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Thierry Noyelle
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SUPPORT TO TRADE PROMOTION AND EXPORT DEVELOPMENT IN VIETNAM

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Abbreviations

ADB	Asian Development Bank
BMS	Business Management Systems
CBI	Center for the Promotion of Imports from Developing Countries
CIEM	Central Institute for International Economic Management
CIS country	Commonwealth of Independent States
CMT	Cut- Make - Trim
DPs	Development Partners
EMD	Enterprise Management Development
EPA	Export Potential Assessment
FOB	Free-on-board
HACCP	Hazard Analysis and Critical Control Points
HAWA	Handicraft and Wood Association
ITC	International Trade Center
JETRO	Japan External Trade Organization
LDCs	Least Developed Countries
LEASHORESIN	Leather and Shoe Research Institute
LEFASO	Vietnam Leather & Footwear Association
MoIT	Ministry of Industry and Trade
MoU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
NEC	National Export Council
NEST	National Export Strategy Template
NEX	National Execution
ODA	Official Development Assistance
OTRs	Overseas Trade Representatives
PA	Preparatory Assistance
PCC	Project Consultative Committee
PMU	Project Management Unit
SECO	Swiss State Secretariat for Economic Affairs
SDC	Swiss Agency for Development and Cooperation
Sida	Swedish International Development Cooperation Agency
SIPPO	Swiss Import Promotion Program
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phyto-Sanitary
STAMEQ	Vietnam Directorate for Standards and Quality
SWAp	Sector-Wide Approach
TA	Technical Assistance
TORs	Terms of Reference
TPCs	Trade Promotion Centers
TPOs	Trade Promotion Organisations
TSI	Trade Support Institution
TSN	Trade Support Network
TWG	Technical Working Group
UKTI	UK Trade & Investment

UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
VCCI	Vietnam Chamber of Commerce and Industry
VIETCRAFT	Vietnam Handicraft Association
VINAFRUIT	Vietnam Fruit Association
VITAS	Vietnam Textile and Apparel Association
VITIC	Vietnam Industry and Trade Information Center
VPA	Vietnam Plastic Association
VRA	Vietnam Rubber Association
WTO	World Trade Organization

1. Executive Summary

VIE/61/94, funded by SECO and Sida, came at a time of very deep-seated changes in Vietnam's export sector. This made it all the more relevant to the project beneficiaries. Its relevance helps explain why the project has had a significant impact, especially on large exporting enterprises and Product Associations in the sectors targeted by the project. Capacity has been built that is likely to be sustainable. However, it is precisely because of its initial positive impact and because the challenges faced by Vietnam's exporters remain extensive, that the evaluators believe a follow-up support to deepen and expand the capacity already built would be appropriate.

Vietnam's initial record at building up exports from the late 1970s through the early 1990s came under a regime of state planning focusing on exports to former socialist economies. Vietnam's comparative advantage then was on low-skilled assembly work, especially in the garment sector. With the collapse of the Soviet Union, state-owned exporting enterprises had to shift to new markets (mostly EU, US and Japan) and learn new ways of doing business. However, at that stage, Vietnam continued competing at the bottom of the value chain, focusing on "exporting" low-skilled, low-margin assembly work (CMT in garment, "sub-contracting" in the shoe sector, rice and coffee in agriculture, etc.) With its economy taking off – the result of its successful economic liberalization under Doi Moi – and as some LDCs started entering many of the same export markets as those of Vietnam, the country also saw its low cost competitiveness come under strong challenge. By the early 2000s, it was becoming clear that Vietnamese exporting enterprises would have to start moving up the value chain – moving out of some low-margin lines of work and into new, higher-margin ones. Also, with a changing world economy, it was becoming clear that new export opportunities were emerging within Asia itself, in the Middle East, Africa or even in the Vietnam's former markets of Eastern Europe and CIS countries.

The core of VIE/61/94 was to assist Vietnam's export sectors undergo this transition and learn to move up the value-chain.

Large exporting enterprises that have benefited from the project activities all indicate that they have learned a lot about what they need to do to move up their respective value chains by focusing on product design and product development and linking those to a better understanding of market demand in the importing countries they are targeting. There are signs that a number of them are responding to those needs. Product Development seems to have been, by far, the "hottest" Technical Working Group created by the project under the Trade Support Network (TSN.)

