVIATIONS

AEO	Authorized Economic Operator
ASEAN	Association of Southeast Asian Nations
BTA	Bilateral Trade Agreement (Vietnam/USA)
BIT	Bilateral Investment Treaty (Vietnam/USA)
CISG	Convention on Contracts for the International Sale of Goods
CRMB	Customs Reform and Modernization Board (Vietnam)
E3	Bureau for Economic Growth, Education & Environment and Trade (USAID)
FDI	Foreign Direct Investment
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GDVC	General Department of Vietnam Customs
GLOBALG.A.P.	Global Good Agricultural Practices
GPA	Agreement on Government Procurement (WTO)
HCMC	Ho Chi Minh City (Vietnam)
IMF	International Monetary Fund
IPR	Intellectual Property Rights
IR	Intermediate Result (USAID)
KORUS	South Korea-U.S. Free Trade Agreement
LND	Legal Normative Document
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development (Vietnam)
MEI	Ministerial Effectiveness Index (Vietnam)
MOF	Ministry of Finance (Vietnam)
MOFA	Ministry of Foreign Affairs (Vietnam)
MOIT	Ministry of Industry and Trade (Vietnam)
MOJ	Ministry of Justice (Vietnam)
MONRE	Ministry of Natural Resources and Environment (Vietnam)

MOST	Ministry of Science and Technology (Vietnam)
MPI	Ministry of Planning and Investment (Vietnam)
MUTRAP	European Trade Policy and Investment Support Project (EU)
NA	National Assembly (Vietnam)
NCIEC	National Committee for International Economic Cooperation (Vietnam)
OOG	Office of Government (Vietnam)
SBV	State Bank of Viet Nam
SMU	Southern Methodist University
SPC	Supreme People’s Court (Vietnam)
SPP	Supreme People’s Procuracy (Vietnam)
SPS	sanitary and phytosanitary standards
SSC	State Securities Commission (Vietnam)
STAR Plus	USAID/Vietnam Support for Trade Acceleration Project (Phase III)
TPP	Trans Pacific Partnership Free Trade Agreement
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USTR	United States Trade Representative
VACIP	Vietnam Anti-Counterfeiting and Intellectual Protection Association of Foreign Invested Enterprises
VCCI	Vietnam Chamber of Commerce and Industry
VietGAP	Vietnam Good Agricultural Practices
WCO	World Customs Organization (UN)
WTO	World Trade Organization (UN)

I. EXECUTIVE SUMMARY

To support the Government of Vietnam’s efforts to further integrate Vietnam into the world economy, the U.S. Agency for International Development (USAID) awarded a contract to the DAI/Nathan Group on September 30, 2010, to implement the third in a series of “STAR” projects, USAID Support for Trade Acceleration Plus (USAID STAR Plus). The Project’s official Vietnamese name is, “Du An Ho Tro Thi Hanh Phap Luat Ve Hoi



USAID/Vietnam STAR Plus Map to Success

Nhap Kinh Te,” meaning The Project to Support Implementation of the Law on Economic Integration in English. The overall goal of USAID STAR Plus was “Broad based economic growth sustained through increased international trade and foreign investment.” To achieve that goal, USAID STAR Plus focused on three intermediate results: 1) effective trade agreement negotiation and implementation; 2) competitive economic governance and; 3) sound macroeconomic policy and financial sector regulation. The Project operated in a flexible, demand-driven mode under USAID leadership. All activities were closely coordinated, under USAID supervision, with the United States Trade Representative (USTR), the United States Department of State, the Foreign Agricultural Service, and other donors. Day-to-day supervision of USAID STAR Plus from the Vietnamese side was provided by the International Cooperation Department of the Ministry of Justice (MOJ), which acts as the Secretariat to the programs Steering Committee chaired by the Vice Minister of Justice.

While many factors influence macroeconomic trends, during the implementation of period, the USAID STAR Plus Project, excellent progress was made by Vietnam towards achieving the stated program goals. According to the U.S. Department of Commerce, U.S.-Vietnam bilateral trade in goods increased from \$18.57 billion in 2010 to \$24.89 billion in 2012. Based on data for the first half of 2013, bilateral trade could exceed \$27 billion by the end of the year. In spite of a worldwide recession, implemented foreign direct investment (FDI) remained constant at approximately \$10 billion per year. However, the percentage of FDI going into manufacturing, as opposed to real estate and other speculative ventures rose from 27 percent in 2010 to 72 percent in 2012. Vietnam’s gross domestic product (GDP) grew steadily, but more slowly, from 6.8 percent in 2010 to 5.03 percent in 2012. While the rate of growth slowed somewhat, Vietnam was still in the top 50 countries in the world in terms of GDP growth rate.

Due to an 8 month delay in obtaining the Government of Vietnam’s final approval for the Project, activity was slow for the first nine months of the 35-month contract. Nevertheless, once approval was granted, the pace picked up quickly. The Project responded to a wide range of requests from 31 divisions of 19 approved counterpart organizations. These varied tremendously—from dairy food safety to government debt audit techniques. Between October 2010 and August 2013, USAID STAR Plus supported 90 training

programs and 100 workshops for over 13,000 people. Of the 6,000 participants in training programs, 3,732 were government officials and 45 percent were women. Questionnaires provided to all participants found that USAID STAR Plus workshops and training events received an average score of 9.5 on a scale of 1 to 10, with 10 being the highest score. The survey of participants revealed that 98.7 percent of respondents felt that the programs met their goals and 92 percent thought that the skills and knowledge acquired were useful or very useful for their jobs.

USAID STAR Plus technical assistance resulted in significant results in the Projects three intermediate results. Highlights include:

TPP Negotiations:

- Raised awareness and support for the TPP through a series of public workshops and technical discussions with Professor Peter Petri and former US Trade Representative, Ambassador Susan Schwab. These created broad awareness of the huge potential benefits of the TPP to Vietnam.
- Enhanced the understanding of Vietnamese negotiators and facilitated the cooperation between US and Vietnamese negotiators in such technical areas as investment, public procurement, dispute resolution, regulatory coherence, TBT, labor, environment, customs, and rule of origin.

Improved Trade Capacity and Human Resources:

- Strengthened IPR enforcement. The Business Software Alliance reported that, although the piracy rate in Vietnam remains high, the piracy rate dropped from 85% in 2009 to 81% in 2011; and
- Built capacity and human resources to support implementation of trade agreements in such areas as technical standards, transparency, and customs.

Enhanced Governance

- Supported the review by the OOG and related agencies of government organizational models to support the constitutional revision and interagency coordination;
- Strengthened transparency and the rule of law through training and installation of E-Official Gazettes on 16 provinces and a pilot codification at the State Bank of Vietnam. If widely adopted, the work USAID STAR Plus did on codification could be one of the most transformative activities ever undertaken because it significantly increases legal transparency and rule of law by enabling citizens to know what laws and regulations are currently in force; and
- Strengthened public private partnership in governance through such activities as Project 16, where private lawyers worked with government ministries to propose changes to 16 laws and implementing regulations. The Project also supported the development of the Ministerial Effectiveness Index, a tool that allowed businesses to rate the performance of ministries in terms of transparency and in developing and implementing laws.

Better Macroeconomic Policy and Financial Sector Regulations

- Improved policy coordination role of the MPI in coordinating fiscal and monetary policies through various training programs and workshops to enable independent researchers and market players to share their views with policy makers;

- To help policy makers make informed decisions regarding important macroeconomic choices, USAID STAR Plus experts prepared 14 research and survey reports on issues ranging from the sources of inflation to dynamic comparative advantage. Their research reports were presented and debated in various fora with the participation of members of the National Assembly (NA), the Ho Chi Minh Academy, the Central Institute for Economic Management, and the Academy for Policy and Development, among others.
- Supported revision of the Law on the State Budget, which will improve fiscal transparency and fiscal practices by bringing them more in line with international best practices.
- We supported three overseas study missions for a total of 28 people using USAID funds and one study tour for 10 participants from the MOJ that was funded from non-project sources. In addition, we supported the participation of two State Securities Commission personnel at the U.S. Securities and Exchange Commission's Training Institute in Washington. Furthermore, we were able to secure funding from a USAID regional project, Association of Southeast Asian Nations (ASEAN) Single Window, to send 10 officials from Vietnam Customs to Washington to meet with their American counterparts, and a total of 45 officials from the Ministry of Foreign Affairs and the Central Committee of the Communist Party received training in Connecticut College in the United States through a mix of Project 165 (Government of Vietnam) and USAID STAR Plus funding.
- Sixteen additional provinces established E-Official Gazettes using the USAID-funded software, bringing to total number of provinces using the software to 30. To date, the provincial E-Official Gazette websites have been visited more than 100 million times. In order to ensure sustainability and ownership by the local counterparts, USAID STAR Plus did not fund these new installation. Instead, we supported training to raise awareness and worked with the OOG to provide support for using the software. The Project also established a website and database operated by the National Committee On International Economic Integration (NCIEC) to facilitate inter-ministerial coordination and communication on matters related to global integration. The website was completed in 2013. USAID STAR Plus also supported the creation of websites for the Ministerial Effectiveness Index and Project 16. For the General Department of Vietnam Customs, USAID STAR Plus assisted in developing and promoting the use of an online tariff database. The database is available to any business or local customs office with an internet connection. The first fully functional webpage on tariffs, it contains all currently valid tariffs, legal documents, and guidelines on classification. The Project also developed a free iPhone application in English and Vietnamese that allows users easily access and search for information on the classification of thousands of different products.
- Businesses associations, university faculty, students, and many others were trained in the use of a suite of free analytical trade tools that allow Vietnamese producers to easily identify promising new markets and understand the requirements of those markets. The project supplemented classroom training with instructional material in Vietnamese that was distributed on DVDs and posted to YouTube. As a result, Vietnam became the tenth largest user of the Geneva-based International Trade Center's trade tools.
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- The lack of a system for organizing legal normative documents in a coherent manner and for removing those laws and regulations or provisions that are no longer valid within a legal normative document is a serious obstacle to the rule of law. To address this problem, USAID undertook a series of pilot codification efforts and developed new software to accelerate the process. One such pilot effort in the State Bank of Vietnam managed to reduce the volume of legal normative documents by 66 percent. The success of that effort generated considerable interest on the part of the Ministry of Finance (MOF), the Ministry of Agriculture and Rural Development (MARD), the Supreme People's

Procuracy (SPP), and many others. If widely adopted, USAID STAR Plus' work on codification could be one of the most transformative activities ever undertaken because it would bring transparency to what is currently a jungle of conflicting, unclear and out of date laws and regulations.

- Work with the Vietnam General Department of Customs to measure performance and build partnerships with private business shows tremendous promise for improving the quality of service provided by a public sector organization. Such efforts could serve as a model for other public sector organizations.
- Working in partnership with the NA, USAID STAR Plus has paved the way for dramatic improvements in fiscal transparency and built strong support for adoption of the Trans Pacific Partnership Free Trade Agreement (TPP). Together, the improved use of public funds and the enormous benefits likely to accrue from the new trade agreement will significantly improve the country's economic situation.

Finally, the trust, increased economic ties, and understanding created by the USAID STAR Plus Project and its precursors has contributed to improving the bilateral relationship to the strategic comprehensive partnership that President Barack Obama and President Truong Tran Sang discussed during their historic meeting in July 2013.

II: KEY ACHIEVEMENTS

The USAID STAR Plus Project achieved significant results in several areas over a period of almost three years. The full impact of the assistance provided will not be apparent for several years in some cases, but many successes are already evident. The most obvious achievement for a project designed to accelerate trade is the continued rapid bilateral trade in goods. Estimates based on data for the first half of 2013 indicate that annual bilateral trade in goods will increase by \$8.43 billion over the three-year period. Many factors contributed to this growth, but one of the most important is well-established rule of law.¹

Increased Transparency: The E-Official Gazettes at the provincial and national levels have increased public access to information to an extent unimaginable a decade ago. The pilot efforts to codify legal normative documents in for the NA, MARD, and the State Bank of Vietnam dramatically increased certainty regarding what laws and regulations are in effect and demonstrated an approach and developed tools that can be used by all ministries to replicate the dramatic results achieved so far. With that success and in the same spirit, the Government has issued a decree requiring all ministries to codify their legal normative documents, setting into motion one of the most transformative reform efforts in recent history.²

Support for the TPP: The TPP offers enormous potential benefits to Vietnam. USAID STAR Plus played an important role in generating support for the TPP among policy makers, NA Deputies, the business community, and the general public. USAID STAR Plus undertook specialized technical assistance on issues such as environment, investment, technical barriers to trade, regulatory coherence, government procurement, intellectual property rights, investor-state disputes, the apparel and textile industry, and rules of origin played a constructive role in facilitating the negotiation process through an improved understanding of these issues in the Vietnamese context by both sides. Likewise, USAID STAR Plus training on commercial diplomacy and negotiations skills, and detailed analyses of the expected requirements of the TPP versus previous commitments played a constructive role.

A More Open and Transparent Customs: Intensive efforts to modernize Vietnam Customs paved the way for mutually beneficial partnerships between the business community and Customs. National surveys of thousands of traders are now an annual undertaking and provide valuable information for the leadership of Vietnam Customs to identify specific problem areas and address them. Vietnam Customs has also committed to making future reports public. In the words of the Deputy Director General of Vietnam Customs, “USAID through the STAR Plus project is the best and most trusted counterpart that

¹ A common criticism of USAID’s trade capacity projects worldwide is that increases in trade flows are not attributable to the project. To address this, USAID commissioned a study conducted by Management Systems International and the University of Pittsburgh. Their findings were published in November 2010 in *From Aid To Trade: Delivering Results – A Cross Country Evaluation*. The researchers undertook a cross-country regression analysis that measured the impact of 256 USAID and other USG-funded trade capacity building efforts in 78 countries. The analysis found a statistically significant relationship between USAID TCB obligations and developing country exports which, on a predictive basis, indicates that each additional \$1 invested by USAID is associated with a \$42 increase in the value of developing country exports two years later. This analysis was carried out a second time, switching the focus from USAID investments to total U.S. government investments in TCB (including those made by USAID). This government-wide version of the analysis showed that, on a predictive basis, each additional \$1 invested is associated with a \$53 increase in the value of developing country exports two years later. In the second analysis, USAID TCB assistance accounts for close to 80 percent of the higher government-wide return. The results of the USAID STAR Plus project and its predecessors are consistent with that finding.

² The Ministry of Justice issued a Decree on Codification in 2013 that underscores the interest of Vietnam in pursuing codification to improve legal transparency and rule of law. The approach outlined in the Decree differs from the method used successfully by the State Bank of Vietnam. In our view, this could hinder the development of codification and will have to be revised at a later date.

Customs has ever worked with. You understand our needs and respond effectively with excellent technical assistance from a highly qualified team of international and local experts.”

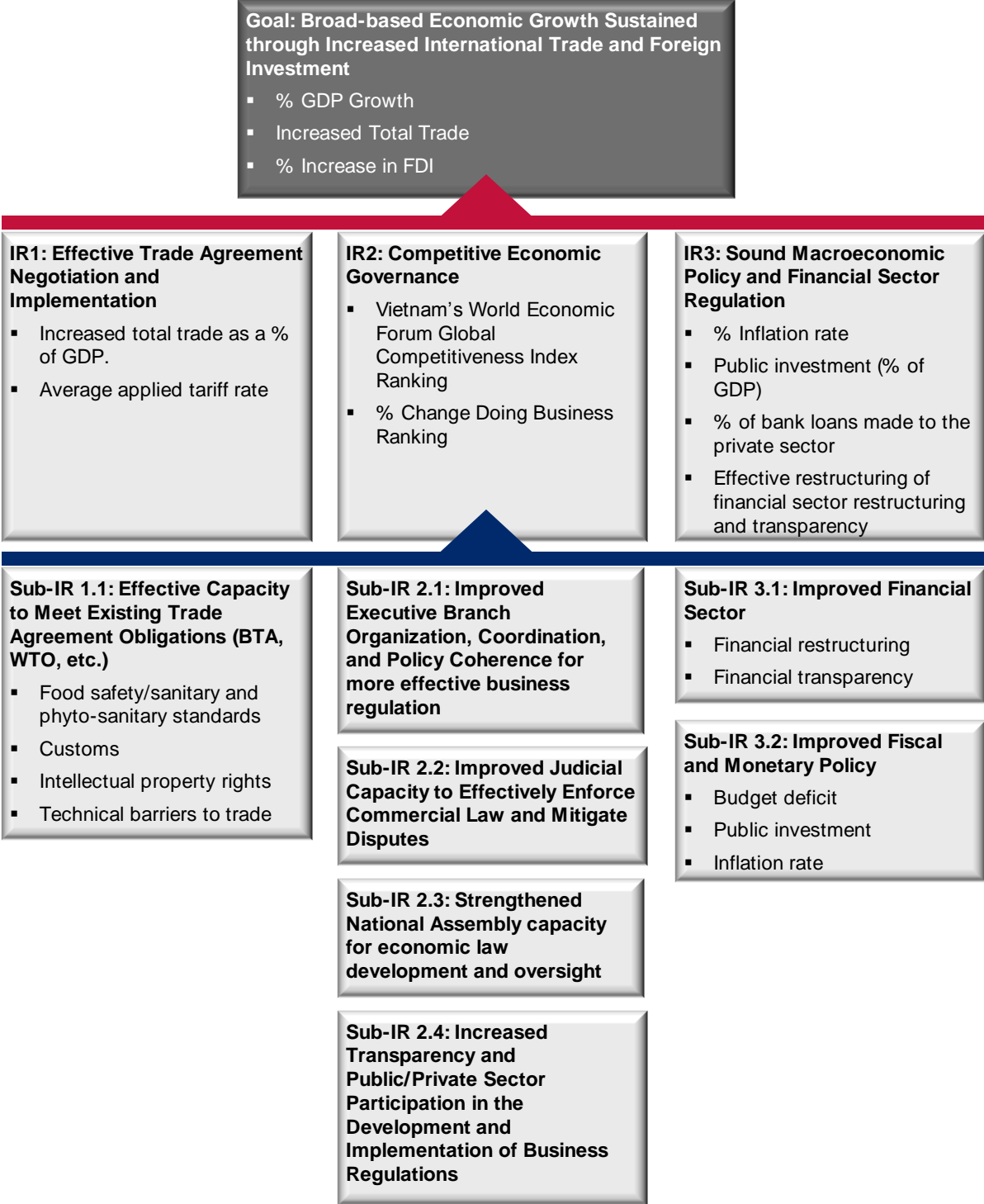
International economic integration: Although they were among the least costly efforts undertaken, USAID STAR Plus’ efforts to get Vietnam to join the Hague Conference and the United Nations Convention on Contracts for the International Sale of Goods were enormously important steps toward Vietnam’s international economic integration and will be tremendously important for the business community. USAID STAR Plus coordinated with the Secretariat of the Hague Conference to invite the Vice Secretary General to discuss the accession of Vietnam with policy makers. The Project arranged his travel to Hanoi and accommodation. We also conducted meetings with Vietnamese officials in advance of this arrival to clarify a number of questions regarding the cost of membership, the obligations on member states, etc. Upon his arrival in Hanoi, the Project organized a program to raise awareness and support for the accession. Following this successful effort, Vietnam submitted its application and was subsequently admitted to the Conference.

Trade improvements: Vietnam is the 16th largest importer of U.S. agricultural products and the United States is Vietnam’s largest market for its agricultural goods. The Project greatly facilitated trade while protecting the public health by introducing modern, science-based approaches to food safety. Working closely with the International Trade Center in Geneva, the Project introduced thousands of people to powerful analytical tools available online at no cost that enabled them to identify new markets and to understand the requirements of those markets.

Greater fiscal transparency. Additional funding from the Department of State became available in May 2013. In spite of the very short time available to carry programs to increase fiscal transparency, the Project was able to have a significant impact. A new *Citizen’s Guide to the Budget* will dramatically improve Vietnam’s fiscal transparency ranking internationally and it will provide citizens and lawmakers with an easy-to-understand tool that will demystify the budget processes that, until now, has only been understood by a handful of people. USAID STAR Plus recommendations to improve the Law on the State Budget will enable the NA to play an important oversight role over the Government for the first time.

III. PROGRAM PROGRESS

FIGURE 1: USAID STAR PLUS RESULTS FRAMEWORK



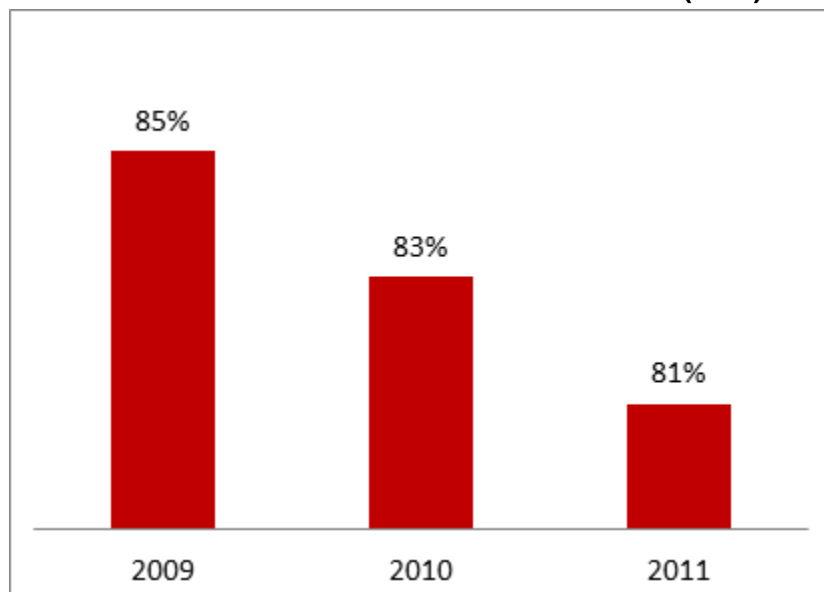
INTERMEDIATE RESULT (IR) 1: EFFECTIVE TRADE AGREEMENT NEGOTIATION AND IMPLEMENTATION

SUB IR 1.1: EFFECTIVE CAPACITY TO MEET EXISTING TRADE AGREEMENT OBLIGATIONS

Improved Intellectual Property Rights Protection

Protection of intellectual property rights (IPR) is an important element of the U.S.-Vietnam Bilateral Trade Agreement (BTA) and World Trade Organization (WTO) agreement. While the exact wording of the TPP text has not been released to the public, there are indications that the final TPP agreement will include requirements that are even more stringent. IPR protection has been an important element of USAID's strategy in Vietnam since 2001, both ensuring that the country had a strong legal framework for IPR and that effective enforcement accompanied it. Under USAID STAR Plus, the emphasis shifted to implementation of the laws and regulations and raising public awareness of the importance of IPR protection. USAID STAR Plus conducted approximately 20 programs related to IPR protection. This has resulted in better IPR protection in Vietnam. As noted by BSA representative recently, though the piracy rate in Vietnam remains high, Vietnam won the Medal of Most Improved in IPR protection over the last five years with the piracy rate dropping from 91% in 2004 to 81% in 2011 (see Figure 2)³.

FIGURE 2: VIETNAM SOFTWARE PIRACY RATE (BSA)



One of the greatest obstacles to effective IPR enforcement has been the failure of rights holders to file complaints with the enforcement bodies so that they can take action against violators. A major breakthrough transpired in December 2011, when Vietnam Customs and the Vietnam Anti-Counterfeiting and Intellectual Protection Association of Foreign Invested Enterprises (VACIP) signed an agreement pledging to work together to fight IPR violations at the border. This partnership, which USAID STAR

³ Chau An, "Vietnam sets the target to lower software piracy to 70%", VNexpress, August 29, 2013, (accessed on Oct. 10, 2013 at <http://sohoa.vnexpress.net/tin-tuc/doi-song-so/viet-nam-dat-muc-tieu-giam-vi-pham-ban-quyen-phan-mem-xuong-70-2872493.html>)

Plus worked hard to promote, has led to a large increase in the quantity and value of counterfeit goods seized by Customs. For example, three containers of counterfeit luxury goods from China were seized in February 2012 as a direct result of the new partnership. That one action, alone, was equal to 50 percent of the total value of counterfeit goods seized in 2011.

Another obstacle to effective IPR enforcement is the absence of clear explanations of some provisions of the Penal Code. The current circular governing the IPR section of the Penal Code was drafted in 2006 and it is inadequate in many respects. To address this problem, the project brought together representatives of all IPR enforcement agencies—the Office of the Government (OOG), the Supreme People’s Court (SPC), SPP, MOJ, the Ministry of Science and Technology (MOST), and others—and the Business Software Alliance. The participants reached agreement on a number of points for developing the Circular on criminal IPR charges, including the definition of “commercial scale” and the calculation of damages. The participants sent a detailed set of recommendations to the committee drafting the revised circular on the Penal Code and to all relevant agencies.

One of the most visible areas of IPR infringement is cinema, both local and international. To create greater awareness of the importance of IPR to cinema and the potential benefits to the local cinema industry, USAID STAR Plus and the Management Training School of the Ministry of Sports, Tourism and Cultural Affairs, conducted seminars on cinema policy and global economic integration. The seminars covered copyright protection for cinematography, the close relationship between copyright protection and the development of cinema industry, and the management of the cinema industry. Two foreign experts provided the participants with an understanding of the fundamentals of the cinema industry in the United States, Korea, and India. They also introduced the concept of movies ratings, which are common in advanced cinema industry, but not yet used in Vietnam. Three Vietnamese speakers provided participants with an overview of the current legal framework for copyright protection and practical experience in film festivals. The programs were attended by over 160 government officials from Hanoi, Ho Chi Minh City (HCMC), and other southern provinces.

In 2013, USAID STAR Plus teamed with the Motion Picture Association, the Ministry of Culture, Sports and Tourism, the U.S. Embassy, VTV 4, the Foreign Trade University several film exhibitors, and film production companies to conduct a national competition to solicit ideas for students throughout the country on an anti-piracy trailer. The students were provided with basic guidance on how to write a script and three prizes will be awarded for the best scripts. In late 2013, one of them will be selected to be made into a trailer by a professional film company, Red Bridge Productions, to raise public awareness of the importance of copyright protection. Megastar, Galaxy, VTV 4 and others have committed to show the trailer on their broadcasts and in their theatres. USAID will be recognized each time the trailer appears.

The Project also played an important role in training a new organization in Vietnam Customs (Unit 4) that is specialized in IPR protection and USAID STAR Plus fostered closer cooperation between the Ministry of Science and Technology (MOST) and VACIP in training local officials on new IPR rules related to counterfeit goods. Similar efforts were undertaken with the Ministry of Sports, Culture and Tourism with a special focus on cinema and television products—a major concern of the United States. More than 40 provinces benefitted from that training. While online piracy is still a problem, USAID STAR Plus organized a workshop in November 2012, with support from the Motion Picture Association of America, that focused on the negative impact of digital piracy. One of the participants was one of Vietnam’s leading providers of pirated online material with 3 million subscribers. Shortly after the workshop, the provider announced that effective January 3, 2013; all unlicensed films would be removed from its offerings. Paramount Pictures and other major U.S. entertainment companies subsequently entered into

negotiations with the firm to explore the possibility of securing the broadcast rights to major Hollywood films.

To strengthen IPR protection, USAID STAR cooperated closely with the U.S. Patent and Trademark Office, U.S. Federal judges, and the SPC on several activities, including programs for provincial court judges and faculty members of law schools to improve their ability handle IPR cases. These efforts were reinforced by training conducted at the Ho Chi Minh Academy for Political and Administrative Development, the Judicial Academy, and the Hanoi Law University in cooperation with Southern Methodist University's (SMU) School of Law. The SMU cooperation led to development of a syllabus on IPR for the Hanoi Law University's new program on international trade law, a scholarship program to enable Government officials and students to study at SMU, and a generous donation of books to the Hanoi Law University's library. The project also secured the rights for electronic distribution of a 350-page textbook on IPR by Professor Thao of SMU, translated it into Vietnamese, and made it available at no cost to all law students and faculties in Vietnam.

Customs Modernization

In FY 2012, USAID STAR Plus received an additional \$500,000 from the Partnership for Trade Facilitation (PTF) fund managed by USAID's Bureau for Economic Growth, Education & Environment (E3) in Washington. The funds were made available to increase the readiness of Vietnam Customs to implement the comprehensive and rigorous obligations on customs and trade facilitation that are being proposed by the United States in the TPP free trade agreement (FTA) negotiations. Shortly after the funds were approved, the Project invited a former, senior U.S. Customs official, Janet Labuda, to come to Vietnam to meet with Vietnam Customs officials and develop a strategy to achieve this goal within with the time and funding available. Modifications were made to the plan as circumstances changed, but, for the most part, the original plan was followed. A brief summary of the major activities carried out follows:

Stronger Legal Foundation for Improved Customs Services

In April 2013, USAID STAR Plus sponsored a workshop for 150 people on proposed revisions to the Law on Customs to enable Customs to meet new, international commitments in FTAs and improve the quality of their services. Key reforms introduced include such important requirements as advance ruling, stronger partnerships with business, greater transparency and increased international cooperation. Attendees included businesses, Customs officials, and the press. Vice Minister Do Hoang Anh Tuan of the Ministry of Finance, Vice Chairman Pham Gia Tuc of the Vietnam Chamber of Commerce and Industry (VCCI), and Joakim Parker, USAID Mission Director, chaired the workshop. The MOF said that the revisions were necessary to meet future international commitments (FTAs, ASEAN, TPP, and the Kyoto Convention), reduce red tape, and make it easier for businesses to operate in Vietnam while ensuring better compliance. Customs said their goal is to become the third-ranked country in the region by 2020 in terms of efficiency, clearance time, and business friendliness.

About 20 people provided detailed comments on the draft law. Many of their suggestions were immediately accepted by Vice Minister Tuan. One issue of great concern to USAID STAR Plus, is the self-certification of origin and implementation of advance rulings, which are expected to be in the TPP. The MOF and Customs agreed with the Project's recommendations and confirmed that they will amend the language to enable Vietnam to accommodate the TPP requirements. They pointed out that as the TPP negotiation is not yet finished, it is not possible for the drafters to have specific language to meet TPP requirements.

Vice Minister Tuan confirmed that 87 percent of declarations are now done with advance filing. He agreed that advance rulings should be posted on the web and that the law should have provisions on a response period for advance rulings. Later, Customs confirmed that it is aware of the need to provide a validity period for advance rulings and it is waiting for the TPP negotiations to conclude before inserting it in the Law.

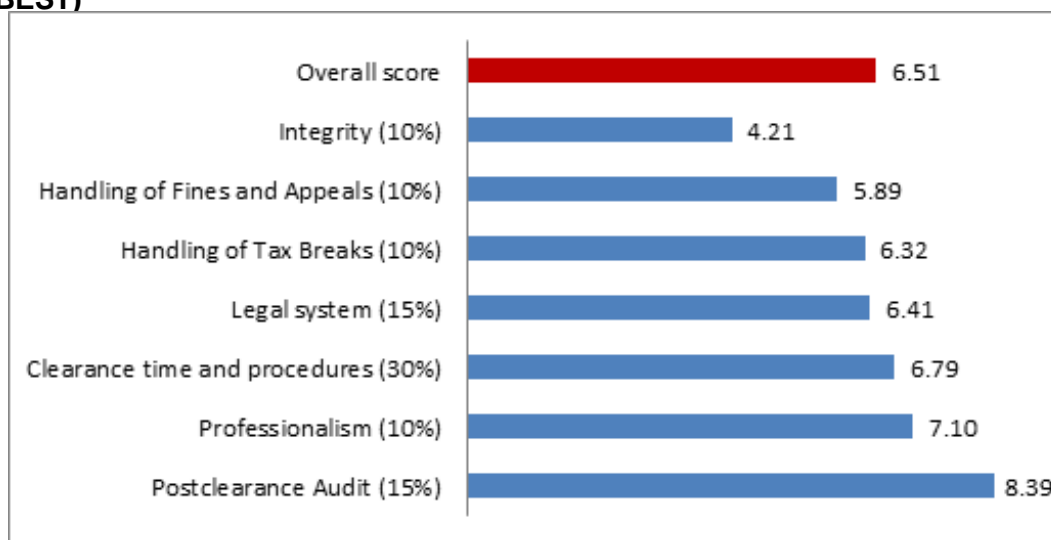
The Hanoi program was followed by a similar workshop in Ho Chi Minh City. It was organized by the Ministry of Finance, the General Department of Vietnam Customs (GDVC), VCCI, and USAID STAR Plus. That event was attended by representatives of VCCI, several southern Customs bodies, representatives of the U.S. Consulate General, and more than 100 companies, associations, and law firms. In total, 208 people participated. Deputy General Director of GDVC Vu Ngoc Anh and Deputy Director of VCCI HCM City Tran Ngoc Liem chaired the event.

Deputy Director General Vu Ngoc Anh pointed out the necessity of amending a number of articles of the Customs Law to bring them into line with existing and anticipated international treaty obligations. The amended Customs Law will facilitate the adoption of modern customs management practices. It will also help attract new foreign investment, and improve the competitiveness of businesses. The private businesses and law firms had many comments on the draft Customs Law. They covered a range of topics, but the majority focused on documentation requirements and procedures, the priority regime for enterprises, customs supervision, and customs inspection and supervision. After listening to the comments, Deputy Director General Vu Ngoc Anh said the drafting committee greatly appreciated all the comments from the participants and said they will be given careful consideration when they prepare the next draft of the Law. He said the goal remains to ensure that the amended Customs Law will achieve three main objectives: 1) to meet the standards required by new international commitments; 2) to facilitate import and export activities; 3) and to ensure that Customs authorities implement risk management principles consistently.

Customs Risk Management. Former senior U.S. Customs official Janet Labuda conducted a week-long training program in April 2013 on risk management at the request of the GCVC in Hanoi. The training included such topics as using compliance measurement as a risk management tool, analyzing data and creating profiles, developing special enforcement operations to validate risk assessments, and principles and approaches to partnership/Authorized Economic Operator (AEO)/trusted trader programs as a risk management tool. The course attracted 27 participants, including seven from distant provinces. Ms. Labuda stressed the importance of identifying priority trade issues for Vietnam Customs. The likely requirements of the TPP, especially with regard to IPR protection, were also discussed at length. The participants said that some effort to identify priority trade issues has been made already, but it has not been thoroughly thought out and it is not updated regularly.

Customs Survey of Trader Satisfaction. GDVC, VCCI, and USAID STAR Plus collaborated on the first ever national survey of traders in 2012 to assess the business community's level of satisfaction with Customs and to identify problem areas and solicit recommendations as to how Customs operations can be improved. The survey results are summarized in Figure 3 below.

FIGURE 3: CUSTOMS PERFORMANCE RATINGS ON SCALE OF 0-10 (0 IS WORST - 10 BEST)



VCCI sent confidential questionnaires to 5,000 of the most active traders in every province. A total of 1,558 enterprises responded. The respondents represented a diverse group of business, but 64 percent had foreign investment. Businesses in industry/manufacturing accounted for approximately 54 percent of the respondents and almost 36 percent were from the services/trade sectors. More than 75 percent of the respondents had dealt with Customs for more than five years and more than 70 percent deal with Customs themselves, rather than relying on specialized brokers. Key findings were:

- *Customs clearance time:* GDVC’s goal is to process most declarations from traders within 30 minutes. The survey showed that it takes longer than this for almost 70 percent of the respondents. Customs is increasingly using electronic declarations and the survey showed that the new approach is working. More than 60 percent of businesses using the electronic declaration reported their forms were processed within 30 minutes.
- *Informal charges:* More than half of the businesses that responded said that they pay extra fees to Customs officials to expedite clearance of goods. Only 616 enterprises reported that they did not incur “OTC costs.” Twenty-five percent of enterprises said that they pay such charges frequently or regularly. Of those that pay bribes, 73 percent reported that they feared they would be subject to discrimination if they did not pay. Interestingly, among those enterprises that said they did not pay bribes, only 2 percent said they thought they were subject to discrimination by Customs officials.
- *Tax exemptions, reductions, and refunds:* Imported goods are subject to a complex set of rules related to tax policies and regulations. More than 57 percent of the enterprises surveyed requested tax refunds, 33 percent requested tax exemptions, and 15 percent requested tax reductions. Processing these requests is problematic. More than 43 percent of those requesting tax refunds had to wait for more than 10 days. The waiting time for tax exemptions and reductions was also quite long (more than 10 days in many cases). Respondents indicated that the policies and procedures governing tax exemptions, refunds, and reductions were very transparent.
- *Professionalism:* Questions regarding the professional knowledge of Customs officials showed that businesses had a generally high opinion of their professional knowledge in post-clearance inspection

(81 percent, clearance procedures (78 percent) and tax administration procedures/violation settlement (76 percent). The level of satisfaction with the manner in which these activities are actually carried out, however, was only 55 percent.

- *Access to information:* Providing easy access to information is one of the goals of the GDVC. Currently, it uses a variety of mechanisms to disseminate information. These include leaflets, publications, posters, television, slogans, and a website. The website was, by far, seen as the most effective tool. Slightly less than 71 percent of the businesses surveyed said that the website regularly met their needs or met most of their information needs.
- *Recommendations from enterprises:* Approximately one-third of the enterprises that responded to the survey also provided recommendations as to how Customs could improve their operations to better serve the business community. These fell into seven categories, but the overwhelming share dealt with Customs procedures and operations, followed by information and communications technology infrastructure, behavior of Customs officials, and professional training of Customs officers.

Based on the survey data, the report's authors developed a score on a scale of 1 to 10 for each component of the survey. The lowest score was integrity (4.21) and the highest score was for post-clearance audit (8.39). The report was submitted to the General Director of Vietnam Customs. He found it so interesting and important that he decided that it should be carried out annually.

In June 2013, USAID STAR Plus, VCCI, and Vietnam Customs launched the second annual customer survey. The sample size was increased from 5,000 to 9,000. The results of the survey will not be available until after the Project ends, but as of early August, almost 2,000 business had responded, which was a higher than expected rate. The results will be particularly interesting because the second survey will be the first conducted after E-Customs procedures were widely introduced. The leadership of Vietnam Customs also pledged to make the results of the survey available to the public and to rank the 14 largest Customs offices.

Updating and Converting Tariffs to International Standards to Facilitate Trade. The Harmonized Commodity Description and Coding System (HS) of tariff nomenclature is an internationally standardized system of names and numbers for classifying traded products developed and maintained by the World Customs Organization in Brussels, Belgium. The HS is organized into 21 sections and 96 chapters, accompanied with general rules of interpretation and explanatory notes. Vietnam Customs requested USAID technical assistance to convert the current tariff structure from HS 2007 to HS 2012 and from a 10-digit system to an 8-digit system in order to meet the requirement for trade in goods under WTO and ASEAN. USAID STAR Plus responded with timely assistance in the form of two, 12-day, intensive technical workshops in August and September 2011. Customs and the Ministry of Finance selected the best and brightest officials to work on this challenging and daunting but critical job. As a result of this work, a new tariff nomenclature is now available for comment by businesses and interested parties. An internationally accepted, widely understood system for classification of traded goods will create increased certainty for traders, more predictable costs for businesses, faster clearance of goods and reduced opportunities for corruption.

Online Tariff Database. USAID STAR Plus supported Vietnam Customs develop and promote the use of an online tariff database. The database is available to any business or local customs office with an internet connection. It contains all currently valid tariffs, legal documents, and guidelines on classification. This was the first fully functional webpage on tariffs. Businesses and Customs officials can

go to the webpage to see the relevant tariff instead of having to search through a large number of legal documents to determine the current tariff. This helps the MOF and Vietnam Customs save money that would otherwise have to be spent on updating and printing the tariff schedules. It also enables Vietnam Customs to meet the requirement for transparency of tariffs and the uniform application of customs procedures under the WTO and BTA.

In July 2013, USAID STAR Plus, in cooperation with Vietnam Customs, developed a free iPhone application in Vietnamese and English that can be used to obtain information quickly and easily about applicable tariffs by HS code and origin.

Review of Translation of World Customs Organization (WCO) Detailed Explanatory Notes. One of the most challenging aspects of customs operations is the classification of goods. The World Customs Organization (WCO) developed a classification system for tens of thousands of products called “HS Codes” to support consistent classification by customs organizations throughout the world. The WCO also publishes detailed explanatory notes to provide guidelines on how goods should be classified under different HS codes. The notes are more than 4,000 pages long and are the operating manual for classification of customs and traders in many countries. The ability of Vietnamese Customs officials to use this international system is limited, however, because the explanatory notes have only been available in English. VN Customs and USAID STAR Plus conducted a six-day workshop with 40 senior Vietnamese Customs officials and USAID STAR Plus staff to meticulously review the translation of the WCO notes. Their efforts were then reviewed by 120 Customs officials for accuracy. When completed and approved by Customs/MOF leadership, the notes will be made widely available to Customs offices and traders. This will improve the consistency of customs classification significantly.

Customs Key Performance Indicators. GDVC and USAID STAR Plus conducted a two-day workshop on the methodology of developing and implementing Vietnam Customs performance indicators in March 2013. The workshop was attended by Deputy Director General Vu Ngoc Anh, representatives of MOF, the Ministry of Planning and Investment (MPI) and General Statistics Office, the heads of many departments in the GDVC, and representatives of 34 provincial customs bodies. Matthew Bannon of the WCO in Brussels was the main speaker, but the participants also heard from Andrew Stephens of USAID STAR Plus regarding the performance measurement system used by the U.S. Customs and Border Protection Service and representatives of the MPI and the General Statistics Office. Nguyen Thi Khanh Hong, Deputy Director of Customs Reform and Modernization Board (CRMB), moderated the workshop. Nguyen Manh Hai, head of the Customs Performance Management and Evaluation Office at CRMB noted that a Performance Evaluation System has been in place since 2011 that included both general and specific indicators, but not all Customs units are fully aware of the systems, and further work is needed to ensure that the indicators are closely tied to the organizations strategic goals and objectives.

ASEAN Regional Customs Workshop. Partnerships between customs officials and businesses are a key element of customs modernization efforts around the world. Vietnam is successfully implementing a range of partnership activities with importing and exporting businesses. GDVC is planning to implement the next phase of partnership programs in late 2013 by drafting a new circular on AEO programs, and by developing a separate partnership program. To assist Vietnam Customs, USAID STAR Plus Program prepared a 50-page report that provides an overview of customs-business partnership programs, with a special focus on programs currently being implemented in ASEAN countries. The report examines general partnership programs as well as AEO programs specifically. While many customs administrations operate both AEO and partnership programs, it is not uncommon for both types of programs to have similar elements of trade facilitation and security compliance. The report includes some specific

recommendations on how Vietnam can further develop its own partnership program based on the lessons learned by others.

To facilitate the exchange of information, USAID STAR Plus and the USAID ASEAN Single Window Project based in Jakarta organized an ASEAN Regional Workshop on Customs-to-Business Partnership in Dalat in June 2013. The event attracted 30 participants from Cambodia, Japan, Malaysia, the Philippines, Thailand, and Vietnam as well as from the ASEAN Secretariat. Country representatives shared their experiences in the developing customs-to-business partnerships, including the Customs-Private Sector Partnership Mechanism in Cambodia, the Customs Call Centre and Customs-Private Sector Consultative Pane in Malaysia, the Super Green Lane Plus Facility Program in the Philippines, and the Joint Committees in Thailand.

Customs Benchmarking

In 2013, USAID STAR Plus conducted a workshop at the GDVC headquarters, presenting research and benchmark comparison of customs websites in some ASEAN countries, and providing examples of online e-customs portals in developing and developed countries. Participants included customs officials from the Information Technology Department, the Modernization Board of Vietnam Customs, and officials responsible for the E-portal/ websites from the MOF. The participants from the GDVC expressed a real interest in improving their capabilities for e-customs. One of the key points emphasized in the USAID STAR presentations is that businesses are expecting and demanding comprehensive e-customs services, and the quality of these services is rapidly increasing around the world.