For the last few years, Product Associations appear to have entered a significant process of upgrading and professionalization. We believe that is true, in part because the project has helped them become more relevant. More business executives are taking the lead in running the Associations, displacing somewhat the influence of retired government officials traditionally placed by Ministries to run them. Also, nearly all Product Associations are indicating a recent rise in membership. They associate this positive development with the new visibility they have gained from the increased relevance of the services they are able to provide to enterprises, thanks in part to the project.

VIETRADE (created in 2000) seems to have settled into its role, with a clearer understanding of where its comparative advantage resides. While initially ambivalent about the need for a TSN that it might have perceived, at first, as a competitor, VIETRADE seems now to appreciate its usefulness and the role it can play in leading that Network.

That being said, the transformation is incomplete. The TSN needs to be institutionalized beyond the project. New players, especially provincial Trade Promotion Centers need to be brought into the TSN in part as a means to expand the network's reach to SMEs. The capacity of all key actors – the central government, VIETRADE, the trade support institutions – to support exporting enterprises in moving

up their value chain needs to be reinforced. There remains extensive needs to develop and strengthen product design and product development capacity in nearly all export sectors. Demand-driven changes in product development and product design is something that remains quite new for many managers who came out of state-owned enterprises. Equitization in many export sectors is something that came in earnest around 2002–2003. Traditionally, senior managers came with an engineering background, not a business management or marketing background. However, those same managers can relate to concepts of market research and demand-driven business transformation once exposed to them in a learning environment similar to that offered by the project during some of the overseas trade missions or the consultancies provided by international product experts.

2. Eighteen Recommendations

1. The work started under ITC's National Export Strategy Template (NEST) should be consolidated by ensuring it becomes part and parcel of the government's planning process. Additional training of Ministry of Industry and Trade (MoIT) and Ministry of Planning and Investment (MPI) planning technicians responsible for preparing the five-year and ten-year export plans should be carried out. Such training should be interactive and associated with further development work of the ITC tool so that the tool is adapted to local needs and can meet requirements of quantitative target planning used by Vietnamese economic planners.
2. As suggested by the planning technicians that were involved in NEST, a short training/awareness-raising exercise on Value Chain Strategies should be organized for senior MoIT officials (and possibly from other Ministries, including MPI.) This could include presentations on the experience of other countries where export sectors have had to move up their value chains. The understanding of the challenges of Value Chain strategies remains limited among senior officials.
3. The work on Product Sector Strategy started under the project with Product Associations and Exporting Enterprises should be consolidated. Additional officials from Product Associations, provincial Trade Promotion Centers (TPCs), and Exporting Enterprises should be trained in the ITC's Product Sector Strategy tool and in Value Chain concepts. New trainees could be selected from among the seven Product Associations targeted in the original project (to be linked to the updating of their respective sector strategies), from new Product Associations – including from the service sector – and from provincial TPCs.
4. Officials from product associations are unlikely to ever have the skills needed to assist exporting enterprises with the preparation of export marketing plans as called for under the Export Marketing Guidelines. Possibly, that skill should be developed among training specialists, including the Enterprise Management Development (EMD) trainers developed with project resources (More on this below.)
5. VIETRADE needs to institutionalize the Trade Support Network including maintaining a regular schedule of meetings of the Technical Working Groups (TWGs) and a Project Consultative Committee (PCC) revamped within a National Export Council.
6. VIETRADE needs to expand the TSN. A selected group of Provincial TPCs should be brought more fully into it. TPCs have a more diversified client base, including SMEs, and should allow the network to expand its reach beyond the large firms that tend to be served by the Product Associations and have been the main beneficiaries of the project thus far. The next round of technical assistance support should focus principally on the TPCs. Product Associations not involved in the initial project should also be targeted.

7. VIETRADE should “regionalize” the TWGs so that provincial TPCs can be included more easily and more Trade Support Institutions (TSIs) are able to participate in different TWGs. The current practice of organizing all meetings in Hanoi is limiting the number of TSIs, Product Associations, or TPCs that could benefit from the networking and learning opportunities made possible by the TSN. Possibly, three regional networks could run in parallel, including one centered on Ho Chi Minh City, one centered on Danang, and one centered on Hanoi – with a mechanism to allow a sharing of experience among the three networks possibly involving an annual meeting of representatives from all three regional networks.
8. Before identifying the range of capacity-building support required by local TPCs, VIETRADE should work with local TPCs and carry out an in-depth survey of exporting SMEs at the provincial level. This would allow each local TPC to understand better the needs of the enterprises they are serving in their province.
9. The vast network of Overseas Trade Representatives (OTRs) remains a vastly under-utilized resource – and a very costly one for that matter. An in-depth survey of the kind of support services Vietnamese exporters currently ask from and/or would expect to receive from OTRs should be undertaken. The training curriculum that MoIT’s Department of Personnel has started using for new OTRs should be standardized and strengthened to ensure it responds to the needs identified through that survey. Vietnamese trainers should be trained to assist MoIT in delivering that training curriculum.
10. The support provided to specialized trade information TSIs (hereafter, “Information TSIs”) under the project would appear to have had very limited impact in term of improving the quality or depth of the information these are able to deliver to businesses. The evaluators’ advice is to stop providing support to specialized trade information organizations. Conceivably, selected officials from those specialized TSIs could join the specialized trade missions organized for business as observers so they start understanding better the kind of information exporting enterprises truly needs.
11. Additional export marketing missions to targeted importing countries, supported by an international product expert, should be organized with exporting enterprises in various product and service sectors, in new sectors not included in the recent project as well as in the same seven sectors targeted under the project. The population of export enterprises included in those missions should be widened to also include SMEs from provinces. These missions proved to be a very effective tool in getting exporting businesses to learn much about what they need to do to compete in a changing world market, including the linkages between product design and product development and a stronger understanding of market demand. Officials from Product Associations should continue to participate in those missions. Officials from local TPCs should also be associated to such missions. For officials of Product Associations or TPCs, witnessing businesses “in action” is perhaps the best way for them to understand the kind of support exporting enterprises need.
12. The project trained a small group of Vietnamese experts in business management systems for export (BMS). This small group (12 in all) has organized itself into a training service association – EMD. BMS is a set of tools to assist SMEs in strengthening their management capacity for export. The idea was for the small group to start training other trainers in BMS and to start implementing BMS by selling their services to Vietnamese SMEs. In the end, it is the market place that will decide whether there is a sustainable demand for such services but the initial impression is that the current market for such services is very small. At present, the tool seems too complicated and its price too high for most SMEs. So, sustainability is unclear. Perhaps training in BMS should focus on professors in business schools that will train a new generation of young professionals that sooner or later will end up in managerial positions in Vietnamese enterprises. Also, to the extent there is a need for improving the quality of management in Vietnamese SMEs (and there is such a need),

perhaps the project should look for a tool that is much simpler, better adapted to the market and far cheaper for businesses with limited resources to acquire. To build on earlier investment, EMD trainers could be targeted for complementary training in such tools.

13. The Export Marketing Guidelines tool used in the project and the way those are disseminated among exporting enterprises need to be revisited. While the concept behind the tool is correct (exporting enterprises should develop a strategic road map for the development of their own exports), the tool is not user-friendly (business managers do not read 50+ pages manuals) and the officials that staff Product Associations and are expected to disseminate the tool in enterprises simply appear not qualified to do so. Possibly, business consultants, including the EMD trainers, should be those trained in disseminating the export marketing guidelines in individual enterprises based on a tool that is relatively inexpensive and simple to implement.
14. Enterprises and Product Associations need training and learning about the implications of Vietnam's entry into the WTO for export opportunities. This could be done product-sector-by-product-sector, possibly involving the preparation of product sector export opportunities guides complemented by training/coaching.
15. Any new Technical Assistance to VIETRADE to consolidate the capacity built under this project – be it from SECO or any other Development Partner – should be fully incorporated in VIETRADE's Export Policy Development Department (and/or other departments as pertinent.) Even if the leadership of the project extension phase remains with the External Communications Department, the project extension should focus on transferring management expertise to the Export Policy Development Department so that the Department is ready to take over management of a full-scale next phase project. The Project Management Unit (PMU) should be disbanded.¹ It overlaps and competes with the mandate of that Department, and, in the end, undermines the ownership and internalization of the capacities developed under the project by VIETRADE. Implementation should be carried out by the staff of that Department, with the support of the project Senior Trade Promotion Advisor and specialized staff fully merged in it.
16. Any new project funding to VIETRADE should be provided on a program document basis – not a project document basis – using Annual Work Plans that provide more flexibility to adjust activities and outputs to respond to needs as they reveal themselves in the course of implementation, including findings from the surveys recommended by the evaluators.