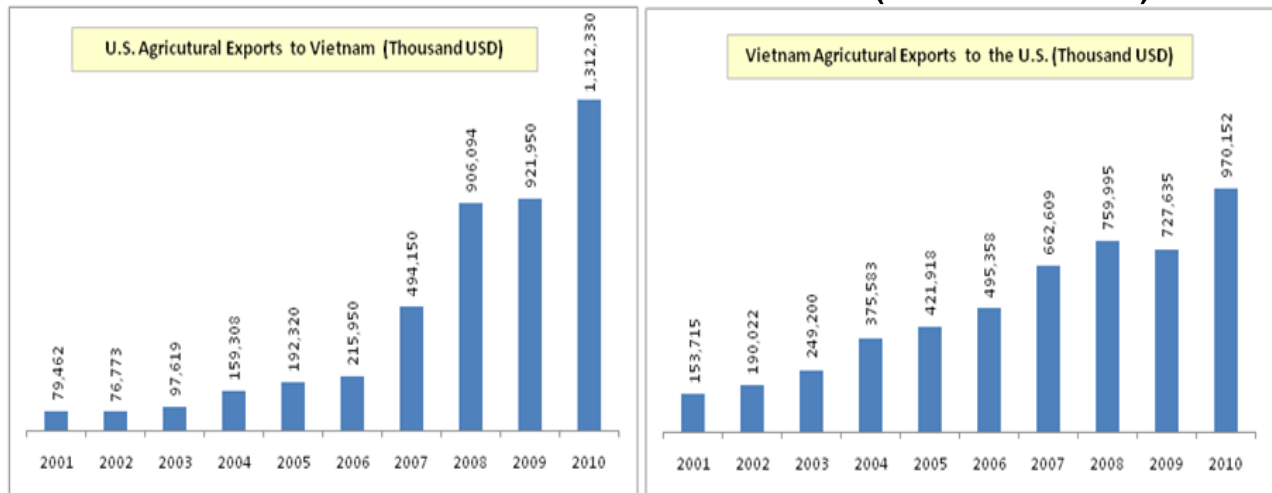
Vietnam Customs Study Tour to Washington, D.C. The study tour for Vietnam Customs officials to Washington, D.C. to learn about the U.S. experience with Customs-Business Partnerships was conducted in August 2013 with funding provided by the USAID ASEAN Single Window Project in Jakarta. In spite of considerable logistical challenges, the visit was successful in providing the Vietnamese officials with a much better understanding of the U.S. experience, both from a U.S. Customs perspective and from the perspective of U.S. businesses participating in the program. The visit also laid a foundation for a more formal, in-depth partnership between the two customs organizations in the future.

Facilitating Agricultural Trade

Trade between Vietnam and the United States in agricultural products grew tremendously over the life of the project. In 2012, the United States exported \$1.7 billion worth of agricultural products to Vietnam, making Vietnam the 16th largest market for the agricultural exports. Over the same period, Vietnam exported \$2.5 billion worth of agricultural products to the United States (see Figures 4 and 5). As impressive as this growth has been, the TPP FTA could accelerate this trade even more. Increased trade, however, will only be realized if there is a legal framework in place that supports it. Both countries recently passed new legislation that could have a tremendous impact on trade in agricultural goods, so an important area of activity for USAID STAR Plus was addressing these new challenges. The risks were particularly high for U.S. producers of dairy products, including some new dairy ingredients that are just starting to be produced on a commercial scale. The goal was to ensure that Vietnamese standards are harmonized with international standards to the maximum extent possible. USAID STAR Plus worked very closely with the U.S. Department of Agriculture (USDA), the Food and Agriculture Export Alliance, the Ministry of Industry and Trade (MOIT), MARD, the U.S. dairy Export Council, and private There were several issues related to the new Food Safety Law that particularly benefitted from USAID STAR Plus involvement. For example, US dairy products are inspected by the Food and Drug Administration, but exports are granted an export certificate by the USDA's Agricultural Marketing Service (AMS)

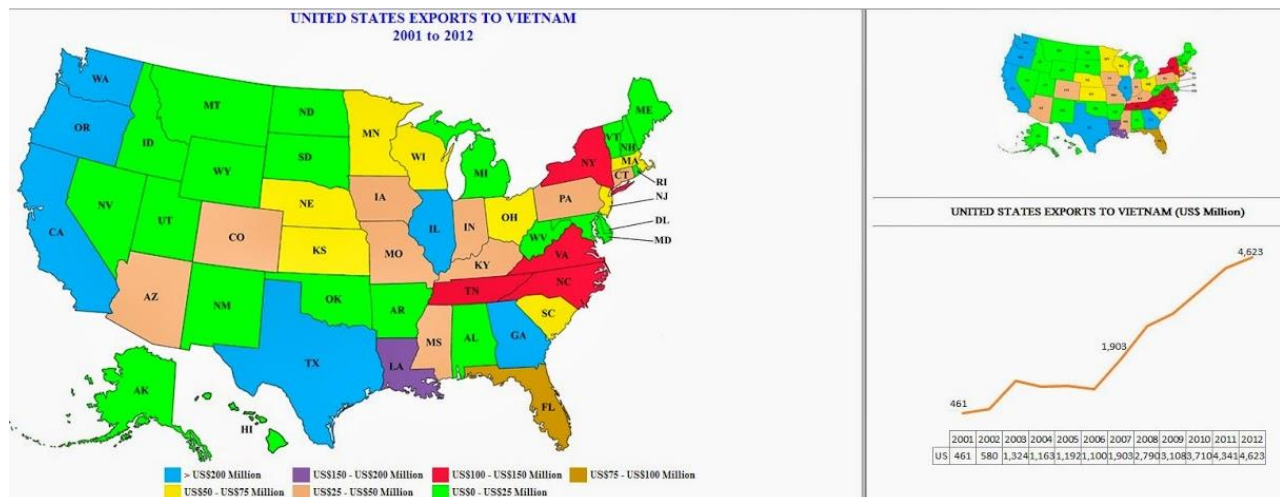
MARD received and accepted the AMS certificates for imported products, but they had difficulty understanding why this was a USDA certificate versus an FDA certificate. The Project was able to persuade them to accept the AMS certification and trade in dairy products was allowed to continue without interruption. Another example was the need to persuade MARD and the Ministry of Trade and Industry that dried milk powder can also be used in animal feed because the quality and safety of the product is the same, but if dried milk powder is heated and not handled properly, it may develop dark specks that may make it unattractive to an infant formula manufacturer because the formula may not be white enough for consumers. Resolving issues like this were important to opening large markets for US agricultural exports.

FIGURE 4: GROWTH OF BILATERAL AGRICULTURAL TRADE (THOUSANDS USD)



Source: USDA Foreign Agricultural Service (<http://www.fas.usda.gov/gats/default.aspx>)

FIGURE 5: UNITED STATES EXPORTS TO VIETNAM 2001–2012



Other activities carried out included:

- Workshops for almost 200 people in the north and south of the country. These were intended to enable participants to understand the new sanitary and phytosanitary (SPS) requirements of the U.S. Food Safety Modernization Act. Special attention was devoted to the issue of maximum-permitted chemical residue levels (MRL) and the successful experiences of Mexico and New Zealand in developing new markets for avocados and Kiwi fruit. Some Vietnamese officials who were angered by the U.S. Food and Drug Administration's refusal to allow some dragon fruit shipments to enter the U.S. market were calling for retaliatory action against U.S. exports to Vietnam. The Food and Drug Administration detected tiny amounts of a fungicide widely used in Vietnam on the skin of the fruit. The amounts were far below the permissible MRL set by the European Union, but the United States does not have an MRL for that particular substance. In the absence of a U.S. MRL, the FDA will not permit any amount on imported food. As a result of the Project's efforts, agreement was reached on the steps needed to overcome this issue and retaliatory action against U.S. agricultural exports was averted. The dragon fruit MRL issue is not yet resolved, but discussions are underway with the EPA that will lead to a resolution.
- Training, in cooperation with MARD, of 40 people from ministries, milk associations, dairy producers, importers, and research institutes on dairy risk assessment. Vietnam is the seventh largest market for U.S. dairy products, so the implications for trade were tremendous. The primary message to the participants was that risk assessment must be based on science. This basic, but important message is critical to the continued ability of U.S. producers to export to Vietnam, so it is reinforced continuously in all of our programs.
- Training of MARD officials on the concepts and principles of food safety risk assessment. The presenters included the former U.S. Undersecretary of Agriculture for Food Safety. As well as covering general principles, the program identified low-cost and no-cost steps that could be taken in wet markets that could have a dramatic impact in reducing the incidence of food-borne illnesses.
- Training of 35 officials from National Agro-Forestry-Fisheries Quality Assurance Department laboratories, the Ministry of Health and the Ministry of Trade and Industry on international best practices in implementation of food safety laws, based on the 2012 CODEX guidelines for National Food Control Systems. The training covered both domestic and imported food.

Vietnamese producers must be able to meet international standards for product quality and safety and, increasingly, they must respond to consumer demands for compliance with environmental and social sustainability standards. Many Vietnamese producers have found the well-known international sustainability standard, developed in the United States and European Union, to be too complex and confusing. To address this problem, the International Trade Centre (ITC) in Geneva developed a benchmarking system that compares the specific elements of standards like Vietnam Good Agricultural Practices (VietGAP) to internationally known standards, such as Global Good Agricultural Practices (GLOBALG.A.P.). USAID STAR Plus worked with MARD and the ITC to benchmark the provisions of VietGAP and compare them to GLOBALG.A.P. and other codes of good agricultural practice. Since VietGAP is not well known outside Vietnam, this was an important step toward greater acceptance of VietGAP by foreign purchases of Vietnamese products and improving the quality and safety of Vietnamese agriculture.

To operationalize the research on standards, USAID STAR Plus conducted workshops in Can Tho on the standards map and benchmarking standards for aquaculture and agricultural practices. The participants included government officials, enterprises, universities, VCCI, certification bodies, and agriculture promotion organizations in the south. They learned how to use Trade Map, a methodology to benchmark good agricultural practices standards, especially VietGap, using the ITC Standards Map database and tools.

Legal Framework for Trade in Agricultural Products

U.S. poultry exports are a major component of U.S. exports to Vietnam. In 2011, more than 44,000 tons of broiler meat was shipped from the United States to Vietnam and, according to the USDA, poultry exports supported more than 28,000 jobs in the United States. However, U.S. poultry exports have also been a frequent target of market access barriers. Most of these barriers have been in the form of overly restrictive SPS measures, but antidumping investigations have been initiated by China, South Africa, and Ukraine. Because U.S. producers make most of their profits on high-value pieces that are consumed in the domestic market while exporting lower value items, U.S. poultry exports can be subject to allegations of dumping because of the low per-kilo values of these exports. However, these exports fill an important demand for low-cost protein in growing markets like Vietnam. The U.S.A. Poultry and Egg Export Council members were alarmed by reports in several poultry industry publications that Vietnam was preparing an antidumping case against U.S. poultry. USAID STAR Plus was able to meet with key players in the Government of Vietnam to clarify that there were no active antidumping investigations on chicken imported from the United States, much to the relief of U.S. industry.

In 2012, USAID STAR Plus played a more proactive role in reducing nontariff barriers to agricultural trade. At the request of MARD and with the encouragement of the USDA, we provided detailed comments on the Law on Plant Protection. This early intervention led to important changes in the law that averted the passage of legislation that would have erected new obstacles to trade and, undoubtedly, led to costly and disruptive trade disputes.

Training of Vietnam Competition Authority and MOIT Negotiators

To enhance local capacity to deal with trade remedies cases, USAID STAR Plus sent five officials from the Vietnam Competition Authority to Phnom Penh for a training program on trade remedies sponsored by USAID and taught by an expert from the WTO Secretariat in Geneva. In addition to the delegation from Vietnam, the USAID regional mission in Bangkok sponsored the participation of 20 people from Cambodia and two from Laos.

Vietnam Competition Authority staff received additional training on antidumping over the course of approximately six months. USAID STAR Plus also conducted workshops with the Vietnam Competition Authority to train local officials and members of the Consumer Protection Association on the new Commercial Protection Law and techniques for effective handling of consumer complaints.

In March 2013, USAID STAR Plus formally launched an online training course on commercial diplomacy developed by the Institute for Trade and Commercial Diplomacy in the United States. The course, which consists of 20 modules and a final examination, has been taught at the Monterey Institute of International Studies as part of a master's degree program and at the Ministry of Foreign Affairs (2010) and Ministry of Trade (2004). Many of the 27 people enrolled in the course are active participants in the ongoing TPP negotiations.

Sustainable Standards and Market Research Tools

With support from E3 in USAID/Washington, the ITC in Geneva developed a number of sophisticated analytical trade tools that are available to people in developing countries, including Vietnam, at no cost. Working with MOST, USAID STAR Plus and ITC trainers conducted numerous training programs to make these tools more widely available. The tools (Standards Map, Trade Map, Product Map, and Investment Map) are powerful, yet easy-to-use mechanisms that allow businesses and others to identify new markets for their products and understand what the requirements are to compete in those markets successfully. While initial training efforts focused on business users, subsequent efforts were aimed at training of trainers in Ho Chi Minh City, Hanoi, the Central Highlands, and Da Nang. To make the tools more accessible, a CD-ROM guide to Trade Map was dubbed in Vietnamese and distributed widely. As a result of the training, Vietnam has risen to be the 10th heaviest user of these tools in the world. Anecdotal evidence and usage statistics from the ITC in Geneva suggest that the training has had a big impact. In the words of one training participant, “Trade Map is the greatest tool that I have ever known and applied to my business. This is very useful for my company’s export business. The data is very precise and updated frequently. At first, I am going to use this tool to search for new potential products for export.” Although the primary beneficiaries were Vietnamese exporters, the ITC tools are also available to U.S. producers in Vietnam. Companies such as Nike can benefit from locally produced products that are more competitive internationally as a result of meeting internationally recognized standards, such as the Rainforest Alliance standard and Fair Trade Standards.

MOFA Training

Between 2010 and 2013, USAID STAR Plus partnered with Connecticut College to provide three annual training programs on international economic integration for mid-level staff of MOFA. The five-week training courses included two weeks in Hanoi and three weeks in the United States. A total of 61 people have undergone the training. Most were mid-career diplomats from MOFA, but in 2012 and 2013, the participants included fairly senior staff from the Central Committee of the Communist Party. The Government of Vietnam regarded the training as sufficiently important that it agreed to cover approximately 90 percent of the total cost. While the full impact will not be known for several years, early indications are that the participants will be enthusiastic advocates for increased economic integration in the coming years.

Legal Education

An early focus of USAID STAR Plus was developing the human resources to strengthen the rule of law. In the first year of operation, the project supported the Hanoi Law University’s efforts to establish a new, four-year program to produce international trade lawyers. The program benefited from technical assistance in developing the new curriculum provided by international and local experts and the provision of books and other teaching materials on legal English. Several U.S. experts, including the Dean of the University Of San Francisco School Of Law, shared their experiences in running law schools and teaching law with the faculty of Hanoi Law University. The new program, which was launched in September 2011 with an intake of 150 students, has proven to be popular. Assistance to the Hanoi Law University was cut back sharply in the second year due to competing higher priorities, but a series of guest lectures by visiting U.S. professors, USAID STAR Plus staff, and legal experts from Baker & McKenzie were conducted in FY 2013.

Every person wishing to practice law in Vietnam must undergo training and pass an examination administered by the MOJ’s Judicial Training Academy. At the request of the MOJ, the home ministry for STAR Plus, the project supported several workshops on the U.S. legal education system, experiences in

running law schools and clinics, the organization of bar exams, the training of judges, and the use of mediation by courts. Academy officials said the workshops provided very useful information that will be used to improve their future programs for lawyers and judges.

In cooperation with the European Union-funded European Trade Policy and Investment Support Project (MUTRAP) II program, USAID STAR Plus trained approximately 80 undergraduate students from the Diplomatic Academy of Vietnam on WTO law over nine months. The feedback from the students indicated a high level of satisfaction with the course and strong demand for more interactive (that is, nontraditional) teaching methods.

SUB IR 1.2: EFFECTIVE CAPACITY TO NEGOTIATE NEW TRADE AGREEMENTS

Support for the TPP Negotiations

Per the instructions of the Steering Committee and USAID, support for the TPP was a high priority throughout the life of the project. Under the guidance of USAID, we consulted and coordinated with USTR and the U.S. Embassy to provide TPP-related technical assistance to the maximum extent possible. While progress was made, our efforts were hampered by the secrecy surrounding the text of the chapters that were being negotiated and the difficulty of engaging the overstretched counterparts in USTR and MOIT due to the rapid pace of the negotiations and the need to travel constantly. Nevertheless, the assistance that was provided increased the knowledge of Vietnamese policy makers and, according to the USTR, accelerated and smoothed the TPP negotiations. Specific assistance included:

- Supported MOIT, GDVC, and related parties to better understand the rules of origin and customs issues under a U.S. FTA through a project design mission in May 2011 by Jay Eisenstat, former head of Customs for USTR in Washington.
- Conducted a series of workshops in 2011 on government procurement, IPR, and labor issues where USTR experts exchanged ideas with their Vietnamese counterparts, including those not serving as negotiators, but who play a key role in making and implementing TPP-related policies;
- Conducted a study mission to Chicago and Washington, D.C., on government procurement. The study mission enhanced the understanding of the Ministry of Public Investment's Tendering Department on the U.S. experience in legislating and administering public procurement. The mission was described as "very useful" and "much more than expected" by the delegation." The team learned a great deal from the U.S. approach of seeking best value instead of the current system in Vietnam, which favors the lowest bids.
- As a follow-up to the study tour, at the request of MPI, USAID STAR Plus invited Steven Schooner of the George Washington University to visit Vietnam to share U.S. procurement practices and regulations governing public procurement with MPI. Professor Schooner reviewed Vietnam's laws governing government procurement and advised local officials on the benefits of basing procurement decisions on value for money and quality of goods and services rather than focusing only on the lowest bid, as is the current practice. During his visit, the Project also supported two workshops that involved WTO experts on government procurement and the WTO's new Agreement on Government Procurement (GPA). As a result, MPI is considering making significant changes to government procurement procedures that would result in better value at a lower cost. The changes would also bring Vietnam into line with WTO GPA. This, reportedly, would remove a major obstacle in the TPP negotiations.

- Using the South Korea-U.S. Free Trade Agreement (KORUS) as a proxy for the confidential TPP chapters, the Project prepared 55 papers (four volumes) that identified gaps between existing commitments and laws and those likely to appear in the TPP. In many cases, this analysis revealed that Vietnam had already agreed to certain conditions that they were rejecting under the TPP. Simply creating awareness of existing concessions was, reportedly, helpful in moving the discussions forward.
- To increase understanding and build support for the TPP, the Project undertook several programs with the Foreign Affairs Committee of the NA. Peter Petri of Brandeis University spoke at eight events in 2012 for more than 350 people about an independent analysis of the likely impact of the TPP. According to Dr. Petri's model, the welfare gains from the TPP could rise to \$104 billion per year by 2025. Among the nine countries then participating in the TPP, Vietnam would be the greatest beneficiary by far. Ambassador Susan Schwab, the former U.S. Trade Representative, briefed 90 NA leaders and other high officials on the potential benefits of an FTA with the United States and the challenges of the TPP. The proceedings of the workshop organized around her trip were subsequently published and distributed to all members of the NA. At the request of the NA Foreign Affairs Committee, the Project also conducted workshops on the TPP for People's Deputies and local officials from the north, middle, and south of the country (140 people). Featured speakers included Ambassador Alan Wolff, former Deputy U.S. Trade Representative, and Robert Rogowsky, former Senior Economist at the International Trade Commission in Washington.

At the request of the NA, the Project translated three documents and provided copies to all NA Deputies: the Trans-Pacific Strategic Economic Partnership Agreement (prepared by the Congressional Research Service); Enhancing Trade and Investment, Supporting Jobs, Economic Growth and Development: Outlines of the Trans Pacific Partnership Free Trade Agreement by USTR; and USTR Press Releases: Melbourne Round of the TPP Negotiations.

- One of the key issues in the TPP negotiations is the Environment Chapter. To increase the understanding of the issues on the part of MOIT, the Ministry of Natural Resources and Environment (MONRE), and other stakeholders, USAID STAR Plus brought David Brooks, the former USTR Director for the Environment, to Vietnam. Dr. Brooks participated in workshops in HCMC and Hanoi titled "Environment in Free Trade Agreements, Related Regulations and Implementation." He also held a number of meetings with relevant ministries. Dr. Brooks identified three key issues that needed to be addressed: 1) a lack of understanding of the complex legal text on the environment that the United States has tabled (in prior FTA agreements); 2) weak inter-ministerial coordination; and 3) limited consultation between stakeholders and ministries regarding trade and the environment. Several ministries expressed strong interest in having Dr. Brooks return to follow-up, but the Project was not able to obtain a specific commitment from the MONRE regarding the scheduling and content of additional work on this topic.
- To increase local understanding of TPP-related issues, USAID STAR Plus and MOJ held a workshop in February 2012 for 40 representatives of MOIT, Customs, MPI, the Foreign Trade University, and other ministries on transparency, investment, and dispute settlement commitments one would expect to find in an FTA with the United States. The KORUS FTA was used as a proxy for the TPP since that text is not available to the public.
- To provide TPP negotiators with easy access to key information during the negotiating rounds, USAID STAR Plus provided MOIT with USBs containing more than 1,000 documents, including:

- Tariff Nomenclature for all TPP countries;
- Bilateral trade data for all TPP countries as the HS six-digit level;
- The text of all FTAs Vietnam has signed with TPP countries;
- Vietnam’s WTO commitments;
- Key WTO Agreements in Vietnamese; and
- Research data and research studies on the TPP.

The USBs were distributed before the 12th round of TPP negotiations held in Dallas, Texas, and were warmly received. A web-based version of the material was also launched so that business associations, nongovernmental organizations, and any other stakeholder could easily download it.