The need to move up value chains is an enormous challenge for many sectors and enterprises. The range of support services required by Vietnamese exporters is very large. It goes far beyond any support that might still be required to strengthen VIETRADE and the TSN. While various donors are providing Technical Assistance to various export sectors, there is little evidence of coordination among Development Partners that are addressing this broad-ranging topic in Vietnam. To improve effectiveness and coordination, the Vietnamese Government and interested Development Partners might consider putting in place a Trade Sector-Wide Approach (Trade SWAp) for Vietnam.

The Evaluators recommend that SECO finances a follow-up three-year program to consolidate achievements under VIE/61/94 and earlier related assistance and to support VIETRADE's effort to expand its Trade Support Network to other product Associations and to Provincial TPCs. VIETRADE is the institution mandated by the Government of Vietnam to promote export development and, in the words of a number of business representatives met in the course of the evaluation, one that is quite responsive to the needs and demands of the business community.

¹ For financial, auditing, and contractual reasons, the project may need to maintain an external project accountant/staff to process project procurement and maintain project accounts.

3. Recommendations for the Project Extension Phase

The Proposal for Extension of Project VIE/61/94 does a good job at identifying activities that can deepen the impact of the main project. However, the Proposal could also target a few activities more clearly intended to lay the grounds for a future follow-up project.

The Evaluators have a few suggestions to offer:

1. Under proposed Outcome 1, resources for proposed Activity 1.1 could easily be diverted to an Activity focusing on preparing and disseminating product-sector guides for WTO export opportunities for Vietnamese exporters.
2. A fourth Outcome could be carved out from the limited financial resources focusing on preparing the grounds for an expanded, decentralized TSN. Specifically, support could be provided to:
 - The formalization of the TSN starting with the creation of a National Export Council with MoIT as the lead Ministry but with others Ministries and institutions participating. VIETRADE could serve as its Secretariat and would be responsible for managing the TSN. The existence of this or a similar structure would provide stronger footing for VIETRADE to serve as the relay between grass-root businesses and TSIs and Vietnamese trade policy-makers;
 - A survey of exporting SMEs carried out jointly by VIETRADE and a selected group of TPCs aimed at identifying more clearly the needs of Vietnamese exporting SMEs that could be addressed in the context of a full-scale follow-up project;
 - Initial institutionalization of the three regional networks. This could include some launch activities for each regional network including the identification of regional TSIs, launch seminars, identification of regional TWGs, etc.
3. The implementation modality for the Project Extension should address unambiguously the issue of transition from a PMU modality to a modality where the Export Policy Development Department is clearly put in charge and project objectives are clearly embedded in the mission and TORs of the relevant VIETRADE Departments
4. The Project Extension Phase should be used by VIETRADE to prepare a full-scale follow-up project.

The Evaluators are keenly aware that the Project Extension has a limited time period and limited financial resources. Accordingly, only so many objectives and activities can be tacked onto it and a proper balance needs to be found between the objectives and activities that have been proposed already and the new ones suggested here.

4. Project Background

Short Project History and Project Objectives

Short Project History

With the launch of Doi Moi in 1986, Viet Nam committed itself to economic liberalization, including Trade and Investment liberalization. By the 1990s, Viet Nam's GDP was growing at an average of 8% per annum and its exports at an average of 20% per annum – both of which contributed to a substantial reduction in poverty.

In the late 1990s, SECO together with other development partners (UNDP at first; Sida later on) and in consultation with Vietnamese trade stakeholders decided to support the country's efforts in meeting its ambitious export development targets for the period 2000–2010.

A Pre-Feasibility Study conducted in 1999–2000 was followed by a Preparatory Assistance project during 2001–2002. Upon completion of the Preparatory Assistance, the present project was designed and ran from June 2004 through end of 2007. Savings from the 2004–2008 project have been re-programmed into a one year project-extension to run from 2008-Q4 through 2009-Q3.

The pre-feasibility study emphasized the need for Vietnam to develop the capacity of a Trade Institution Support Network in which the capacity of VIETRADE, Vietnam's trade promotion organization, and that of other support institutions would be developed in tandem. This approach was favored over a "go-it-alone" approach in which VIETRADE would become an "all-things-to-all-people" trade promotion organization. VIETRADE, Vietnam's trade promotion organization, was created in 2000 as an agency of the Ministry of Trade (now, the Ministry of Industry and Trade or MoIT following the merger of two Government ministries.)

A mid-term evaluation of the project was conducted in late 2005 by a team of two international consultants. A main purpose of the evaluation was to assist VIETRADE, SECO and Sida in the transition from an ITC-executed project to a Government-executed (NEX) modality. Despite diverging views between the two mid-term international evaluators, the transition to NEX did take place following that evaluation. Another major recommendation of the mid-term evaluation was for the project to concentrate its support on Product Associations and their members. That recommendation was subsequently incorporated into the project's work plans.

Project Objectives

The main development target of the project was to assist the Government of Viet Nam in achieving its ambitious export development targets under its 2000–2010 Export Development Plan. To do so, the project would focus on:

- Strengthening the internal capacity of Viet Nam's lead export promotion agency – VIETRADE.
- Strengthening VIETRADE's capacity to serve as the apex/focal point for a national Trade Support Network made up of product associations, local trade promotion organizations (TPOs) and other government, parastatal, and private organizations associated with export development.
- Strengthening the capacity of the trade support institutions included in the network
- Indirectly, through the strengthened capacity of trade-support institutions, strengthen the capacity of exporting enterprise to succeed in foreign markets

To support this main development target, the activities of the project were organized around four objectives:

An updated Export Potential Assessment, an updated Export Development Strategy, and Sector Export Strategies for selected products and services;

An operational national Trade Support Network lead by VIETRADE and including specialized TSIs, Product Associations, provincial TPCs, and exporting enterprises;

A sustainable financial and technical capacity of selected institutions to provide trade-related training and counseling services to TSIs and exporting enterprises in Viet Nam;

An effective trade information capacity in government agencies, trade support institutions, and exporting enterprises

Following discussions among various project stakeholders, it was agreed that the sector strategies and sector support would focus on garments, footwear, fruits and vegetables, rubber-wood and other wooden furniture, plastic products, and handicraft and home décor products. Some products selected earlier were dropped usually because other DPs are providing support to those sectors (tea, coffee, spices and medicinal herbs.) Some limited support was provided to three service sectors – export logistics, consultancy, software development. Those were identified from a national service export strategy prepared under an MPI-UNDP project.

5. Evaluation Methodology

This evaluation used four main sources of information to review relevance, impact, capacity, sustainability, output delivery and effectiveness of project management:

- Desk review of the project's documented records (project document, monitoring reports, evaluation reports, written outputs, etc.)
- Extensive interviews with project beneficiaries, including VIETRADE, trade support institutions (product associations, local trade promotion centers, enterprises, others), and enterprises
- Extensive interaction with the national project manager and with the international Senior Trade Promotion Adviser
- A debriefing with SECO-Hanoi, Sida-Hanoi and VIETRADE at the end of the field work, and comments from all mentioned plus SECO-Bern on a first draft report

Information collected from those four sources is woven together to arrive at a mostly qualitative assessment of the project along the dimensions suggested in the TORs of this assignment, in particular:

- Relevance and Impact of the project among beneficiaries
- Capacity and Sustainability of the project among beneficiaries
- National Execution by VIETRADE and impact on sustainability
- Completion of Outputs
- Coordination with other ODA
- Lessons learned and Recommendations

The four main sections that follow discuss relevance and impact, as well as capacity and sustainability in term of the four main beneficiaries of the project:

- Strategy-Makers (national and sector-level strategies) – MPI, MoIT, Product Associations
- Product Associations, specialized TSIs, and Provincial TPCs as organized under the TSN
- Exporting Enterprises
- VIETRADE

6. Strategy-Makers

National and Product Export Strategies Relevance and Impact; Capacity and Sustainability