- Former senior U.S. Customs and Border Protection official Janet Labuda prepared two research papers on customs issues (“Yarn Forward Rule of Origin and Investment Potential” and “Importer Self-Certification”). These papers formed part of the foundation for a larger technical assistance program to address Customs constraints likely to emerge from the TPP FTA agreement.
- USAID STAR Plus conducted several outreach programs in FY 2012 to raise awareness and support for the IPR protection in the TPP. The audiences, which ranged from 60 to 100 persons per event, included lawyers, academics, students, executives, journalists, and Government officials. Speakers ranged from experts on the pharmaceutical industry to Google to the Motion Picture Association of America. These events were an “eye opener” for many of the attendees, but the extensive press coverage reached a much larger audience.
- The MOIT identified seven, high-priority TPP research topics that it wished to have USAID STAR Plus assistance on:
 - Labor and trade unions (the U.S. and Singapore experiences);
 - Yarn Forward Rules and FDI;
 - Self-certification of rule of origin (U.S. experience);
 - U.S. experience in dealing with fraudulent declarations of origin;
 - FTAs and their effect on trade; and
 - Nonmarket economy status.

Five highly respected experts were identified to work on these issues, but USTR expressed strong reservations about all of the requests. Limited assistance was provided to the General Department of Customs, but work on the other topics was suspended due to USTR fears that it might complicate ongoing negotiations.

- With a strong endorsement from USTR, the Project engaged Peter Petri for a return engagement to increase public awareness and support for the TPP FTA in March 2013. Dr. Petri had refined his research findings since his last trip by adding new information related to the expansion of the TPP. His new research predicted that:

- The TPP will generate large global benefits (\$223 billion increase in incomes, \$305 billion increase in exports, \$315 billion increase in imports, and \$225 billion increase in FDI).
- Vietnam would enjoy a \$26.2 billion increase in incomes under the current scenario.
- If Japan joins the TPP, Vietnam’s income gains would rise to \$35.7 billion.
- Income gains to the United States are predicted to reach \$23.9 billion with 11 countries participating in the TPP, but the gains would rise to \$76.6 billion if Japan joins the TPP.
- Vietnam will have to overcome difficult issues related to rules of origin, labor, IPR, and environment.
- Vietnam stands to gain more from membership in the TPP than any other country.

Dr. Petri took part in five workshops during his second visit to Vietnam. These included two public events with MOIT for policy makers and businesses in Hanoi and Ho Chi Minh City, a technical workshop with the Ho Chi Minh National Academy of Politics and Public Administration, and roundtable discussions with faculty, students, and researchers from the Foreign Trade University and the WTO Center of the Ho Chi Minh City People’s Committee. Dr. Petri also met with a large Hong Kong-based textile investor, Virginia Foote of the U.S.-Vietnam Trade Council, in Hanoi and Viet Hang Corporation, a large, vertically integrated textile company in Ho Chi Minh City. The events attracted large audiences and they generated significant media coverage. In addition to the press at the MOIT events, Dr. Petri taped an interview on a finance and business cable television channel, FBNC, which was broadcast on April 10, 2013. The Public Affairs Section of the U.S. Consulate in HCMC also arranged an in-depth interview with a journalist from the Tuoi Tre newspaper, a leading news source with a daily circulation of 450,000.



Media coverage of policy discussion

Measuring Yarn and Fabric Production Capacity

One of the major obstacles to progress in the TPP negotiations is information regarding the yarn and fabric production capacity in existence in Vietnam. Econometric models, such as the one developed by Dr. Petri of Brandeis University, suggest that Vietnam stands to gain tremendously when the TPP goes into effect—and many of these gains will accrue to the textile and garment sector as a result of new investments in production capacity. To assist all parties in obtaining production information, USAID STAR Plus undertook two rapid research efforts, including a telephone survey of yarn and fabric producers. Results showed large discrepancies in Vietnam’s General Statistics Office data, trade statistics available from the ITC’s Trade Map tool, and data from Vietnamese textile association websites. The response from the telephone survey was disappointing. Few companies were willing to divulge information without a formal, written request. Nevertheless, a considerable amount of information from public sources was collected and made available to interested parties. USTR expressed great appreciation for this effort.

Ho Chi Minh Academy Lectures

William Frasure of Connecticut College conducted a lecture on “International relations in the Asia-Pacific region; roles of big countries such as the U.S., China, Russia, Japan and international organizations such as ASEAN and the East Asia Community” at the Ho Chi Minh Academy for Political and Administrative Development.. The program was in response to a request to the U.S. Embassy from the Academy. More than 70 faculty and scholars from the Academy attended. Dr. Frasure highlighted the emergence of China as both an opportunity and a challenge for Vietnam, the region, and the United States. Participants were interested in the diplomatic options available to Vietnam given the current situation. Dr. Frasure stressed the importance of respecting international law and working amicably and collectively to resolve disputes, such as the conflict over the East Sea/South China Sea.

Mark Gallagher also lectured at the Academy on fiscal transparency in May 2013. Academy officials expressed great appreciation for the support they received through the USAID STAR projects over the past five years and asked that consideration be given to increasing the level of support, which had been cut sharply due to competing priorities. The U.S. Embassy subsequently made arrangements for a more sustained effort using Department of State and Department of Defense resources.

Ministry of Foreign Affairs Training

Mr. Vu Quang Minh, is the former Economic Counselor of the Embassy of Vietnam in Washington and the current Ambassador to the United Kingdom and Ireland. Between those assignments he was stationed in Hanoi with the Ministry of Foreign Affairs. Ambassador Minh felt strongly that there was a need to build the capacity of Vietnam’s diplomats to understand international economic integration so they could contribute to Vietnam meeting existing trade agreement obligations. In conjunction with the USAID STAR II project and Connecticut College, a plan was developed to train a small group of promising, mid-level MOFA staff in Hanoi and at Connecticut College. The first of these training programs was conducted under the STAR II project and it continued under USAID STAR Plus for three more years. In addition to MOFA staff, the training courses benefitted from the participation of many staff from the Central Committee of the Communist Party. By the time the fourth annual training was held, the participants were fairly senior members of their respective institutions and the class size had increased from 15 to 18. The Government of Vietnam also provided all of the funding for the overseas portion of the training. As a result of this effort, there are now more than 60 rising stars in the Ministry of Foreign Affairs and the Central Committee of the Communist Party that are well trained in issues related to international economic integration. Early evidence suggests that they will continue to be an important force to promote greater international economic integration, especially with the United States.

Negotiation Skills Training

A common complaint from those involved in trade negotiations with Vietnam is that there is a severe shortage of people with the necessary skills to conduct a negotiation. There is little understanding of the fundamental principles and, as a result, negotiations often stall over minor issues. To begin to address this problem, USAID STAR Plus provided negotiation skills training for 20 trainers from the Diplomatic Academy of Vietnam (DAV). The Academy trainers intend to use their new skills to design a similar training program that will be added to the DAV’s curriculum. Since the DAV is a major source of skilled workforce for MOFA and other ministries, this effort, combined with the commercial diplomacy training discussed earlier, could have a positive, long-term impact on ministerial capacity.

TPP and Investor-State Dispute Resolution

An inevitable result of increased FDI is an increase in the number of investment disputes involving the Government. It is increasingly important that local officials understand their responsibilities with respect to avoiding and resolving investment disputes under the TPP FTA, as well as the Bilateral Trade Agreement and Bilateral Investment Treaty. To address this need, USAID STAR commissioned David Gantz of the University of Arizona prepare a research paper on the subject and engaged him to conduct three workshops for 155 officials from throughout Vietnam. As a result, MOJ fundamentally changed the approach it had been planning to use in drafting a Prime Ministerial decision on investor-state dispute resolution. The new approach will result in better coordination among Government bodies and quicker resolution of investor-state disputes.

IR 2: COMPETITIVE ECONOMIC GOVERNANCE

SUB IR 2.1: IMPROVED EXECUTIVE BRANCH ORGANIZATION, COORDINATION, AND POLICY COHERENCE FOR MORE EFFECTIVE BUSINESS REGULATION

OOG Study Tour to Washington, D.C., Montana, and California

The Constitution of Vietnam is scheduled to be amended by 2014 to bring it more into line with the shift to a market economy since it was last changed 1992. The Government is interested in using this opportunity to make fundamental changes in the organization of the Government and to decentralize authority to provinces and lower levels of government. USAID STAR Plus undertook a number of activities help to officials from the OOG, MPI, and the Ministry of Home Affairs formulate alternatives and make informed choices. Much of the effort was focused on developing the Law on Organization of the Government. The main objectives were to ensure:

- Effective implementation of laws and orders, including those on economic integration, from the top levels of government to the bottom.
- Effective cooperation and communication among ministries working on crosscutting issues, such as climate change.
- Greater professionalism in the civil service (shifting from a control culture to a service culture).

In April 2012, USAID STAR Plus organized a study tour to Washington, D.C, Missoula, Montana, and Los Angeles, California, for 11 senior officials from the OOG, the MOJ, MOFA, and, the Ministry of Public Security. The group met with a wide range of people and organizations—from the White House Office of E-Government to the Mayor of Missoula. The delegation said that the exposure they got to U.S. institutions was invaluable. The study tour was followed by several workshops in different parts of Vietnam to seek input from the public and private sectors with regard to how to devolve power to the local level and to share the lessons learned in the United States with local leaders.



OOG study tour participants.

USAID STAR Plus also partnered with the American Bar Association and the Vietnam Lawyers Association to discuss proposed changes to Article X of the Constitution. Article X deals with the importance of prosecutorial independence and the role of the prosecution in civil appeals.

Other programs that attracted large audiences include a two-day technical workshop on the U.S. Constitution for the MOJ and the NA, a two-day workshop on the role of the Government in the economy, and a detailed discussion with officials from MPI on what steps should be taken to decentralize authority for a number of government functions to various local authorities. In the MPI program, two clear conclusions were reached. First, it is impossible to separate investment decisions from politics. Second, completion among different political parties is an essential element to ensure better decision making. It is not clear how these findings will be incorporated in the new constitution and other instruments, but the level of awareness of these issues was raised considerably.

Franchising

One of the most promising opportunities for new investment in Vietnam is franchising. At the request of the MOIT, the Project worked with MOIT officials and the U.S. Foreign Commercial Service to conduct a workshop in HCMC for approximately 100 people, including regulators and businesspersons, to promote the concept of franchising. The participants learned about the relevant Vietnamese laws governing franchising and how they compare with international best practices, cases studies of good and bad franchising, and guidance on things to consider before entering into a franchise contract.

State Bank of Vietnam (SBV) Training Program on the Use of Codification Software

USAID STAR Plus organized training from June 6 to 8, 2013 in Hanoi for SBV officials responsible for drafting, reviewing, and managing legal normative documents (LNDs) in various departments of the SBV. Led by Nguyen Thi Tuyet Duong, Deputy Director of the Legal Department of the SBV, a group of approximately 30 officials were trained on how to update and maintain the new software to ensure that the Code that it produces will always contain all applicable LNDs and only those that are currently valid. The heads of different departments and units also discussed their plans for using the Code. According to the SBV officials, the time and effort required to review regulations on specific topics or issues will be dramatically reduced as a result of the new Code, which represents a reduction in volume of more than 66 percent. They added that their confidence in their work will be much higher as a result of the improvements in how LNDs are handled. In her closing remarks, Mrs. Duong said, “The Code will contribute greatly to our day-to-day work and we strongly commit to updating and maintaining it so that everybody will share our conviction that the Code is a huge contribution to strengthening the rule of law and a tremendous boost to our productivity.”

Dynamic Comparative Advantage

There is a great deal of discussion among policy makers about the need to “move up the value chain” and to avoid the “middle-income trap.” Using trade data for China, Japan, Vietnam, South Korea, and other countries from 1962 to the present, Jim Riedel and Pham Tra investigated whether or not this is a sound policy recommendation. They found that as countries grow wealthier, their comparative advantage shifts to more capital-intensive products. For Vietnam, their research suggests that efforts to avoid the middle-income trap would constitute a serious misallocation of resources and would do little to benefit the economy. Their findings have been conveyed to policy makers and shared with leading Vietnamese researchers.

Improving the Law-Making Process

Although considerable progress has been made in improving the law-making process in Vietnam, the rules governing local-level law making and national-level law development are different. USAID STAR Plus and MOJ held a series of workshops in FY 2012 to explore the possibility of combining the (national) Law on Laws and the Local Law on Laws. This will ensure that laws at all levels are subject to the same terms of issuance; it is a critical step in improving the effectiveness of laws and regulations at the central and local levels. USAID STAR Plus and MOJ also conducted surveys in several provinces on the implementation of the Law on Local Laws and Decree 55, which established legal divisions at the provincial level. The surveys confirmed that Decree 55 is a great step toward strengthening the rule of laws by mandating the establishment of legal units in 14 local departments. However, implementation has fallen short of expectations. The survey also made clear that there is a tremendous need for codification. The lack of clarity with regard to what laws are currently in effect is a huge obstacle to strengthened rule of law.

These efforts of STAR Plus helped build consensus that several fundamental changes are necessary. For example, the practice of issuing Official Letters with notification is a clear violation of Vietnam's WTO commitments. It is almost certain that the TPP will have requirements for regulatory coherence, regulatory impact analysis, public consultation, and publication. Some of these are adequately covered in the Law on Laws, but are not at the subnational level. Additional efforts to merge these two laws will be undertaken in late 2013. Progress on this issue will strengthen the rule of law and help meet important international commitments.

SUB IR 2.2: IMPROVED JUDICIAL CAPACITY TO ENFORCE COMMERCIAL LAW EFFECTIVELY AND MITIGATE DISPUTES

Revised Criminal Procedure Code

Building on work begun under USAID STAR II and leveraging European Commission funding, USAID STAR Plus commissioned former Federal prosecutor and private defense attorney, Richard Shine, to prepare a 90-page report on the Federal criminal procedure system in the United States. The report was translated into Vietnamese and provided to the Supreme People's Procuracy (SPP). The SPP also examined the criminal procedure models of Russia, China, Korea, France, Japan, and Italy before formulating a proposal for revisions to Vietnam's criminal procedure code. The SPP recommended adopting a number of sweeping changes, including revising the competencies of the prosecution and the courts to overlap, concentrate the power of indictment with the SPP, introduce elements of an adversarial procedure (to provide equal rights for prosecution and the defense, improve the status of lawyers and their ability to represent clients, and improve safeguards for the defendant). The proposal was approved by the Central Judicial Reform Steering Committee and subsequently submitted to the Politburo. The Politburo will act on the recommendations soon after the new Constitution of Vietnam, currently under consideration by the NA, is approved. Approval is expected in early FY 2014. Following Politburo approval, the SPP will draft amended provisions to the criminal procedure process. If approved, the amendments would significantly improve the operation of the judiciary and the Procuracy, as well as improve the quality of justice.

Judicial Assistance

With increasing international integration, Vietnam is experiencing more problems with cross-border criminal activity. Hence, the MOJ sought USAID STAR Plus assistance to learn more about how the United States uses mutual assistance agreements to combat this threat. The Project brought Phil Guentert,

a Federal prosecutor with the U.S. Department of Justice, to Hanoi. He is responsible for handling mutual legal assistance for the U.S. Department of Justice throughout Southeast Asia. A workshop sponsored by USAID STAR Plus and the MOJ attracted 60 people from the SPC, the Ministry of Public Security, the SPP, the OOG, the Office of the State President, Provincial courts, and provincial Civil Judgment Enforcement Agencies. The program identified several problems with the current law and called for legal and institutional reform/cooperation to improve implementation of the Law. There was some discussion of the possibility of a Mutual Legal Assistance Treaty between the United States and Vietnam (this subject also came up during an SPP study tour to Washington in 2010), but neither side appeared to be ready to make a firm commitment. Nevertheless, the exchange did much to enhance informal cooperation. Subsequently, the MOJ, with assistance from USAID STAR Plus, held a workshop to seek input for a report to the Prime Minister on improving judicial assistance. The MOJ reviewed 46 LNDs related to judicial assistance and recommended amending 16 laws, circulars, and decrees.

Hague Conference

The Hague Conference, sometimes called the World Organization for Cross-Border Co-operation in Civil and Commercial Matters, is a global intergovernmental organization established in 1893 that currently has 71 member countries plus the European Union, representing 4.5 billion people. In addition, 70 other countries are parties to one or more Hague Conventions. The Hague Conference's purpose is to work toward unification or harmonization of private international law rules. To this end, the Conference has developed and currently services 39 international conventions that respond to global needs regarding 1) international protection of children, family, and property relations; 2) international legal cooperation and litigation; and 3) international commercial and finance law. In terms of international trade and investment, some of the most important issues the Hague Conference deals with are choice of court agreements in international contracts, recognition and enforcement of judgments, international contracts, legalization of documents, torts (international product liability), and trusts and securities held with an intermediary.

In early FY 2012, the MOJ requested USAID STAR Plus to recruit an international expert to provide advice and assistance in helping Vietnam determine whether to apply for membership in the Hague Conference. USAID STAR Plus succeeded in recruiting the Deputy Secretary General of the Hague Conference, Christophe Bernasconi. STAR Plus funded part of Dr. Bernasconi's trip plus a two back-to-back workshops organized by the MOJ in Hanoi, where Dr. Bernasconi was the main presenter.

Also at the MOJ's request, USAID STAR Plus prepared a paper: "The International Experience in Joining The Hague Conference on Private International Law and the Impact on Vietnam of Joining." The paper set out persuasive arguments why Vietnam should become a member of the Hague Conference. This paper was very well received by the MOJ and the arguments in the paper were subsequently used to persuade other ministries and agencies to agree that Vietnam should become a member of the Hague Conference.

On September 2, 2012, the MOJ announced that the Government had just issued its Decision that Vietnam will join the Hague Conference on Private International Law and on April 10, 2013, Vietnam became an official member. By joining the Hague Conference, the most prestigious organization in the world for private international law development, Vietnam has taken a major step forward in its international integration.

Vienna Convention/Convention on Contracts for the International Sale of Goods (CISG)

The United Nations CISG, also known as the Vienna Convention, is a treaty offering a uniform international sales law. It was signed in Vienna in 1980, and by 2010, it had been ratified by 77 countries.

It is popular because it makes disputes over the sale of goods less expensive and it reduces the risk of being forced to use a legal system that may be completely alien to one party. USAID STAR Plus carried out a survey of 127 businesses and legal professionals to determine their views on whether or not Vietnam should join the CISG. The respondents were overwhelmingly in favor of joining the Convention. The survey results were provided to the MOJ. The MOJ will work with MOIT to prepare a recommendation to the Prime Minister on the subject. If the Prime Minister approves the recommendation to join the CISG, Vietnam will have taken another important step toward international economic integration and in creating a better business environment.

Commercial Mediation

Currently, provisions in different laws and decrees cover mediation in labor, family, and marital disputes, but not commercial dispute mediation. To address this shortcoming, USAID STAR Plus supported the MOJ in conducting surveys in FY 2011 in different provinces to see how mediation is working in practice. This information was used to prepare a new legal framework to support widespread use of mediation to resolve commercial disputes.

The Project also supported the MOJ in conducting a workshop on mediation that was attended by people from many different agencies, including the OOG, the SPC, the MOJ, Hanoi People's Court, Vietnam Lawyers Association, the Departments of Justice from several Northern provinces, commercial banks, law firms, businesses, and the Hanoi Law University. Clifford Wallace, the former Chief Judge of the U.S. 9th Circuit Court of Appeals, gave presentations on U.S. and international rules and practices for mediation. He also discussed his Court's experience with mediation and conciliation, including distance mediation for remote Pacific islands and mountainous areas of the United States. Judge Wallace noted that the use of mediation has not only reduced his court's caseload by more than 1,000 cases per year, it has also greatly increased citizens' satisfaction with the quality of justice provided by the Court.

Vietnamese experts delivered three papers introducing the U.K., French, and Japanese commercial mediation systems. Ms. Minh, Deputy Director of the Judicial Assistance Department (MOJ), emphasized the importance of mediation and other forms of alternative dispute resolution in settling commercial disputes and outlined the MOJ's plans to create a legal foundation for commercial mediation in Vietnam. Participants from the SPC said that the enforcement of mediation agreements is still weak. They asked for the MOJ's attention to this issue. Several participants suggested to the MOJ that mediation should be included as required subject for both law school students and the Judicial Academy.

In FY 2012, the MOJ requested additional assistance in creating a legal framework for using mediation. We brought Patrick King, a 25-year veteran of the Federal bench, to Vietnam to conduct workshops on the topic, meet with local practitioners, and make recommendations regarding the structure of a legal framework. A Dutch lawyer with extensive experience in the field also provided assistance on a *pro bono* basis. Judge King also made presentations at the Judicial Academy on the use of mediation by courts, reinforcing the message of Judge Wallace.

The MOJ subsequently drafted a decree governing commercial dispute mediation that drew heavily on the recommendations of Judge King and Judge Wallace. In July 2013, USAID STAR Plus also supported a workshop in HCMC to review the draft decree with members of the legal community one last time before issuing it. Judge King provided additional comments on the latest draft at no cost to the Project. We anticipate the MOJ will issue the decree before the end of 2013, thus paving the way for a dramatic reduction in the workload of the courts.

Supreme People's Court Web Portal

Established in FY 2010 with assistance from USAID, the SPC web portal continues to 1) provide members of the judiciary with important sources of information to carry out their duties more effectively and 2) provide lawyers and members of the public with greatly increased access to information about the workings of the judiciary. In FY 2012, the Project provided the SPC portal with translations of a number of publications from the Federal Judicial Center in Washington that provide practical advice to make the judiciary more independent and professional. The SPC also continued to post important decisions of the Supreme Judicial Council on the portal.

IPR Handbook for Judges

IPR is a complex, technical subject and most judges in Vietnam are poorly prepared to deal with IPR cases. This is one of the reasons that, in spite of Vietnam's excellent IPR law, enforcement is still weak. To address this problem, USAID STAR Plus brought together the Business Software Alliance, leading lawyers, and a special 14-judge task force from the SPC. The group concluded that it would be beneficial to develop an IPR Handbook for judges that focuses on special procedural and substantive issues inherent in IPR cases and provides many illustrative cases to show how IPR laws should be applied in practice. The plan agreed upon by the participants was to divide the task into three parts, with each group (Business Software Alliance, private lawyers, and the judges) writing different sections. The target date for completion was early 2013. All of the work was to have been done on a *pro bono* basis.

Unfortunately, problems with the quality of some submissions arose early on and slowed down the process. But, by far, the biggest challenge was the difficulty the judges had in finding sufficient free time to write their sections of the Handbook. Various solutions were considered and proposals put forth, but none was satisfactory. With the Project end date rapidly approaching, the effort was postponed indefinitely. If completed, the handbook could be useful in making the courts an effective instrument for enforcing IPR. A detailed agreement with the SPC that addresses all of its requirements would have to be negotiated in advance of publication though.

SUB IR 2.3: STRENGTHENED NATIONAL ASSEMBLY CAPACITY FOR ECONOMIC LAW DEVELOPMENT AND OVERSIGHT

Public Hearings

Several committees of the NA requested assistance in learning more about the U.S. experience with Congressional hearings as a mechanism for exercising oversight of the operations of the Government. To begin to address this issue, Dr. Frasure of Connecticut College discussed the U.S. approach with approximately 50 members of the Budget and Finance Committee, the Office of the NA, and the Institute for Legislative Studies. In separate workshops with Finance and Budget Committee of the NA, USAID STAR Plus experts gave presentations on the role of the Congressional Budget Office and the role of Congressional budget hearings. According to the Committee Chairman, the information provided will be of great help to the NA in exercising greater control over the State budget and state-owned enterprises.

Evidence that these efforts were bearing fruit became apparent in April 2012 when the NA held its first formal Committee hearing. The Minister of Transportation was summoned to testify by the NA. The proceedings were televised and covered by many newspapers. Ordinary citizens were able to send text messages with questions for the Committee Chairmen, many of which were pointed and difficult. More and more hearings like this are likely to be conducted in the future.

SUB IR 2.4: INCREASED TRANSPARENCY AND PUBLIC/PRIVATE SECTOR PARTICIPATION IN THE DEVELOPMENT AND IMPLEMENTATION OF BUSINESS REGULATIONS

Project 16

USAID STAR Plus, the U.K. Department for International Development, and the VCCI jointly sponsored an important public-private partnership to review 16 laws and implementing regulations regarded as very important by the business community that were scheduled for revision by the NA in FY 2012. A report, including detailed recommendations to make the legislation more business friendly, was presented at a press conference and distributed to all ministries and all members of the NA. This effort was an important indication of how much more open the law-making process has become. It also demonstrated how to use these new opportunities—created by the revised Law on Laws and related legislation—effectively to influence the lawmaking process.



Citizen commenting on the Law on Laws.

Ministerial Effectiveness Index

In FY 2011, USAID STAR Plus and VCCI developed the Ministerial Effectiveness Index (MEI) to measure public perception of how well ministries were carrying out their responsibilities. By publicizing the rankings, the MEI was designed to encourage the ministries to improve, much like the Provincial Competitiveness Index led to improved governance at the provincial level. More than 200 business associations were surveyed for the first MEI. The results of the first MEI were released in December 2011. They showed that, with the exception of the Ministry of Public Security, the performance of most ministries was mediocre.

The MEI did appear to have the desired effect. The MEI results were shared with the Prime Minister and, afterwards, the Ministry of Transportation and the MOF met with the VCCI to discuss how they could improve their MEI scores. They also sent formal instructions to all reporting agencies under their jurisdiction to take steps to improve their scores.

For the second MEI, conducted in FY 2012, USAID STAR Plus and VCCI modified the index to include more hard data (such as timeliness of laws and regulations as related to approved schedules, consideration of public comments, and administrative review procedures). It also used Provincial Competitiveness Index data to validate MEI findings on certain issues. As was the case with the first MEI, the second MEI had the support of the Politburo, and VCCI substantially increased its contribution to reduce the dependence on donor support. The results were supposed to be released in November 2012, but they were deemed to be “too sensitive” to be released publicly. Increased transparency is needed to improve the quality of governance, but it seems the Government is not ready to be as transparent as some would like. For that reason, no support was provided for an MEI in FY 2013.

IR 3: SOUND MACROECONOMIC POLICY AND FINANCIAL SECTOR REGULATION

SUB IR 3.1 IMPROVED FINANCIAL SECTOR

Codification of Banking Regulations

Currently, it is almost impossible to determine the currently valid and enforceable regulations governing the banking sector without a long, expensive research effort by legal experts. In FY 2011, USAID STAR Plus conducted a series of technical discussions with the Legal Department of the SBV and engaged a private database company to work with the SBV on this exercise. By the end of the year, the structure of the “Banking Code” had been agreed upon. In FY 2012, the team worked with the law database company to determine what the currently valid and enforceable legal provisions are for the SBV. By the end of FY 2012, the number of LNDs had been reduced from almost 2,000 to 568.

The success of these pilot exercises has generated considerable interest on the part of other organizations, including the Ministry of Home Affairs, the MOF, the SPP, and MARD. Additionally, the effort received a major boost when the Prime Minister issued a Directive on September 28, 2012, that instructed all ministries to begin codifying their LNDs. The Prime Minister also ordered the MOJ to develop software and procedures to accomplish this important task. In recognition of the pioneering work she has done in this field, the MOJ appointed USAID STAR Plus legal program officer, Phan Cam Tu, to be part of the MOJ team to draft a decree to implement the Prime Minister’s Directive and help guide the government-wide effort.

Improved Secured Transaction Operations

In late 2011, USAID STAR Plus and the MOJ hosted a forum for 170 bankers, lawyers, notaries, enterprises, and local registration officials to discuss how to improve secured transactions with officials from the MOJ, SBV, and MONRE. The business community had many worthwhile recommendations as to how the regulatory and institutional problems with the current system could be resolved in order to facilitate access to finance through secured transactions, especially those related to land. The Government subsequently adopted a new Decree on Secured Transactions, which incorporated many of the forum participants’ recommendations.

SUB IR 3.2: IMPROVED MONETARY AND FISCAL POLICY

Financial Stability Report and Early Warning System

The National Financial Supervision Committee, a new body that reports directly to the Prime Minister, requested USAID STAR Plus assistance in developing the country’s first financial stability report. Former International Monetary Fund (IMF) economist Phan Chi and former central bank governor Peter Nicholl provided extensive advice to the Committee on the report. Both have considerable experience preparing such reports for other countries. The Financial Stability Report was intended to be an annual publication and, once it had been shared with the Prime Minister, was intended to be made public. This would have been a major departure from the current practice in the SBV, where such information is closely guarded. Unfortunately, even though the first draft was completed in June 2012, more than 14 months later, the report has not been released and it seems unlikely to ever be released due to political sensitivity surrounding Vietnam’s banking sector.

Governor Nicholl advised the SBV on how to improve the Financial Early Warning System it developed with assistance from USAID. Some SBV officials, however, wish to make the system much more

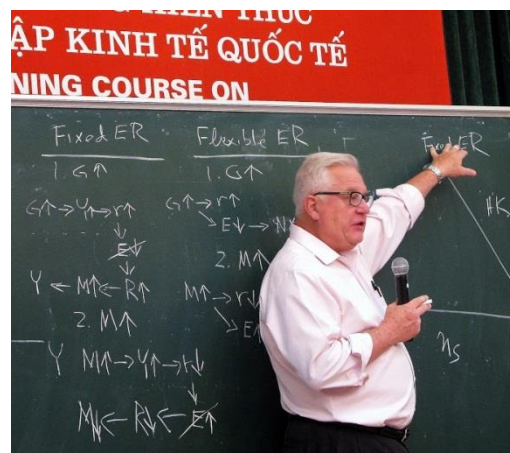
complicated than the systems used by New Zealand and Australia in spite of the difficulty in getting data and the strong evidence that complicated systems do not produce better results. While, similar efforts on behalf of the National Financial Steering Committee were enthusiastically accepted initially, in subsequent months, the Committee staff adopted the SBV approach of being nontransparent and wanting to construct an overly complicated system that would be dependent on data that is not available. Fifteen officials and researchers from MPI and some private banks were also trained in the development of an early warning system and in practical tools that can be used to conduct research and analyses on economic issues of concern to policy makers. The MPI, the Financial Supervision Steering Committee, and the SBV are all using their newly acquired knowledge to prepare reports for high-level policy makers, but the reports are closely guarded, so it is difficult to say how much impact they will have on decision-making.

Budgeting and Financial Forecasting

In FY 2012, USAID STAR Plus conducted several training programs for officials from the MOF, the MPI, and the National Financial Supervision Commission, as well as for academics and others on budgeting, financial forecasting, and the use of financial early warning systems. For the most part, these courses were based on simplified versions of the IMF's forecasting tools for macroeconomic analysis. In some cases, courses were offered for trainers of trainers, so the number of people reached went well beyond the number enrolled in the programs. In the case of one course, the results of a class exercise were immediately used to prepare the CY 2012 budget, so the impact was immediate.

Macroeconomic Policy Training

At the request of the MPI, USAID STAR Plus held a three-day workshop in Do Son in January 2013 for 32 faculty from the Academy for Policy and Development and eight policy makers from MPI, the SBV, the Central Institute for Economic Management, the National Center for Socio-Economic Information and Forecasting, and other government agencies. Pham Thi Thu Tra of the International University in Ho Chi Minh City and James Riedel of Johns Hopkins University School of Advanced International Studies were the main presenters. The topics covered included 1) patterns of production and trade specialization: the new arguments for industrial policy and export sustainability; 2) financial globalization and development—risks and returns; and 3) causes and consequences of recent financial crises. The format included formal presentations in the morning, followed by a discussion of each topic. The participants were engaged, with the afternoon sessions going more than one hour over the scheduled time. Participants repeatedly said the information they gained was extremely useful. The faculty members were enthusiastic about incorporating the information they gained in future training programs. Others stressed that the information they gained about dynamic comparative advantage, the policy challenges of creating conditions conducive to high growth rates and low inflation, and new challenges posed by greater integration in the world economy will be very helpful in formulating policy recommendations for top leaders.



James Riedel delivers a presentation.

Dr. Dao Van Hung, President of the Academy and a member of the Prime Minister’s Advisory Committee on National Financial and Monetary Policies, said that after a USAID-sponsored workshop on “Macroeconomic Challenges, Liquidations and Solutions for Enterprises” in December 2012, he reported the results to the Minister of MPI and every Vice Minister. He said they all greatly appreciated USAID’s assistance. The MPI Minister asked Dr. Hung to work with USAID STAR Plus to develop a paper on inflation and growth and to organize a workshop on the topic, the results of which will be a key input to the mid-term review of the five-year socio-economic development strategy.

Development and Capital Expenditure—International Experience and Vietnam Reality

In July 2013, USAID STAR Plus, the Internationally Monetary Fund (IMF) and MPI conducted a workshop on budgeting issues and international best practices. The participants included 32 people from the MOIT, the Ministry of Home Affairs, MARD, the SBV, and the National Financial Supervision Committee. The focus was on the dichotomy between capital spending and recurrent spending. Mark Gallagher of USAID STAR Plus presented on 1) international standards of budget classification, 2) a review of the draft State Budget Law, and 3) a comparison of the Vietnam budget with that of Jordan, a country that has recently made considerable progress in budget system reform. Mr. Hao Danh Nguyen, the IMF Senior Economist, made a presentation comparing how the Government of Vietnam calculates spending, revenues, and the overall fiscal balance with international standards and showed how the IMF’s calculation of the fiscal deficit differs considerably from the Government of Vietnam’s.

Fiscal Transparency and Lessons for Vietnam

Working with the NA’s Committee on Financial and Budgetary Affairs and the Center for Development Integration, the Project held a workshop in July 2013 on “Fiscal Transparency and Lessons for Vietnam.” Dr. Gallagher presented on fiscal transparency, while STAR Plus Deputy Chief of Party Phan Vinh Quang and Mrs. Ngo Houng of the Center for Development Integration presented the methodology and Vietnam’s scoring in the Open Budget Index. Vietnam has moved up from a score of 3 (tied for last place with Angola) to a current score of 19. USAID STAR Plus engaged a local consultant, Mrs. Dang Ngoc Dung, to work with the NA on writing a Citizen’s Guide to the Budget. The Guide, which will be published in late 2013 by the NA, could potentially increase Vietnam’s score to 30. That would put it on a par with the Dominican Republic and Ecuador.

Training of Trainers on Fiscal Transparency and Public Debt Management

A three-day program for faculty from the MPI’s Academy for Policy and Development was conducted in Quang Binh Province in late July 2013 by USAID STAR Plus’ Mark Gallagher; Jose Oyola, a former senior official in the U.S. Government Accountability Office; and Trinh Tien Dung, an expert on public governance. The program covered key issues in fiscal transparency and discussed lessons learned from Greece and Jordan. The group also worked on a case study of the education sector in Vietnam and learned about the elements of a good public debt management system, current Vietnamese practices and regulations on public debt management, and work on Vietnam-specific debt management case studies.



USAID STAR Plus at the Academy for Policy and Development.

The long-term goal of the Academy is to establish a Master of Public Financial Management degree program, so the workshop is an important pilot activity.

Promoting Public Discussion of Macroeconomic Policies

Throughout 2012, USAID STAR Plus supported forums on current macroeconomic issues and challenges. The topics included restructuring the banking system, restructuring state-owned enterprises, the declining real estate market, the need for a new growth model, public investment, and Resolution 11 (to reduce the rate of inflation). From time to time, USAID STAR Plus also provided the OOG short policy briefs on topics chosen by it. These were circulated to top policy makers and actively considered. While the discussions were all internal to the OOG, the Project was told that the papers were “of great assistance to the top leadership in their discussions of monetary and fiscal policy.”

SUB IR 3.2 IMPROVED FISCAL AND MONETARY POLICY

Fiscal Transparency Technical Assistance

USAID STAR Plus conducted an intensive range of activities in June 2013 in support of the goal of increasing fiscal transparency. These included a workshop with the MOF in Thanh Hoa on fiscal transparency, field visits to local government offices in Hai Duong and Hai Phong with the NA and MOF, training for the MPI’s Academy for Policy and Development in fiscal transparency in Ba Vi, training on fiscal transparency and budget management for the MPI and other ministries and provinces in Hai Phong, a seminar on fiscal transparency at the Ho Chi Minh Academy in Hanoi, and a seminar at the MOF on tax revenue projection modeling. Approximately 200 people were trained in these programs. In addition, the NA received detailed technical recommendations on how to bring the draft Law on the State Budget into compliance with international best practices. Field research revealed a number of disturbing practices at the local level, such as not reporting capital expenditures, systematic under forecasting of revenue collection, funding capital projects uncertain future revenues, and topping up of local budgets by central.

Fiscal Transparency and Public Debt Audit

USAID STAR Plus conducted a four-day training course in August 2013 for more than 40 senior auditors from the State Audit of Vietnam (SAV) and the MOF on fiscal transparency and public debt auditing techniques. The principal presenter was Jose Oyola, an economist and certified public accountant with 20 years of experience with the Government Accountability Office in Washington. Dr. Oyola’s long experience with audits of public debt and training he has conducted for SAV staff in China and the Philippines gave him instant credibility with the SAV participants. The training provided the participants with an understanding for the importance of fiscal transparency as well as technical skills and knowledge to undertake public debt audit. The SAV has a potentially important role in supporting the NA’s oversight role through more rigorous public debt audits. USAID STAR Plus also provided the SAV with Vietnamese language copies of the International Organization of Supreme Audit Institutions’ manual on public debt audits as a reference tool for future audits. Dr. Oyola is the main author of the manual. The SAV expressed sincere gratitude for the training and a strong desire for future technical assistance in this area from USAID. Dr. Oyola said that the Law on the State Audit needs to be revised to provide better access to data and other information by SAV personnel. Currently, he said, the SAV lacks the information technology resources and risk management skills to target high-risk projects/offices. As an interim step, he suggested that the SAV should undertake performance audits on a number of easy targets in order to enhance its reputation and credibility. He said there were enough easy targets to keep the SAV busy for at least two years.

Roundtable Discussion with the National Assembly on State Budget

In July 2013, USAID STAR Plus staff met with the Budget and Finance Department of the NA to discuss line-by-line comments on the draft State Budget Law. The discussion, which lasted almost three hours, touched on various issues with the draft Law. The participants said they highly appreciated the advice given and they agreed to revise the draft to incorporate most of the suggestions made. The main points included:

- Strengthen fiscal transparency provisions;
- Do away with gap filling practices and allocate transfers to local government based on rules and objective criteria; and
- Strengthen the role and responsibilities in a number of cases to exercise budgetary power;
- Clarify the role of MOF and SAV in budget formulation and oversight; and
- Follow the principle of a fiscal year—that is, do not have a carry forward or advance options (alternative solutions were offered based on U.S. and international best practices).

Key changes to the budget law include 1) the introduction of performance-based budgeting; 2) the application of medium-term fiscal and expenditure frameworks; 3) the clarification of roles and responsibilities; and 4) the inclusion of a detailed budget calendar.

Improving Secured Transaction Operations

USAID STAR Plus supported the MOJ, in coordination with the SBV and related agencies, to review the implementation of regulations on secured transactions with bankers in Hanoi and Ho Chi Minh City. These workshops confirmed that USAID support in developing the secured transaction system was very successful. The secured transactions system has experienced increases in usage of 50–70 percent per year over the last several years. The bankers at the workshops provided important input/feedback to enable the MOJ, SBV, and related agencies to amend the current regulations, improve the performance of secured transactions in Vietnam, and increase transparency using integrated information systems. The next step is to implement online secured transactions, as it is done in the United States. Improvements in this area will facilitate access to bank loans, reduce transaction costs, and strengthen the banking system.

Codification of Banking Regulations

The SBV requested that USAID STAR Plus support its pilot codification of all laws and regulations under the jurisdiction of the SBV. At the time, it was almost impossible to determine what the currently valid and enforceable regulations governing the banking sector were without a long, expensive research effort by legal experts. USAID STAR Plus conducted a series of technical discussions with the legal team at the SBV and engaged a private database company to work with the SBV on this exercise. The effort benefited from the strong support from the top leadership of the SBV and the SBV's legal team. Once the structure of the “Banking Code” was agreed on, the team worked with a law database company to identify the currently valid and enforceable legal provisions for the SBV. The same law database company developed a software package to speed up the codification process dramatically and 30 SBV officials were trained in the use of the software so they can ensure the new Code is continuously updated. When the task was completed, the volume of regulations and other legal normative documents had been reduced by 66 percent. Nguyen Thi Tuyet Duong, Deputy Director of the SBV Legal Department said, “The Code will contribute greatly to our day to day work and we strongly commit to updating and maintaining it so

that everybody will share our conviction that the Code is a huge contribution to strengthening the rule of law and a tremendous boost to our productivity.

Stronger Regulatory Framework for the Capital Market

At the request of the State Securities Commission (SSC), the Project supported a mission by Robert Strahota in May 2011. He worked intensively with the technical staff and leadership of the SSC to review and comment on numerous draft regulations. A final review workshop was chaired by the SSC Chairman, Vu Bang, with participants coming from the SSC, MOF, MOJ, MPI, and OOG. A number of Mr. Strahota's recommendations were included in the final rules, which addressed several important deficiencies and promoted healthier development of the capital market.

Macroeconomic Stabilization

Probably the most difficult development challenge facing Vietnam in FY 2011 was the high rate of inflation. It reached 22 percent per annum at one point. The Government responded to this challenge quickly and effectively by issuing Resolution 21 in February 2011, which outlined a detailed action plan to fight inflation. USAID STAR Plus undertook several activities to support the Government's efforts to implement Resolution 21. We undertook several research efforts on behalf of the OOG concerning the conduct of monetary policy and short-term and long-term measures to control inflation. The Project made a number of presentations and shared research results with several agencies, including the SBV, MPI, NA and National Financial Supervision Committee.

Monetary and Fiscal Policy Training

USAID STAR Plus conducted a number of on-the-job training efforts on financial programming for the staff of the MPI and SBV to enable them to conduct medium-term planning for the economy. The training was built on the basic IMF financial programming tools, but they were customized to better fit Vietnam. The MPI reported that the training was very helpful. They said they used their new skills and knowledge immediately to prepare the five-year plan. All of the data and cases used in the training are from Vietnam and closely resemble the current economic situation. Some tables were submitted to the Prime Minister and served as the basis for discussion in the Government at the highest levels. MPI also asked USAID STAR Plus to provide reports on the impact of international development on Vietnam economy and policy implication. Those reports were shared with a limited audience of Vietnamese officials.

The Quest for a New Economic Growth Model

In their efforts to bring inflation under control, policy makers and researchers in Vietnam often cited the need for restructuring the economy, changing the growth model, or moving up the value chain by developing supporting industry. Their interest in these approaches was strongly supported by some foreign advisors, particularly those from Japan. USAID STAR Plus contributed to this discussion by producing two research papers on growth models and supporting industries. These papers were presented at several workshops and shared with policy makers. The papers argued that Vietnam should focus on its comparative advantages. While the need for improving economic efficiency, competitiveness, and performance is clear, Vietnam should not lose sight of the need for continuing international economic integration and export-driven industrialization as this underlines the success of all "economic tigers" in the region. The papers also argued against the "picking winners" approach and stressed the need for reforms to create a transparent and conducive business environment.

Macroeconomic Policy Roundtable Discussion

MPI's Academy for Policy and Development and USAID STAR Plus, with the support of a private insurance company, conducted a half-day workshop in May 2012 for more than 200 researchers and policy makers, considerably more than the 100 to 120 participants that had been expected. The workshop was chaired by MPI Vice Minister Cao Viet Sinh and Dao Van Hung, President of the Academy for Policy and Development of MPI. Other participants included Vice Minister of MPI and Assistant to Prime Minister Dao Thu, directors of MPI, representatives of the Office of the Communist Party, the OOG, and SBV. Joakim Parker, USAID/Vietnam Mission Director, provided opening remarks. Twenty-one research papers were received and four were selected for presentation. Among these was a discussion by Pham Tra of the International University in Ho Chi Minh City on the findings of her joint research with James Riedel of Johns Hopkins University on the relationship between inflation and growth and the resulting policy implications. The results of the workshop were to be reported to the Prime Minister for his consideration.