The National Export Development Strategy

Relevance and Impact: The project prepared an export potential assessment (EPA) for Vietnam in 2005 under Objective 1. This study was an update of an earlier one conducted during the Preparatory Assistance. An EPA serves to identify product lines where a country may hold a competitive advantage and may be able to develop new export sectors and new markets. Some 30 or so export potentials were identified in the 2005 EPA.²

Based on these findings, the Director of Planning of the Ministry of Trade assembled a team of 26 people to develop a National Export Strategy or NEST using ITC's methodology. The NEST study was endorsed officially by the Prime Minister in May 2006 and, subsequently, "used" by the Government to update its 2000–2010 National Export Development Plan for the period 2006–2010. The latter was produced as part of the Government's five-year review of its 2000–2010 socio-economic development targets.

As noted earlier, Vietnam is at a turning point in the development of its export sector. Vietnam's labor and production costs are rising compared to those of LDCs (such as neighbors Laos or Cambodia.) Vietnam can no longer be content with expanding export revenues by producing simply more of the same, low-value, low-margin exports. Vietnam must focus on moving producers up their respective Value Chain. In garment this means moving from CMT to FOB or to Vietnamese designed garments; in the shoe sector, from producers as "sub-contractors" to "contractors;" in home décor (handicraft) or wooden furniture from "order takers" to designers and product developers; and so on.

Team members involved in the NEST exercise indicate their work under the ITC methodology was highly relevant in helping them understand better how to view export development against continuously changing world demand, against the challenges of a Value Chain strategy, and in view of the changing competitiveness of Vietnamese exporters compared to their immediate competitors. They also indicated that the team-work orientation of the NEST approach was positive as it helped them develop a stronger understanding of policy interactions.

At the same time, however, it is clear that Government planners historically trained in economic planning based on a simpler identification of output targets had difficulty reconciling their findings from the NEST approach with their traditional quantitative planning approach. This is so at the same time that they do recognize that their traditional target planning approach may no longer work very well in providing directions for export expansion in Vietnam.

² One limitation of ITC's current methodology is that only product export potentials are identified, not services.

Capacity and Sustainability: It is doubtful that MoIT has absorbed sufficiently what it learned from the NEST exercise to reproduce it and sustain it in the future. The Government is about to launch the drafting of its 2010–2020 Socio-Economic Plan. The Ministry will identify a new team responsible for preparing the next National Export Plan. Given high turnover in Ministry personnel it is quite possible that many on the new team will not have been involved in the NEST exercise. And yet, it is clear that the concepts of Value Chain and the design of policy responses imbedded in NEST are highly relevant for Vietnam.

To make this effort more sustainable requires not simply training people but institutionalizing it by embedding the NEST tool in the battery of tools used by Vietnam economic planners. This institutionalization effort should engage not only planning design capacity in MoIT but also in the Central Institute for International Economic Management (CIEM) and MPI. CIEM is the economic research and planning institute in the Ministry of Investment and Planning and is the lead government institution responsible for drafting the Government Socio-Economic Development Plan.

Recommendation: A possible follow-up step might involve convening a working group of CIEM researchers, MoIT Department of planning officials, and ITC Value Chain/NEST experts to adapt the NEST tool to the quantitative target requirements of Vietnamese economic planners. In addition, and to follow up on a recommendation from the technicians involved in the initial NEST work, there is a need for a special awareness-raising session on Value-Chain Strategies for senior leaders of MoIT and possibly other Ministries. The latter do not have the time to get involved in the kind of intensive and time-consuming training associated with NEST but would benefit greatly from understanding better the challenges of helping sectors move up the value-chain.

Product Sector Export Strategies

Relevance and Impact: In addition to the National Export Strategy effort initiated with MoIT, the project worked closely with six product associations to develop six product sector export strategies, again using an ITC Value-Chain based methodology:

- Garment (VITAS)
- Footwear (LEFASO)
- Fruits and Vegetables (VINAFRUIT)
- Rubber-Wood and other Wood Products (HAWA and VRA)
- Plastic Products (VPA)
- Handicraft and Home Décor Products (VIETCRAFT)

The product export strategies were prepared under the leadership of the six product associations by teams that included members from the Associations and from exporting enterprises. The teams received an initial training in the methodology from ITC experts.