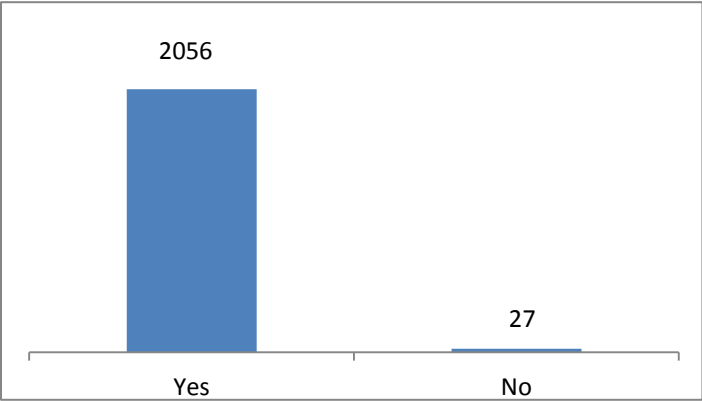
IV. MONITORING AND EVALUATION

EVALUATION DATA FROM WORKSHOPS AND TRAINING PROGRAMS

In three years of operations, USAID STAR Plus supported 190 workshops and training courses for approximately 13,000 people. Where possible, USAID STAR Plus collected feedback on the programs from the participants. We have collected more than 2,000 responses from 104 events and this section presents the results of their evaluation of the programs.

Figure 6 shows that 98 percent of respondents confirmed that the programs met their objectives. This reflects the fact that the counterparts were the drivers of these programs. They designed programs based on consultation with the project and USAID to make sure it met their needs.

FIGURE 6: DOES THE PROGRAM MEET YOUR OBJECTIVES?



When asked about the usefulness of the program, 92 percent of respondents found the programs useful and very useful for their work (see Figure 7). Again, this reflects the key roles of the counterparts in designing the technical assistance programs to assist their current work. The percentage of respondents considering the programs as “very useful” is 41 percent and “useful” is 51 percent. This result may reflect the diversity of participants in our events who have different levels of understanding, skills, and job descriptions and hence have different expectation of the programs. On a scale of 0-10, the score for this indicator is 7.5.

FIGURE 7: HOW USEFUL IS THE PROGRAM TO YOUR CURRENT WORKS?

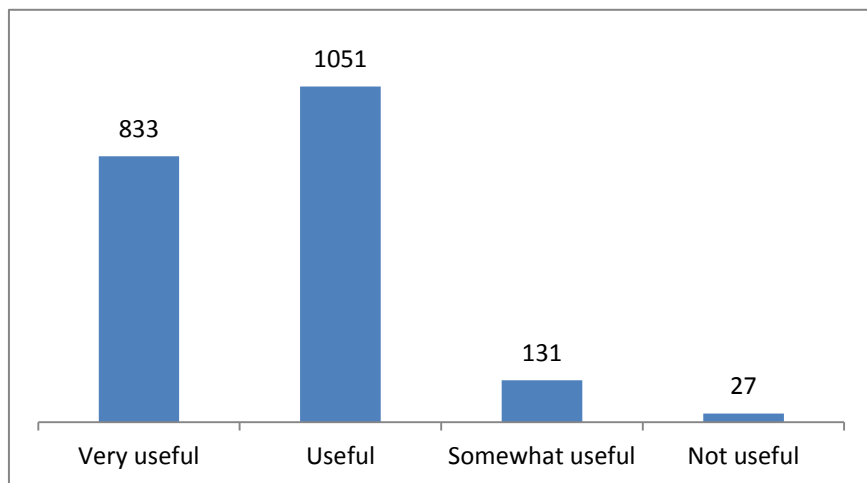
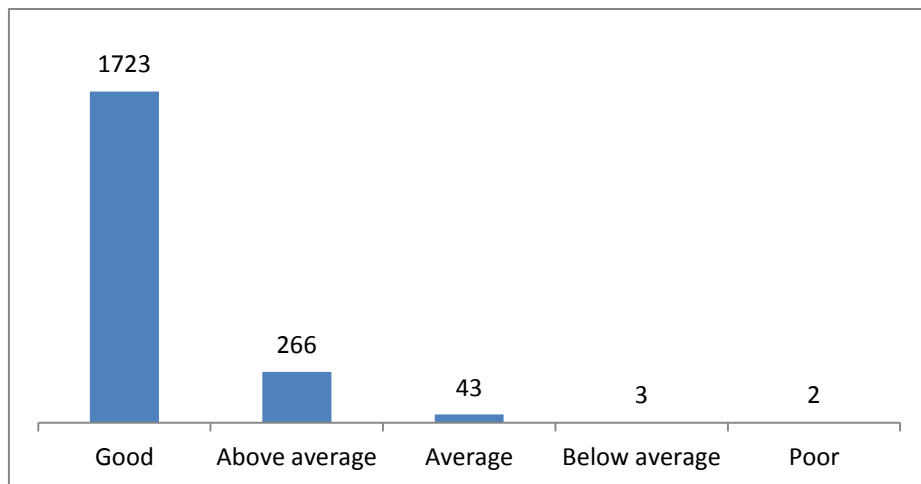


Figure 8 shows the participants’ thoughts on the quality of USAID experts was evidenced by their presentations and materials. Consistent with the other two indicators, 98 percent of respondents found the materials and presentations are good and above average. With the exception of long-term staff in Vietnam, USAID STAR Plus always shared the CVs of international experts with the counterparts for their input before contracting with them. Reengagement of international consultants is always based on feedback from our counterparts about their performance and observations of our staff that work with the consultants and counterparts. On a scale of 0-10, the score for this indicator is 9.5.

FIGURE 8: HOW DO YOU RATE THE PRESENTATIONS?



M&E

Table 1 shows the expected results for indicators for FY2013. USAID STAR Plus met most of the indicators, exceeded some, and did not meet some. Below is our clarification/explanation for significant deviations.

TABLE 1: INDICATOR REPORTING – FY 2011-FY2013

Area	Element	ID#	Indicator	FY 2012 Results	FY 2013 Target	Actual FY 2013
Mission Objective 1 Indicator		2.2.2-6	Number of training days provided to executive branch personnel with U.S. Government assistance	73	50	50
Macro-economic Foundation for Growth	Monetary Policy	4.1.2-12	Number of days of U.S. Government-supported technical assistance in monetary policy provided to counterparts or stakeholders	121	50	25
	Fiscal Policy	4.1.1-15	Number of days of U.S. Government-supported technical assistance in fiscal policy and fiscal administration provided to counterparts or stakeholders	57	30	63.375
Financial Sector	Financial Sector Enabling Environment	4.3.1-12	Number of days of U.S. Government-funded technical assistance in financial sector enabling environment provided to counterparts or stakeholders	87	50	0
Rule of Law and Human Rights	Judicial Independence	2.1.2-7	Number of judges and judicial personnel trained with U.S. Government assistance — Number of men — Number of women	215 (133 men, 82 women)	270 (160 men, 110 women)	0
Good Governance	Legislative Functions and Processes	Custom	Number of initiatives that enhance good governance	14	6	7
		Custom	Number of days of U.S. Government-funded technical assistance in competitive governance provided to counterparts or stakeholders	228	38	36
Trade and Investment	Trade and Investment Enabling	Custom	The trade volume handled by a customs officer (US\$, in millions)	19	21	20.5
		Custom	The decrease of software piracy rate (%)	81	80	Not yet available
		Custom	Number of improvements on TPP negotiation of Vietnam attributable to U.S.G.-funded technical assistance	NA	4	4
		Custom	Number of days of U.S. Government-funded technical assistance in effective trade agreement negotiation and implementation	263	112	156

NUMBER OF TRAINING DAYS PROVIDED TO EXECUTIVE BRANCH PERSONNEL WITH U.S. GOVERNMENT ASSISTANCE

USAID STAR Plus provided 50 days of training to executive branch personnel in FY 2013, which met the target of 50 days. The training topics covered a wide range of areas, including fiscal transparency and budgeting, codification, TBT, US FTAs, Customs, etc.

NUMBER OF DAYS OF USG SUPPORTED TECHNICAL ASSISTANCE IN MONETARY POLICY PROVIDED TO COUNTERPARTS OR STAKEHOLDERS: TARGET 50, ACTUAL 25

USAID STAR Plus reduced the level of activity in this component in FY 2013. In previous years, we conducted a number of training sessions to raise the skills and understanding of policy makers and

researchers. Our support in FY 2013 focused on facilitating domestic research and discussion, and serving as a catalyst. USAID STAR Plus supported MPI in conducting a number of highly successful workshops on monetary and macroeconomic policy in which local researchers, many of whom participated in our training programs, presented their own findings. We used James Riedel and Dr. Phan Tra to provide input to only a few of these events. We organized a core group of domestic economists and researchers working with MPI and related agencies on macroeconomic issues. The focus for FY 2013 on strengthening this group so they would be able to operate with less Project support. This required more full-time staff and less STTA. That is why the number of days of support in this area drops significantly from 121 in FY 2012 to 25 in FY 2013. While we planned for a drop, our FY 2013 forecast did not take into account our better-than-expected programming reality.

NUMBER OF DAYS OF U.S. GOVERNMENT-FUNDED TECHNICAL ASSISTANCE IN FINANCIAL SECTOR ENABLING ENVIRONMENT PROVIDED TO COUNTERPARTS OR STAKEHOLDERS

USAID STAR Plus support in this area was changed from providing short-term technical assistance to facilitating policy dialogue and enabling local experts to discuss issues with policy makers. USAID STAR Plus supported the MPI to conducting a number of policy dialogues on macroeconomic and financial sector development. However, USAID STAR Plus did not provide STTA in this area. This shift in strategy was due to a combination of requests from counterparts to use local expertise and project resource constraints.

NUMBER OF DAYS OF U.S. GOVERNMENT-SUPPORTED TECHNICAL ASSISTANCE IN FISCAL POLICY AND FISCAL ADMINISTRATION PROVIDED TO COUNTERPARTS OR STAKEHOLDERS: TARGET 30, ACTUAL: 63.4

The increase in the number of days of support for fiscal transparency reflects our significant involvement in promoting fiscal transparency in the last few months of FY 2013 using additional funds from the U.S. Department of State.

NUMBER OF JUDGES AND JUDICIAL PERSONNEL TRAINED WITH U.S. GOVERNMENT ASSISTANCE: TARGET 270; ACTUAL 0

We planned to work with the SPC on IPR enforcement in FY2013, in cooperation with the U.S. Patent and Trademark Office. However, the SPC canceled their involvement in these events at the last minute, leaving us to work with IPR associations without SPC judges or judicial personnel. The programs were useful for right holders, but they did not reach the original target audience—judges. Despite of our efforts to remedy the problem with alternate programming, we could not meet this target.

NUMBER OF INITIATIVES THAT ENHANCE GOOD GOVERNANCE: TARGET 6, ACTUAL 7

USAID slightly exceeded the target for FY2013. The six initiatives include (i) a Decree on Codification which confirmed the determination of the Government on codification even though the methodology adopted was far from our recommendations; (ii) completion of pilot codification of banking laws and regulations at the state banks; and (iii) installations of e-official gazette software at 5 provinces.

NUMBER OF DAYS OF U.S. GOVERNMENT-FUNDED TECHNICAL ASSISTANCE IN COMPETITIVE GOVERNANCE PROVIDED TO COUNTERPARTS OR STAKEHOLDERS: TARGET 38, ACTUAL 36

In FY2013, we had two STTA (John Bentley and Judge King) working on improving competitive governance with a total number of days of 36 which was a bit less than the target. However, this did not

take account of the pro bono time provided by these consultants. Judge King for example did not charge his time on reviewing the Decree on Commercial Mediation. John Bentley also volunteered some of his time. If this time had been included, the number would far exceed the target.

EFFECTIVE TRADE VOLUME HANDLED BY A CUSTOMS OFFICER (US\$, IN MILLIONS) TARGET 21, ACTUAL 20.5

Based on trade data from Vietnam and tentative data on personnel provided by customs, the trade volume handled by Customs officers was lower than the target. This is partly due to the fact that import did not grow as strongly in FY2013 because of the slowdown on the domestic market and production. Early data from Customs survey in FY2013 shows that customs services improved significantly in terms of clearance time and the incidence of informal payment.

THE DECREASE OF SOFTWARE PIRACY RATE (%)

BSA changed their reporting frequency from annual to bi-annual so no data is available on this for FY2013.

NUMBER OF DAYS OF U.S. GOVERNMENT-FUNDED TECHNICAL ASSISTANCE IN EFFECTIVE TRADE AGREEMENT NEGOTIATION AND IMPLEMENTATION: TARGET 112, ACTUAL 156

The increase in number of days of support for trade and investment resulted from the acceleration of technical support for TPP negotiation and capacity building for customs to meet current and future trade obligations.

AUDIT

USAID STAR Plus was audited four times, including a program audit by USAID, an internal audit by DAI, and two tax audits by the tax authorities as part of the value-added tax refund procedures. USAID STAR Plus found these audits useful in improving our internal systems to make them more effective. No major issues were found in these audits. We took actions based on recommendations of the auditors. USAID STAR Plus worked with USAID Vietnam to fix our performance indicators and provided more information to the auditors to clarify some comments in the audit report. USAID did not conduct an external program performance review as it did with USAID STAR II.

V. FINANCIAL MANAGEMENT

The original ceiling price for the USAID STAR Plus Task Order was \$11,736,866. Anticipated reductions in the ceiling price necessitated adjustments in the programming, but they were offset by additional funds from USAID/Washington for customs programs and the Department of State for fiscal transparency. The slower than expected approval from the Government of Vietnam and the reduction of the original contract period by one month mitigated the impact of these changes. During the 9 months it took to obtain approval from the Government, expenditures were greatly reduced. Reducing the contract duration by one month also reduced expenditures.. The final total obligation was \$10,722,624 (8.6 percent lower than the original ceiling). The Project was successful in obtaining refunds of value-added tax totaling almost \$90,000. These funds were reprogrammed to cover technical assistance costs.

To the maximum extent possible, the project used furniture and equipment purchased during the STAR I or STAR II projects (2001 to 2010) so overhead costs were kept to a minimum. The project never purchased any vehicles or employed drivers in an effort to hold down costs. Instead, we relied on taxis or personal vehicles. We were able to negotiate monthly discounts from Mai Linh Taxi and Hanoi Taxi to reduce costs further.

The per diem rates were capped at less than 30 percent of the USAID approved rate for Project-funded programs and the venues were almost always 2- or 3-star hotels. In addition, the Project required significant cost sharing (25 percent to 28 percent) from counterparts to lower our costs and to ensure real ownership of the activity by the counterpart.

The Project benefitted from a significant amount of *pro bono* services from foreign and local experts, cost sharing with groups such as the Motion Picture Association, and an arrangement with the law firm of Baker and McKenzie that saved approximately \$500,000 over three years. Additionally, volunteer interns provided hundreds of hours of free labor, thus reducing the need to hire additional staff.

To reduce costs in the last year, two staff positions were cut, one vacant position was not filled, and some staff members were temporarily assigned to other activities so their labor would not be charged to the project.

Subletting space to the USAID Vietnam Competitiveness Index II Project for several months and dozens of other small measures helped the Project stay within the reduced budget.

VI. PROJECT ADMINISTRATION

CONSTRAINTS AND CRITICAL ISSUES

PERSONNEL

The staffing of the USAID STAR Plus project was remarkably stable, continuing a pattern established on USAID STAR I and USAID STAR II. There were no changes in key personnel, but there were some changes in other staff. Pham Tra, the project's economist, left to take an academic post in Ho Chi Minh City in 2011 and was replaced by Lan Bui, formerly with Mekong Economics, a consulting company. Dr. Tra continued to work with USAID STAR Plus as a short-term expert based in Ho Chi Minh City. Nguyen Linh, a Legal Program Officer, left in July 2012 after five years to join a private law firm specializing in IPR. She was replaced in August 2012 by Phuong Vu. The Chief Legal Advisor, John Bentley, left the Project in July 2012 due to a reduced level of activity related to legal reform, per the guidance of the Steering Committee. He continued to provide *pro bono* services for the next 12 months, though. Vien Bui left in early 2013 to accept a senior position with a Japanese law firm. Plans to hire a full-time communications officer to deal with the significant reporting requirements were canceled in anticipation of a budget reduction. Most of the remaining staff members were laid off in June and July 2013 to reduce costs. At its peak, the Project had a full-time staff of 14, of which six were in administrative or support roles. The paid staff was augmented by approximately 30 unpaid, part-time interns who served for periods ranging from two months to three years.



The USAID/Vietnam STAR Plus Team

CHANGES IN THE PROJECT'S PRIME COUNTERPART

By design, USAID STAR Plus was always flexible. In the beginning, however, there were two major changes.

First, oversight responsibility for the Project was shifted from the OOG, which had hosted STAR I and STAR II, to the MOJ. While MOJ had been a counterpart and co-chaired the project's steering committee under the previous programs, this shift created significant protocol issues for traditional counterparts from other branches of government, such as the NA, the SPC, and the SPP. The shift from an organization with a very broad view of national priorities to a single ministry with a narrower focus, but no shortage of needs, meant that the percentage of project resources devoted to MOJ programs rose dramatically. After the first year, however, the annual workplan became more balanced.

The second major change came when the MOJ announced that the Project should no longer work on, with a few exceptions. That necessitated some changes in staffing, but within a relatively short period, agreement was reached on a balanced workplan and the relationship with the MOJ became effective and collaborative. By design, the STAR Plus program placed greater emphasis on policy implementation over support to drafting of new laws, but it was still envisioned in the design that there would be important opportunities to still contribute to legal drafting processes.

CONTRACT MODIFICATIONS AND AMENDMENTS

The three-year budget for the Project outlined in the Task Order was \$11,736,866.00 and the project completion date was September 30, 2013. The Task Order was amended six times. Most of the amendments were to fund the contract incrementally, but Modification No. 2 also changed the Authorized Geographic Code to a less restrictive 935 (it was 000 U.S. and host country only before). Modification No. 6, dated April 25, 2013, 1) increased the obligated amount by \$500,000; 2) realigned the workdays ordered to reflect actual level of effort under the Task Order; and 3) realigned the budget to reflect the changes in the level of effort and other direct costs based on the projected labor and other categories. Modification No. 6 also revised the completion date of the Task Order from September 30, 2013, to August 31, 2013 to comply with the base IQC, which does not allow task orders to go beyond the latter date.

VI. LESSONS LEARNED AND RECOMMENDATIONS FOR FUTURE PROGRAMMING

OBTAIN NECESSARY APPROVALS EARLY

One of the important lessons learned from USAID STAR Plus is the importance of beginning the process to obtain formal approval from the Government of Vietnam early. In spite of the fact that the USAID STAR Plus project was, in many respects, a continuation of two projects that had worked successfully with the Government for nine years, it took nine months to get full approval to operate USAID STAR Plus. The Project managed to provide limited technical assistance to Vietnamese counterparts during the interim period, but the risks associated with operating without formal approval were extremely high, especially since day-to-day oversight of the Project had been transferred from the OOG to the MOJ. For future programming, if full approval cannot be obtained before contract award, consideration should be given to a phased start-up with only a small staff mobilized until the necessary approvals have been granted. This, of course, increases the risk of key staff being unavailable if the process takes a long time, but it would be more cost effective than having a large number of people unable to function fully for a prolonged period. (Neither VNCI nor SIIR were approved until shortly before they were scheduled to close. This is downside of this strategy. Judgment and coordination are important).

STRATEGIC PLANS

A second lesson learned is the importance of having a strategic plan. While the USAID STAR Plus design and that of the two previous projects required that the activities be demand driven, with more than 20 approved counterparts, sometimes engagement on a particular issue was not in great depth. Many important issues, such as codification and protection of IPR, required long-term commitment. The experience with the GDVC, in which a significant share of the budget was devoted to one counterpart, required that all parties develop and agree upon a plan of action (with sufficient flexibility to make corrections as circumstances require), showed that, with the right counterpart, a great deal can be achieved.

MEASUREMENT VS. RESULTS

Over the past 15 years, donor projects have placed increasing emphasis on measuring results. While the real impact of a program may not be known for many years, internal processes often require that measurable results must be reported over short periods of time. In order to meet this requirement, formal results frameworks with detailed indicators are commonly used. While this approach simplifies the need to report results quickly, it ignores the fact that unanticipated opportunities may arise that do not fit neatly in such a reporting structure. As former USAID Administrator Andrew Natsios observed in his 2010 paper, “The Clash of the Counter-bureaucracy and Development,” the emphasis on easy measurement is at odds with the fact that transformational programs are often the least measurable and involve elements of risk and uncertainty. The flexibility that USAID STAR Plus enjoyed was an important element in its success, but such flexibility is increasingly rare.

GEOGRAPHIC DIVERSITY

Donor programs everywhere tend to be heavily concentrated in the capital city. Vietnam is no exception. One result is that certain institutions tend to be flooded with resources while more distant counterparts, some of whom have the potential to serve as role models, are starved of resources. This was evident in our engagement with institutions in the Mekong Delta on SPS training, training on online analytical trade tools and soft skills, for example, where a very small amount of assistance had a large impact and there was a much greater willingness to share costs than was the case with their counterparts in Hanoi. If the necessary permission can be obtained, it can be far more effective to conduct a pilot program in a provincial-level organization than in Hanoi. With the Government's increased interest in decentralization, one should be alert to new opportunities outside the capital.

With a program as broad as USAID STAR Plus, the demands from counterparts always exceed the available resources, so difficult choices are unavoidable. For future programming, two counterparts stand out as excellent potential partners—The Ho Chi Minh Academy for Political and Administrative Development and the State Audit of Vietnam (SAV). The Academy was an important counterpart under STAR II, but assistance to the Academy under STAR Plus was minimal. Due to its role as a policy research body and a training institute for every Government employee in Vietnam, it offers an extraordinary opportunity to improve the quality of governance at all levels of government at relatively low cost. Distance learning and blended learning (classroom and distance learning) approaches hold out the possibility of reaching huge numbers of people at minimal cost. While initial efforts to make material available via DVD or online, were not successful due to the need for multiple levels of approval, these obstacles could probably be overcome with a longer-term effort.

SAV sought USAID assistance beginning in 2012, but none was provided until additional funds came through from the Department of State to promote fiscal transparency in 2013. Corruption is a major obstacle to growth in Vietnam and the SAV is potentially an important player in reducing corruption in state institutions. The fact that it reports directly to the NA also means that it could play a key role in strengthening the oversight function of the NA. Due to resource constraints, the SAV only audits about 50 percent of government organizations now, but the staff will double by 2020. SAV also plans to expand the technical capacity building for its staff to conduct performance audits in addition to financial audits. USAID could play an important role in the future by helping establish a better legal mandate, revising the SAV Training Center's curriculum to improve staff audit skills and tools, and supporting efforts to increase the level of transparency of SAV audits.

ANNEX A: MONITORING AND EVALUATION DATA

Collected Data from Workshop and Training		
Q1. How do you rate the presentations?)	Total	Percentage
Good	1723	84.50
Above average	266	13.05
Average	43	2.11
Below average	3	0.15
Poor	2	0.10
Total answered questions	2039	
Skipped question	12	
Q2. Did the program meet your objectives?	Total	Percentage
Yes	2056	98.70
No	27	1.30
Total answered questions	2083	
Skipped question	19	
Q3. How useful the program is to your work?	Total	Percentage
Very useful	833	40.79
Useful	1051	51.47
Somewhat useful	131	6.42
Not useful	27	1.32
Total answered questions	2042	
Skipped question	26	

ANNEX B: ACTIVITY AND REPORT SUMMARY SHEETS

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
1. Supporting Law Implementation			
1	Supporting MOF (Dept. for Int'l Cooperation) to implement integration commitments in charge	In August 2011, supported MOF/GDC to organize 2 seminars on the development of the Transformation of HS and Tariff in 2012	1.1
2	Supporting MOF (Dept. for Int'l Cooperation) to implement integration commitments in charge	Supported for the organization of 2 workshops in Hai Phong and HCMC to seek for comments on the 2012 revised Tariff under the WTO roadmap (Oct. 2011).	1.1
3	Supporting MOF (Dept. for Int'l Cooperation) to implement integration commitments in charge	Support for a seminar on the models of revenue projection within the integration context (Jun. 2013)	3.2
4	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Organized a workshop on the implementation of IP Law by developing an inter-circular on the criminals in IP sector (Apr. 2013)	1.1
5	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Organized, in cooperation with the MPA, a Conference on Copyright E-Infringements (Nov. 2012)	1.1
6	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Conducted a training workshop on IP Law for businesses in Phu Tho Trade Village (Dec. 2011)	1.1
7	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Organized 2 training workshops on IP for the enforcement agencies (Sep. and Oct. 2011)	1.1
8	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Organized a workshop on IP protection in the pharmaceutical sector in Hanoi and HCMC (Oct. 2011)	1.2
9	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Organized a workshop on dealing with counterfeits: U.S. experiences and laws in HCMC (Oct. 2011)	1.1
10	Supporting MOST; MOCST; MOJ in implementing the laws on IP protection	Organized 2 training course tại Hanoi and HCMC and provided expert and materials on international experiences in formulating and enforcing cultural policy in cinema (Nov. 2011 and Apr. 2012).	1.1 & 1.2
11	Supporting MOST in implementation of legal normative documents on Technical Barriers to Trade	Organized, in coordination with the International Trade Center, a training workshop on voluntary standards and trade map for businesses and technical officers in the standard sector in Buon Me Thuot (Jul 2011)	1.1
12	Supporting MOST in implementation of legal normative documents on Technical Barriers to Trade	Organized 2 conferences in Hanoi and HCMC on the transparency under trade agreements and the U.S. mechanism for implementation of commitments and lessons for Vietnam (Jun. 2012)	1.2

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
13	Supporting MOST in implementation of legal normative documents on Technical Barriers to Trade	Organized several conferences to disseminate Technical Barriers to Trade issues in Lam Dong, Ca Mau, Tien Giang (Oct. 2012).	1.1
14	Supporting MOST in implementation of legal normative documents on Technical Barriers to Trade	Organizing Conference(s) to propagate some technical regulations, and standards so that enterprises may study and apply on their own products and goods in the process of production and circulation	1.1
15	Support SBV's implementation of the financial legislation in order to improve the transparency, macroeconomic stability and international integration	Reviewed and systematized the legal norms applicable in the scope of their State management through a series of workshops, training workshops, database and software development (2011-2012)	2.4
16	Support SBV's implementation of the financial legislation in order to improve the transparency, macroeconomic stability and international integration	Trained on and transferred the software to SBV (2013)	2.2
17	Support SBV's implementation of the financial legislation in order to improve the transparency, macroeconomic stability and international integration	There are not yet any assistance activities for SBV on macroeconomic policy (SBV officials just attended the same activities with MPI and other relevant agencies).	2.1
18	Supporting MPI in implementing Law on Investment, Law on Enterprises	There are not yet any assistance activities.	1.1
19	Supporting MOFA to study, assess the implementation and orientations for further bettering 2005 Law on Signing, Participation and Implementation of International Treaties	Supported MOFA to organize a conference to sum up 5 years implementation of the 2005 Law on Entry into, Accession and Implementation of International Treaties (Sep 2011)	1.1
20	Supporting MOFA to study, assess the implementation and orientations for further bettering 2005 Law on Signing, Participation and Implementation of International Treaties	Organized a conference in Hanoi to seek for comments on the handbook on International Treaties and Conventions (Sep. 2012)	2.4
21		NA's Office	
22	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Support for revision of the Budget Law to meet the integration requirements and in line with international practice via a series of surveys and workshops (May-Jul. 2013).	3.2
23	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Attended a workshop on monitoring capacity building, which included a presentation on the U.S. experience with Congressional hearings. (Feb. 2012)	2.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
24	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized 3 conferences on U.S. and Vietnam's experiences on negotiations and signing of FTAs in Hanoi (Apr. 2012), Lam Dong and Vinh Phuc (Aug. 2012)	1.2
25	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Supported for the compilation and publication of a Book introducing the experiences in negotiation and signing of FTAs (Jun. 2012)	1.2
		OOG	
26	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Installed the Official Gazette software at the Official Gazette Division of OOG, provided training and transferred of e-Official gazette technology to the Official Gazette Division of OOG.	2.4
27	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized 2 training courses on the new provisions on Official Gazettes in Vinh Phuc and Lam Dong (Jul-Aug. 2011)	2.4
28	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	30 provinces and cities have installed the e-Official Gazette software	2.4
		MOJ (National Office for Registration of Secured Transactions)	3.1
29	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a Conference on preliminary summary of 3 years' implementation of the Law on Judicial Assistance (Aug. 2012)	1.1
30	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a Conference on Review of implementation of the Law on Judicial Assistance and international cooperation in judicial assistance (Oct. 2011)	1.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
31	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a dialogue on secured transactions in Hanoi (Dec. 2011) and HCMC (Dec. 2012).	3.1
32	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Training on registration of Secured Transactions in Hanoi, Da Nang and HCMC (Aug. 2011).	3.1
33	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a conference on the implementation of Decree 163 in HCMC (Jul 2011)	3.1
34	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a Conference to seek for comments on the Decree on Commercial Mediation	2.2
35	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a seminar on Commercial Mediation in courts (Aug. 2012)	2.2
36	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a Workshop on the implementation of the Law on Arbitration in Hanoi (Aug. 2011)	2.2
37	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	In coordination with the Beyond WTO Project organized 1 training workshop for commercial arbitrators (Aug. 2012)	2.2
38	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Organized a Workshop on commercial mediation (Aug. 2011)	2.2

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
39	Supporting NA's Committees, NA's Office and OOG, MOJ in improving efficiency of implementation and supervision of law implementation regarding international economic integration by Vietnam	Conducted a survey of commercial mediation in several provinces.	2.2
38	Supporting MOJ, MOIT, MPI in negotiation, participation and implementation of some international treaties such as ICSID, Vienna Convention on Contracts for the International Sale of Goods (CISG) etc.... in order to implement Vietnam's international trade commitments and to promote international trade	Supported MOIT in conducted a survey of businesses' understanding and needs of accession to the Vienna Convention(May 2012) There are not yet any assistance activities carried out by the Project in relation to the accession to ICSID (Technical assistance already provided by USVTC)	1.1
39	Supporting VCCI in evaluating law implementation activities regarding international economic integration of Vietnam, thus helping to improve transparency and efficiency of the legal framework	Support for the development and publication of a report on law making and implementation for 2011 and 2012 (MEI 2011, 2012)	2.4
40	Supporting VCCI in evaluating law implementation activities regarding international economic integration of Vietnam, thus helping to improve transparency and efficiency of the legal framework	Jointly organized a workshop on the implementation of the Law on Food Safety and its implementing Decree (Apr. 2011).	1.1
41	Supporting MOIT in implementing Commercial Law, Law on food safety	Support for a 5-day training course in Hanoi on risk management of dairy products (May 2012).	1.1
42	Supporting MOIT in implementing Commercial Law, Law on food safety	Support for the organization of a conference on franchising in HCMC (Jun. 2012)	1.1
43	Supporting MOIT to implement the regime of self-certification of origin; and fighting against trade frauds regarding origins	Organized a workshop and a seminar on U.S. rules on goods origin under FTA in Hanoi and HCMC (2011). Support on Rule of Origin was provided to Customs in later years.	1.2
2. Supporting capacity building			
1	Support for the Committee for Economic Affairs and NA Office in training and capacity building for their officers and NA deputies on economic governance and international economic integration	Attended and made a presentation in an Economic conference jointly organized by the Economic Committee and United Nations Development Program in Hue, Can Tho (2011)	3.1
2	Support for the Committee for Economic Affairs and NA Office in training and capacity building for their officers and NA deputies on economic governance and international economic integration	Support for NA Office (Budget Department) in building the capacity of budgeting, projection and transparency in the context of integration via a series of workshops, training workshops and surveys (Jun.-Jul. 2013).	3.2

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
3	Supporting SPC regarding refreshment trainings for judges and capacity building in hearing, especially in civil and commercial cases, including IP and investment	Support for the organization of a seminar on an IP Benchbook for Judges (Aug. 2012) and the first draft of this Handbook has been completed.	2.1
4	Capacity building for procurators in settlement of IP cases; and awareness raising for procurators regarding legal issues to meet with integration requirements	Together with JPP Project, provided a research into the U.S. criminal judicial system (Aug. 2011)	2.2
5	Capacity building for procurators in settlement of IP cases; and awareness raising for procurators regarding legal issues to meet with integration requirements	Studying experiences of some regional countries in IPR protection by organizing workshops on international experiences in the implementation of law and IPR protection	1.1
6	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	Provided materials to update on U.S. trade and economic policies on international economic integration	1.1
7	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	Provided independent reports to comment on Vietnam's economic and trade situation	3.2
8	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	Organized 3 workshops on the structure and organization of the State and Government apparatus in Hanoi (Nov. 2011), Thai Nguyen (Dec. 2011) and HCMC (May 2012).	2.1
9	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	Organized a study tour to learn about the organization of the State apparatus, public services, e-Government, implementation of international commitments (Apr. 2012)	2.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
10	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	Discussed with Experts from U.S. Office on the experiences in developing a website to seek for public comments and a policy coordination mechanism among U.S. agencies (e-rule making) (Jul. 2012).	2.1
11	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	U.S. experiences in the reform of public services and affairs (Mar. 2011).	2.4
12	Supporting OOG in capacity building for its officers, including legal officers and State apparatus management officers in implementation of trade agreements, WTO and other trade agreements; studying applied economics; managing the official gazettes and developing e-Government	Organized to Seminar on Macroeconomy (Aug. 2011)	3.2
13	Supporting MPI in capacity building for foreign investment management and macro economy management	Conducted a training workshop on fiscal transparency and its impact on Macroeconomy (Jun. 2013)	3.2
14	Supporting MPI in capacity building for foreign investment management and macro economy management	International experiences in medium term budgeting at central and local levels (Dec. 2012)	3.2
15	Supporting MPI in capacity building for foreign investment management and macro economy management	Conducted a training courses and a workshop on macro economy for key divisions and department of the Academy for Policy and Development (2011-2012)	3.2
16	Supporting MPI in capacity building for foreign investment management and macro economy management	Conducted a training course using Trade Map and Investment Map as tools to attract more foreign investment (Jul. - Oct. 2011).	1.1
17	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a workshop on the development of Customs to Business Partnership (CBP) (Dec. 2012)	1.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
18	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a Conference on the development of CBP and AEO (Jun. 2013) funded by USAID ASEAN Single Window Project	1.1
19	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a training workshop on classification of goods and advanced rulings for customs officers (Apr. 2012).	1.1
20	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Conducted a survey of the time amounts for e-customs and traditional clearance and business perception of Customs services (Dec. 2012 and Jul. 2013)	1.1
21	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Supporting trainings for officers involved in management and provision of cross-border insurance services: 01 training course on knowledge and experiences in management and provision of cross-border insurance services	1.1
22	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a Conference on the implementation of the Customs Law and development of the new Customs Law (Apr. 2013)	1.1
23	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a Seminar on reviewing the translation of the detailed classification documents of WCO (Jul. 2013)	1.1
24	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a training course on risk management (Oct. 2012), advance rulings (Sep. 2012), Origin (Nov. 2012), IP Enforcement (Nov. 2011).	1.1
25	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Supported customs authority to review the transparency and e-publication capacity of Vietnam Customs (Mar. 2013)	1.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
26	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Conducted trainings on risk management and compliance (Apr. 2013), organized a conference on the methodologies of development of performance indicators for Vietnam Customs (Mar. 2013).	1.1
27	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Organized a conference on the implementation of the Law on Securities (May 2011)	3.1
28	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Supported 2 officers of the SCC to attend training courses on securities in the United States (Nov. 2011 and Nov. 2012)	3.1
29	Supporting MOIT in capacity building for its officers and in propagating and popularizing laws to the business community on trade safeguard, competition and consumer protection	Support for organization of a training workshop on the Law on Consumers' Protection in Hue (Nov. 2011), Ha Tinh (Dec. 2011) and Gia Lai (Jan. 2012).	1.1
30	Supporting MOF in capacity building management and development of financial service market (securities, insurance, accounting and auditing); new taxes, customs and other financial policies in charge	Provided several comments and answers to the SBV's questions on the development of an early warning system. The Project has not yet provided any assistance to SBV in macroeconomic management and regulation of the financial sector however SBV officers have attended many training courses and are involved in many activities of other counterparts of the Project.	3.2
31	Support MARD in capacity building on the implementation of the WTO SPS Agreement; and strengthening of mutual relationships to deal with SPS issues and promote mutual trade flows in agriculture	Organized s training course on VietGAP and comparison with international standards on the basis of Standard map (Apr. 2013)	1.1
32	Support MARD in capacity building on the implementation of the WTO SPS Agreement; and strengthening of mutual relationships to deal with SPS issues and promote mutual trade flows in agriculture	Organized a training course on implementation of the Law on Food Safety in Hanoi (Jan. 2013)	1.1
33	Support MARD in capacity building on the implementation of the WTO SPS Agreement; and strengthening of mutual relationships to deal with SPS issues and promote mutual trade flows in agriculture	Organized 2 training courses on U.S. rules on SPS in the its new Law on Food Safety in Binh Thuan and HCMC (Nov.-Dec. 2011).	1.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
34	Support MARD in capacity building on the implementation of the WTO SPS Agreement; and strengthening of mutual relationships to deal with SPS issues and promote mutual trade flows in agriculture	Organized a workshop on and surveyed food safety risk management in Hai Phong and Hanoi (Nov. 2011).	1.1
35	Supporting MOST; MoCST in training and capacity building in IPR enforcement	Organized a workshop on “Application of criminal measures in the enforcement of IPRs in Vietnam – Laws, practice and solutions”. The issues discussed relate to the Circular on criminalizing violations of IPRs already set out in the Law amending and adding to several Article of the 1999 Criminal Code (Apr. 2013).	
36	Supporting MOST; MoCST in training and capacity building in IPR enforcement	Supporting MOST to organize short training courses for capacity building its officers relating to economic integration in the field it’s in charge	1.1
37	Supporting MOST; MoCST in training and capacity building in IPR enforcement	Organized a Conference on the benefits of IP Protection (Jul. 2012).	1.2
38	Supporting MOST; MoCST in training and capacity building in IPR enforcement	Provided IP training to legal officers(Nov. 2011)	1.1
39	Supporting MOST; MoCST in training and capacity building in IPR enforcement	Organized a seminar in Hanoi with the Steering Committee for 168 Program on the development of an Action Plan (Aug. 2012).	1.1
40	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Support for the seminar on the “Objectives, standpoints and key orientations for the development of the Law on Promulgation of Legal Normative Documents” (Law on Law) (Jun. 2012)	2.4
41	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Support for organization of a field trip to Gia Lai, Da Nang, Son La and Hanoi to study the Project for capacity building for officers and implementation of the Law on law (May 2012)	2.4
42	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Support for organization of a seminar on the implementation of the Law on Law in Hanoi (Mar.-Jun. 2012)	2.4
43	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Support for the development of the Decree on Codification	2.4
44	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a workshop on TPP and provided materials about TPP (Feb. 2012)	1.2
45	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a seminar in Vinh Phuc (Jul. 2012) on investment dispute resolution and organized 2 training courses on investment dispute resolution (Jul. 2012).	1.2

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
46	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Provided materials on the international experiences in investment dispute resolution (Aug. 2012)	1.2
47	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a conference in HCMC on Commercial mediation and training on commercial arbitration and mediation skills (Aug. 2012).	2.2
48	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Developed a report on the development of a commercial mediation model project in Vietnam.	2.2
49	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a workshop to seek for comments on the draft Decree on commercial mediation (Jul. 2013).	2.2
50	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a Workshop on commercial mediation in U.S. courts (Aug. 2012)	2.2
51	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a Workshop on the trends in judicial reforms and requirements for the legal profession training (Jun. 2012)	2.2
52	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a Workshop on litigation in the United States (Dec. 2011).	2.2
53	Supporting MOJ in training and capacity building for officers of the MOJ and other relevant agencies legal issues in economic integration	Organized a Workshop on IPR Reference Book (Dec. 2012)	1.1
54	Support MOJ in training and capacity building on the management and coordination of international cooperation in service of the international economic integration	There are not yet any assistance activities.	
55	Supporting MOFA to conduct trainings on International economic integration for officers of the ministry and of localities on International economic integration	Together with MOFA, organized 3 training workshops in 2011, 2012 and 2013 for 12 people each course to update on the international economic integration. The training course covers 2 weeks training in Vietnam and 3 weeks training in the United States. Project provided experts for the training component in Vietnam and MOFA covered the costs of the training component in at the Connecticut College in the United States under the 165 Program.	1.1

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
56	Supporting MOFA to conduct trainings on International economic integration for officers of the ministry and of localities on International economic integration	Organized a Seminar on the TPP Impact(Apr. 2012)	1.2
57	Supporting MOFA to conduct trainings on International economic integration for officers of the ministry and of localities on International economic integration	Delivered training for students of the Academy of Diplomacy on international negotiation skills (Dec. 2011).	1.1
58	Supporting NCIEC to strengthen the network of agencies involved in economic integration at the central and local levels by improving the provincial-level integration index and IT application to support information sharing, interaction and exchange with counterparts on a regular basis	Support for development of a software and database of international economic integration (2012).	1.1
59	Supporting capacity building by organizing consultancy events for NCIEC and VCCI on economic integration related issues and policies	Conducted technical cooperation with the Project on Customs Operations Review in 2012 and 2013.	1.1
60	Supporting capacity building by organizing consultancy events for NCIEC and VCCI on economic integration related issues and policies	Supported VCCI in organizing a conference on the rules of origin in U.S. FTAs (Dec. 2012)	1.2
61	Supporting capacity building by organizing consultancy events for NCIEC and VCCI on economic integration related issues and policies	Delivered training in Hanoi on TradeMap as an international market analysis tool (Oct. 2011).	1.1
62	Supporting HCM Academy in capacity building for lecturers and trainings for local officers on economic integration	Organized a Seminar on fiscal transparency in the context of international economic integration (Jul. 2013)	1.1
63	Supporting HCM Academy in capacity building for lecturers and trainings for local officers on economic integration	Organized a Seminar on international economic integration in South East Asia (May 2013)	1.1
64	Supporting HCM Academy in capacity building for lecturers and trainings for local officers on economic integration	Organized a Seminar on U.S. FTAs (Mar. 2013)	1.1
65	Supporting HCM Academy in capacity building for lecturers and trainings for local officers on economic integration	Organized a Seminar on international economic integration for the Academy lecturers (Oct. 2011)	1.1
66	Supporting HCM Academy in capacity building for lecturers and trainings for local officers on economic integration	Organized a Seminar on the Trends in Judicial Reform and legal training (Dec. 2012)	2.2