Recommendation: Within limits, the findings of the six product sector strategies were used in turn to guide some of the support activities provided to enterprises by VIETRADE and the product associations under Objectives 3 and 4. More will be said on this issue later on in the report. Suffice it to note here that enterprises and associations complain that the “project approach” followed under VIE/61/94 put limitations on how much the findings from Objective 1 could be translated into appropriate supporting activities under Objectives 3 and 4. Indeed, the shortfall of a “project approach” is that it seeks to identify a-priori all needs to be covered under a Technical Assistance. In reality, needs often are revealed in the course of implementing a Technical Assistance. A program

*approach, that works on the basis of Annual Work Plans finalized in the course of the Technical Assistance, offer far greater flexibility in adjusting activities and outputs to revealed needs.*³

Subsequent to the sector strategies, the six product associations started work on Export Marketing guidelines using an ITC methodology. More on this later on.

Capacity and Sustainability: Product Associations and selected Export Enterprises have gone much further in internalizing the Product Sector Strategy tool offered by ITC. This is the case because nearly all of them involved enterprises in the preparation of the strategy that started out with some initial perception of the challenges of Value Chain competition.

Recommendation: However, an additional round of training support from ITC on the methodology would seem advisable when product associations take steps to update their individual export strategies. This could be done in conjunction with training additional associations, including working with Associations in selected service sectors that were not targeted in the original project but for which there is a demand for support from the Government. As noted elsewhere, the new round of training should also include provincial TPCs.

Note that the responsibility for service export development and promotion, as currently organized in the Vietnamese Government machinery, lies with MoIT and VIETRADE, even though initial work on service export development was carried out by MPI's Department for Trade in Goods and Services.

7. The Trade Support Network and Trade Support Institutions

Relevance and Impact; Capacity and Sustainability

The PCC and the Technical Working Groups

Background: Objective 2 of the project focused on implementing the Blueprint for a Trade Support Network proposed during an earlier Preparatory Assistance and for developing VIETRADE's capacity in tandem. The concept of a Trade Support Network is nothing new; it simply tries to embed in a Vietnamese context a best practice concept implemented the world over. Specifically, for a country to provide the support services needed by exporters, it must ensure that a multiplicity of actors is actively contributing to such support. Typically a TSN support brings together institutions that specialize in areas of Trade Information, Export Market Development and Export Promotion, Product Development (including, meeting international technical standards,) Trade Finance, and/or Trade Logistics.

A structured network is important for Vietnam in at least two significant ways. By linking together many trade-related institutions located in different locations and regions, specialized in different product areas, or specialized in different technical expertise, the network provides a mechanism for delivering the multiplicity of needed support services to firms located across a vast, elongated country ("top-down".) Quite simply, a single institution can never have either the depth of service knowledge required

³ A Program-approach emphasizes main Program Objectives (Outcomes), Indicators of Change, and an overall budget to achieve the program's outcomes. The program-approach leaves it to a Program Manager and his/her Senior Technical Advisor(s) to formulate and implement Annual Work Plans with detailed outputs, activities and budgets that seek to tailor activities to needs as they emerge in the course of implementation. Typically, a Project Board (including the beneficiary and the development partner(s)) provides annual oversight of the project team. A Project-approach stresses detailed identification and formulation of outputs, activities and resource allocation prior to the start of implementation. It is less flexible in that it restricts the ability of the Program Manager and STAs to adjust activities and outputs to needs as they reveal themselves during implementation.

to support all areas of export development or the geographical reach required to support all firms. This is particularly relevant in a vast country such as Vietnam where many TSIs have limited expertise to respond to the needs of global markets, where distances are vast, and where many current or potential exporters are located in far away rural areas. Conversely, and equally importantly, a structured network is a way to ensure that the needs of producers and exporters are clearly understood by support institutions and can move back up all the way to the apex institutions and policy-makers so they are addressed through policy changes and, in turn, reflected in the services provided by TSIs (“bottom-up”).

Note that the two-way flow of information and support expected from a network in a market-driven economy is somewhat new for Vietnam. Under State planning, State planners and TSIs were more used to a top-down-only system. As reported further into this evaluation, it is quite clear that the TSN has been instrumental in developing a sharper understanding for the need for bottom-up information flow among TSIs.