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
67	Supporting HCM Academy in capacity building for lecturers and trainings for local officers on economic integration	Organized a Seminar on IP and information exploitation (Dec. 2011 – The Project provided the expert – Prof. Pham Xuan Thao)	1.1
68	Capacity building for Hanoi Law School on Training of Bachelors on International Trade Law.	Prof. Pham Xuan Thao came to work with Hanoi Law University in July and December. 2012 to discuss and organized workshop on the development of curriculum, sharing of teaching materials and experiences in teaching Commercial Law from perspectives of U.S. experiences (Jul.-Dec. 2012).	1.1
69	Capacity building for Hanoi Law School on Training of Bachelors on International Trade Law.	Project experts acted as visiting lecturers and gave lessons at the Commercial Law Training Program of Hanoi Law School.	1.1
70	Capacity building for Hanoi Law School on Training of Bachelors on International Trade Law.	In coordination with San Francisco Law School, the Project invited experts to come and help Hanoi Law School to develop a curriculum for Commercial Law and organize some seminars on training on lawyers' skills (Aug. 2011).	1.1
71	Support for capacity building in financial and macroeconomic monitoring for the National Financial Monitoring Committee	Organized 1 training workshop in Hanoi on the projection skills and development of the early warning system and a training course in Quang Ninh on financial programming (Feb. 2012).	3.2
72	Support for capacity building in financial and macroeconomic monitoring for the National Financial Monitoring Committee	Provided materials of reference on international experiences in developing financial stability reports.	3.1
73	Supporting the State Auditing Agency in capacity building in auditing of public debts	Support SAV in organizing a training course in Hanoi on public debt audit and provided the INTOSAI Handbook on Public Debt Audit (Aug. 2013).	3.2
74	Support the HCMC Development Institute of the WTO Center	Organized a training course on international market analysis tools (Sep. 2012).	1.1
3. Supporting Vietnam's further integration			
		MOIT	
1	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized a workshop in Hanoi and HCMC on the Opportunities and Challenges of the TPP to Vietnam (Mar. 2013 and Apr. 2012).	1.2
2	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Provided CDs on the negotiations of FTAs (Feb. 2013)	1.2
3	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized an online training course on Economic diplomacy and international economic integration (May 2013)	1.2
4	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized a workshop and conducted a survey on the environment of the TPP for Vietnam (Oct. 2011)	1.2
	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized a seminar on "Negotiation of a List of reservations of non-conforming measures in service and investment under the TPP" (Jan. 2012)	1.2
	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized a seminar and a conference on the customs rules and procedures under the FTA (May 2011)	1.2

No.	Areas of activities (under the Project Document)	USAID STAR Plus Technical Assistance	Intermediate Result
	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Provided information on international trade including updates on the TPP to OOG	1.2
		MOJ	
6	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized a workshop on Legal issues of TPP (Feb. 2012)	1.2
7	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Support for MOJ's research on the investment dispute resolution mechanisms (2012)	1.2
		MPI	
8	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Support for training and organized a workshop on public procurements under WTO and FTA in Hanoi and Quảng Ninh (Jul. 2012)	1.2
9	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Organized a seminar titled "Negotiation of a List of reservations of non-compatible measures in service and investment under the TPP" (Jan. 2012)	1.2
10	Supporting MOIT, OOG, MPI and relevant agencies involved in the negotiations of TPP and BIT	Support for the organization of a workshop and training course on public procurements under TPP (Jun. 2011)	1.2
11	Supporting MOJ in negotiation, participation and implementation of international treaties relating to international economic integration	Worked with the Secretariat of the Hague Convention on International Justice to organize a Conference in Hanoi on Hague Convention (Oct. 2011).	1.1
12	Supporting MOJ in negotiation, participation and implementation of international treaties relating to international economic integration	Support for the organization of a seminar on judicial assistance (Aug. 2012).	1.1

ANNEX C: SUCCESS STORIES

Intellectual Property Rights Protection in Vietnam Gains Traction

Protection of intellectual property rights (IPR) has been an important focus of USAID assistance in Vietnam for over a decade. As a result of technical assistance provided by USAID, Vietnam has a world class law to protect IPR, but enforcement is weak. Thanks to USAID's efforts, that is changing. The Business Software Alliance, a Singapore-based industry group, reported that the software piracy dropped from 100% in 2008 to 83% in 2012. USAID was instrumental in creating a partnership between industry and Vietnam Customs in 2012. As a result, a special unit of VN Customs that benefitted from USAID training reported that seizures of counterfeit goods in 2012 increased by 31% from 2011.

Great progress is also being made in reducing the rate of online piracy. For example, Associated Press coverage of a USAID event in September 2012 prompted some of the participants to reflect on concerns expressed by local and international rights holders about Zing.vn, a popular Vietnamese music website. Zing is the sixth most visited web site in Vietnam and it is among the top 550 websites in the world. Much of its popularity stems from its role as the leading source of unlicensed downloads of Western and local music. "Zing is destroying the industry and they know it" said record producer Quoc Trung.

Because it has such a large audience, Zing has benefited from advertising contracts with many large, multinational corporations, including Canon, Yamaha, Intel, Colgate Palmolive, Samsung and Coca Cola. As a result of the workshop, Coca Cola and Samsung withdrew all advertising from Zing. A spokesman for Samsung said, "We highly respect and value intellectual property rights, and stand against acts of infringement, such as the unauthorized copying and distribution of copyrighted material. Accordingly, our advertisements on Zing.vn have been withdrawn." Coca Cola said it has stopped advertising on the site and it will "investigate their practices before making further decisions."

As a result, Zing.vn began charging its customers for music downloads on November 1, 2012 and the proceeds are provided to the Copyright Office of Vietnam for distribution to the rights holders.

The strategy of getting large, multinational clients to withdraw their support for operations like Zing that blatantly violate intellectual property rights was used very successfully to combat piracy in Singapore and it may be effective in Vietnam, as well. As the International Intellectual Property Alliance, a USAID partner for many years noted, "It is essential that good corporate citizens refrain from spending advertising dollars on services that engage in or encourage infringement. Breaking the chain of support for such notorious piracy services will erode the incentives for illegal services to operate."

Piracy is a huge threat to the U.S. and Vietnamese motion picture industries, too. According to the Motion Picture Association of America (MPAA), internet piracy cost the industry approximately \$2.3 billion in 2010 and Vietnam has one of the highest online piracy rates in the world. To raise awareness of the problem of digital internet piracy, USAID has joined forces with the U.S. Patent and Trademark Office, the Motion Picture Association of America, major movie theater chains, Vietnamese government officials, Vietnamese film makers and law firms specializing in intellectual property rights protection (IPR) to combat this problem. The effort scored a major victory in 2012. A local company called SOHA,

whose principal financial supporter is Vietnam Communication Corporation, one of the biggest communication corporations in Vietnam), has operated a “pilot project” for several years to explore the feasibility of an online, on demand movie service similar to Hulu or Netflix in the United States. Although it is still in the pilot stage, SOHA, has over 3 million subscribers. They offer their customers thousands of pirated movies from China, South Korea, Vietnam and the United States.

In a major new development, SOHA’s Director of Communications and Public Affairs wrote to the Motion Picture Association of America and the USAID STAR Plus project after attending a USAID workshop in digital piracy, to say, “The seminar was very interesting and it brought us a great deal of very helpful information about how the film and television industry can develop in Vietnam. We have attained far more understandings on film business in general and intellectual property protection online in particular thanks to the seminar.” She added, “... we have obtained licensed contents on our websites ranging from European and North American movies to Korean ones, of several studios such as Warner Bros, Lions Gate Entertainment, Universal Pictures, DreamWorks Animation, Paramount Vantage, etc. ... we have made strategic decision that proves our seriousness, removing all of those movies we have been offering for which have not been obtained legitimate rights.”

SOHA’s decision to turn their back on movie piracy will send a strong message to others and it marks the beginning of a new era in the struggle to protect intellectual property rights in Vietnam.



USAID
FROM THE AMERICAN PEOPLE

CASE STUDY Protecting composers' rights

Music association collecting royalties for the first time



Minh Chuyên performing in Hanoi

“IPR is the legal basis for all our activities

Pho Duc Phuong, Vietnamese
Composer

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

When Pho Duc Phuong was 13, he attended a music class and promptly fell in love with the subject. He eventually attended a music academy and went on to work at the Vietnam Performing Arts Department under the Ministry of Culture, Sports and Tourism. His passion, however, was composing music which he did during his spare time.

While working in the government, Phuong attended workshops organized by international organizations and learned about the concept of intellectual property rights (IPR) for the first time. As a composer himself, he questioned why music that he and others wrote were used multiple times by the buyers of their music but they themselves were given only one time payments. Something was not right.

At the same time, Vietnam began passing laws granting increasing recognition for IPR in preparation for its bilateral trade agreement with the US and joining the WTO. Perhaps the time was right for creative types of people to get more respect for what they did and, more important, get more money for their work. Phuong garnered support from over 200 composers and compiled a proposal with their signatures calling for stronger IPR standards in Vietnam; the government's response was positive. Phuong then called on USAID's STAR program to set up more workshops in Vietnam.

“IPR protection is the legal basis for all our activities,” said Phuong, now the Director of the Vietnam Center for Protection of Music Copyright. “We make maximum use of all the provisions in our bilateral trade and in our WTO accession agreements.” Respect for IPR has led to the collection of royalty for the first time which in turn is distributed to their 2,500 members and 48 foreign music rights associations. This has resulted in Vietnamese composers receiving an income of up to ten times what a government official would get which used to be the only job in town. In 2012, ten percent of the money raised was distributed to international music associations, including BMI the largest music rights organization in the US. Beyonce and Britney Spears should be happy.



USAID
FROM THE AMERICAN PEOPLE

CASE STUDY

Transparency in Vietnam's Judicial System

Web portal and hard copies of legal decisions issued for the first time.



“Now judges, lawyers, reporters, researchers and the public have more opportunities to comment on laws and regulations.”

Law Professor Nong Quoc Binh

“Up till recently whenever a court in Vietnam issued a decision, few people knew the outcome,” said Nong Quoc Binh, Law Professor at Hanoi Law University. “For a country that wanted to join the modern world, this needed to change. Fortunately this was fixed when Vietnam’s Supreme People’s Court began issuing hard copies of decisions in 2004 and launched a web portal in 2010. We were soon seeing more consistent rulings by the various courts when they heard similar cases.”

This increased transparency has led to the improvement of communication between the courts at all levels, continued Binh. Since then the Supreme People’s Court has further taken advantage of the Portal by making its draft laws and regulations available for public comment. “Now judges, lawyers, reporters, researchers and the public have more opportunity to comment on laws and regulations that will have a direct bearing on Vietnam’s social and economic development.”

The idea for the web portal came from the Supreme People’s Court itself and they approached the USAID / STAR program for help in making it happen. A local company was hired to design a portal using Oracle software that would be customized to suit the needs of the courts. The web portal was also loaded with all rules of procedures as well as a manual for judges. At the time of the launch, an impressive 368 cases were submitted for the Supreme Court’s review and judgment. Since then, another 536 have since been added.

STAR further assisted in increasing transparency of the judicial institutions in Vietnam by publishing the 2003 to 2009 rulings of the Judicial Council of the Supreme People’s Court, distributing hard copies to all judges and almost all law firms in Vietnam. These publications are also available to law researchers and students via the web portal and at university libraries.

These actions highlight the Supreme People’s Court’s commitment to justice and transparency.

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FROM THE AMERICAN PEOPLE

CASE STUDY Organizing Vietnam's Laws

A once messy legal code is being organized to reduce chances of corruption and mistakes.



In the early the 2000s, the current Deputy Governor of the State Bank of Vietnam (SBV), Dang Thanh Binh, was a high ranking official in the SBV. One day an American friend of his was visiting him in Hanoi and gave him a book that contained a collection of all United States federal level banking regulations. For someone who spent his career in the banking world and who had never seen such a book before, this gift became a treasure because Vietnam had no similar organization of its laws.

A few years later, USAID's STAR program which was tasked with helping Vietnam meet its US bilateral trade and WTO commitments in transparency began holding workshops on educating stakeholders on what laws currently exists in Vietnam and how they could initiate their own codification process. Employees from the State Bank of Vietnam attended one of the workshops and wanted to set up a team to work on a legal code for all the banking laws. This plan of action needed to be signed off by a senior official who happened to be Dang Thanh who did so promptly.

He recognized that the code was invaluable for the Vietnamese banking system and that it would help people work more effectively. He further added that this was a good start for the work that needed to be done to compile similar codes for the rest of the country's legal documents.

To know what the applicable laws and regulations are in a country is a basic requirement for any country to function. In Vietnam this has not been possible but this seems to be slowly changing. In the past, it would take lawyers weeks to research a simple task; now, for bank laws, it takes a fraction of that time. The banking code has been well received and, not surprisingly, requests for similar activities for the rest of the legal code are piling up.

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CASE STUDY Modernizing Vietnam's Customs Department

Acknowledging its' crucial role in expanding its economy and for the sizeable revenue it generates, modernizing the Vietnamese customs has become a priority.



Our government is genuinely committed to reform and modernization.

Nguyen Thi Khanh Hong,
Deputy Director, Customs
Reform and Modernization
Board

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The most important part of the government that international traders deal with is the customs service. In a developing country which lacks the state of the art equipment and expertise, it can be a long and frustrating experience.

Acknowledging its' crucial role in expanding its economy and for the sizeable revenue it generates, modernizing Vietnam Customs and its provincial customs departments has become a priority. Furthermore, as a member of the Trans-Pacific Partnership (TPP) negotiations, Vietnam recognizes that it needs to prepare for the high standards required in the trade agreement and for the significant increase in trade once the agreement is completed.

Working closely with Customs, USAID STAR Plus Project conducted workshops on topics covering customs modernization and trade facilitation issues, including risk management, Customs Law amendments, customs-to-business partnerships and key performance indicators. STAR also provided invaluable advice when Customs conducted its first ever Client Satisfaction Survey, which provided feedback on transparency, clearance times and user friendliness of regulations. In the area of customer service, the Vietnam Customs has been so enthusiastic in embracing this concept that they have incorporated cutting-edge public outreach measures such as a newspaper dedicated to reporting on their activities, a weekly television broadcast, a 24 hour hotline and a customs website with abundant information on the customs department, service procedures and tariffs.

"Our government is genuinely committed to reform and modernization," said Nguyen Thi Khanh Hong, Deputy Director at the Customs Reform and Modernization Board. "This can be clearly seen in the many activities taking place in the Vietnam Customs right now that is making us a more efficient and customer friendly organization. At the same time, we're incorporating more international standards which results in our businesses becoming more competitive around the world. The media has reported on our successes so often that we can be viewed as a laboratory on how to innovate the Vietnamese government."



USAID
FROM THE AMERICAN PEOPLE

CASE STUDY Publishing gazette's online

Publication of gazettes online means that anyone, anywhere can access official documents

"In the past, a few men in authority made the rules in a dark room. Now the people of Vietnam can see what their government has been up to."

Name of person

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One of the results of Vietnam moving from a centrally planned economy to a market based economy has been a dramatic increase in transparency in many aspects of governance.

One specific way this has happened is the introduction of the e-official gazette – publications of gazettes online so that anyone, anywhere can access official documents quicker, easier and cheaper. Publishing the gazettes online also became necessary to cope with the onslaught of new regulations that came about after Vietnam implemented its bilateral trade agreement with the US and its WTO accession agreement.

In 2005, the [insert viet government agency] asked USAID STAR to procure the appropriate software. Entering into a contract with a local Vietnamese software company, STAR was involved in the design process which included setting up a trip for a technician to spend five days with the US Federal Register Director to see how the US federal register was published online every day. Once completed, all was ready for the national government to activate the software. But nothing happened. Call it inertia, procrastination or something more sinister, the official country wide launch of an online gazette system was shelved.

Undeterred, STAR which owned the rights to the software, approached Ho Chi Minh City's People's Committee. Recognizing the value of the idea, this provincial body launched the software and within days saw concrete results that the software more than met the needs of the public. They also quickly made the decision to dramatically cut down on printing the gazettes to cut down on unnecessary costs.

"In the past, a few men in authority made the rules in a dark room," said XX. "Now the people of Vietnam can see what their government has been up to. Not quite real time governance but for this country, a huge step in that direction."

Leveraging on this success, STAR organized a workshop with representatives from all 63 provinces. A total of 30 provinces have launched the software and receive millions of hits per day.

Back at the national level, there has been some progress - a pilot program was installed in their internal website but plans to extend this access to the public have been placed on hold.



USAID
FROM THE AMERICAN PEOPLE

CASE STUDY Facilitating agricultural trade with Vietnam

US agricultural exports to Vietnam have exploded since Vietnam completed its bilateral trade agreement with the US and its accession to the WTO.



“Since 2006, no other major US agricultural export market has grown as quickly as Vietnam.”

Acting Under Secretary for Farm and Foreign Agricultural Services, Michael Scuse.

Telling Our Story

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Take a walk in any city in Vietnam and you quickly see the fingerprints of US food company success stories – Starbucks, KFC, Burger King and Subway. One glaring non-appearance has been that of McDonald’s which has until now avoided this market due to a lack of cattle raised domestically and the appropriate infrastructure; they now plan to open their first store in 2014.

The hurdles that McDonald’s faces are typical of doing business in any developing country but it is worth it. US agriculture exports to Vietnam have exploded since Vietnam completed its bilateral trade agreement with the US and its accession to the World Trade Organization in 2007. That same year, US agricultural exports to Vietnam almost doubled to almost \$500 million and in 2010, agricultural exports broke past the \$1 billion mark.

In 2011, then Acting Under Secretary for Farm and Foreign Agricultural Services Michael Scuse said that “since 2006, no other major US agricultural export market has grown as quickly as Vietnam.”

Agriculture companies that have had to deal with Vietnam’s import procedures and requirements have noted that the process has become less burdensome. But issues such as limited basic agriculture research and poor food safety standards in animal, plant and food persist.

USAID’s STAR Project has played a key role in making sure that regulations that exist and that are being developed ensure adequate protection to Vietnamese consumers and at the same time do not place unnecessary burdens on US exporters. For example, a workshop was set up to gather private sector comment on draft food safety law and decrees; technical advice was provided in the development of a key animal and plant health laws; and, working with the US Department of Agriculture and a US trade association, training programs on animal, plant and food safety practices in the US was organized for Vietnamese agriculture department employees.

In upgrading their standards and regulations, Vietnam is preparing for further growth in its agricultural trade and the US will continue to benefit.

ANNEX D: APPROVED COUNTERPARTS

1 Ministry of Justice

- Current/Former Steering Committee
- Department of International Law
- National Agency for Secured Transaction
- Judicial Assistance Department
- International Relations Dept.
- General Legal Affairs Department
- Judicial Academy
- Hanoi Law University
- Administrative and Criminal Law Department

2 Ministry of Industry and Trade

- Department of Multilateral Trade
- Department of Domestic Market
- Competition Authority

3 Ministry of Science and Technology

- Directorate for Standards and Quality
- Inspectorate
- Management Training School
- Legal Department.

4 Ministry of Agriculture and Rural Development

- International Relations Department, SPS Office
- Animal Health Department
- Plant Health Department

5 Ministry of Planning and Investment

- Public Procurement Agency

- Monetary and Financing Policy Department
 - Academy for Development and Policy
 - Development Strategy Institute
- 6 Office of the Government**
- Vice Chair of the Steering Committee
 - Law Department
 - International Cooperation Department
 - State Administration and Civil Service Department
 - Official Gazette Department
 - Administrative Department.
- 7 National Financial Supervision Agency**
- 8 Ministry of Finance**
- Customs Department and Tax Policy Department
 - International Relations Dept. Customs
 - IPR Enforcement Department, Customs
 - State Securities Commission
- 9 State Bank of Vietnam**
- Legal Dept.
 - Statistics and Forecast Department
- 10 Ministry of Foreign Affairs**
- General Economic Affairs Department
 - Legal and International Treaty Department
 - Diplomatic Academy
- 11 Ministry of Culture, Sport and Tourism**
- Management training school
- 12 Ministry of Labor, War Invalid and Social Affairs**
- International Relations Department
- 13 National Committee for International Economic Cooperation**

- 14 National Assembly**
 - Foreign Affairs Committee
 - Finance Committee
 - Law Committee
 - Information and Library Center
- 15 Ho Chi Minh Academy for Political and Administrative Development**
- 16 Supreme People’s Court**
- 17 Supreme People’s Procuracy**
- 18 Vietnam Chamber of Commerce and Industry**
- 19 Ho Chi Minh City WTO Center**

ANNEX E: SHORT-TERM TECHNICAL ASSISTANCE PROVIDERS, 2010–2013

Name	Level of Effort (days)	Intermediate Result
Thi Thu Tra Pham	218	Economic and Financial Sector
Simmons-Benton, Anne	35	Trade and Investment
Nguyen, Xuan Thao	29	Trade and Investment
Pham, Chi Do	225	Economic and Financial Sector
Rowgowsky, Robert	15	Trade and Investment
Bentley, John (ICA)	73	Governance, Trade and Investment
Brooks, David	18	Trade and Investment
Carnevale, Cathy	39	Trade and Investment
Childers, Robert	16	Trade and Investment
Compa, Lance	17	Governance
Eizenstat, Jay	15	Trade and Investment
Frasure, William	86.5	Governance
Gallagher, Mark	63	Economic and Financial Sector
Gantz, David	35	Trade and Investment
Hamill, Gail	22	Trade and Investment
King, Patrick	17	Governance
Labuda, Janet	63	Trade and Investment
Lantz, Matthew	25	Trade and Investment
Lutter, Randall	11	Governance
Neel, Stephen	20	Trade and Investment
Nemeroff, Edward	7	Trade and Investment
Nicholl, Peter	30	Economic and Financial Sector
Nguyen, Xuan Thao	20	Trade and Investment
Petri, Peter	8	Economic and Financial Sector
Raymond, Richard	27	Trade and Investment
Riedel, James	139	Economic and Financial

Name	Level of Effort (days)	Intermediate Result
Thi Thu Tra Pham	42.5	Economic and Financial Sector
Rohwer, Claude	11	Economic and Financial Sector
Schooner, Steven	10	Trade and Investment
Shine, Richard	45	Governance
Strahota, Robert	19	Economic and Financial Sector
Taylor, James	4	Trade and Investment
Trachok, Rick	12	Trade and Investment
Toan, Phan Nguyen	108	Governance
Wallace, Clifford	6	Governance
Wilson, Dean	15	Trade and Investment
Wolff, Alan	15	Trade and Investment
Zimmerman, Cathy	25	Trade and Investment
TOTAL	1590	
Total Governance	365	
Total Economic and Financial sector	758	
Total Trade and Investment	467	