Relevance and Impact: A Project Consultative Committee (PCC) was created by VIETRADE at the beginning of the project together with four Technical Working Groups (TWGs).

The four TWGs include: Product Development, Trade Information, Export Business Training, and Finance. The TWG on Product Development is chaired by Vietnam Chamber of Commerce and Industry (VCCI) SME Development Center; the TWG on Export Business Training by EMD, a private sector training firm; the TWG on Trade Information by the Vietnam Industry and Trade Information Center (VITIC); and the TWG on Finance by Techcombank, a private sector bank. Some 35 or 65 organizations (specialized agencies, product associations, local TPCs, private support service suppliers, and export enterprises) participate in each TWG (with some organizations participating in more than one TWG.)

TWG and PCC meetings are organized on a quarterly basis by the VIETRADE project in Hanoi. Typically, TWGs stand one day and the following day is devoted to a meeting of the PCC. During the meeting of the PCC, issues raised during the TWGs are brought up to the attention of the PCC and the project reports on its progress and on how activities organized in the previous quarter have sought to respond to demands arising from the TWGs. In addition to handling the logistics of the meetings, the VIETRADE project pays for travel expenses of some of the organizations coming from outside Hanoi (HCMC, Danang, Haiphong, etc.) By the time the project came to a conclusion in late 2007, VIETRADE had organized eleven quarterly meetings of the TWGs and PCC.

There is no doubt that the PCC and TWGs have been very well received by those associated with their operation, whatever the limitations. Participants to the TWGs found the groups very useful as a networking and learning experience. The TWGs allowed them to vet out their issues and needs and, in turn, bring them to the attention of the PCC for follow through by the project (resources permitting) or with policy makers at the senior level in MoIT. At least one TWG (Finance) decided to organize additional meetings above and beyond the quarterly meetings organized by VIETRADE. TWGs’ chairperson organized the agenda of their own group in consultation with their members and several identified and invited their own experts for presentation and discussion of agenda issues during their meetings. In the area of Trade Information, a core group of four agencies was assembled under that TWG to provide direction to the PCC. The core group includes VCCI, VTIC (now VITIC), Investment and Trade Promotion Center (ITPC) of HCMC, and VIETRADE. The TWG on Trade Information decided to strengthen networking of trade information services in Vietnam through the creation of a shared website “TSI Link.”

Perhaps another interesting impact of the network is the changing perception of its importance by VIETRADE itself. When the concept of a network was first discussed in 2000, VIETRADE – a then-newly created organization – was primarily concerned with building up its own human and institutional

capacity. At first, VIETRADE, while not objecting to the goals of the network, nevertheless might have tended to see the network as distracting its attention from its initial goal of building up its own capacity. With time however, VIETRADE came to appreciate and embrace more fully the usefulness of the network and the network's complementarity with VIETRADE – while also becoming more confident in its own functions and responsibilities as the leader of the larger network.

Capacity and Sustainability: More is needed to strengthen the PCC and the TWGs in order to deepen the impact of the TSN and ensure its sustainability.

Recommendation: A first issue is the need for institutionalizing the coordinating responsibilities of the network in VIETRADE. The network is originally a creation of the project. No meeting has been organized since the project closed in late 2007 even though the TWGs are clamoring for continuation. VIETRADE claims it needs a more formal mandate to sustain its role as coordinator of the network.

VIETRADE is discussing the creation of a National Export Council to supersede the PCC and institutionalize its coordinating functions. This will require endorsement from the Minister of Industry and Trade and possibly from the Council of Ministers. Presumably, a National Export Council would bring together various Ministries and institutions under the leadership of MoIT and would assist in providing direction to VIETRADE, the TSN, Product Associations and others associated with Vietnam's export effort. VIETRADE could serve as the National Export Council's Secretariat and strengthen its functions as coordinator of the network as it would provide a better-defined channel between grass-root TSIs, product associations, provincial TPCs, and others and trade policy makers. Whatever solution Vietnamese policy-makers decide to implement, there is a need to consolidate the gains made by the TSN and to push and formalize its functions expeditiously. Losing momentum always comes at a cost.

Recommendation: A second issue is the sustainability of the routine tasks associated with VIETRADE's functions as coordinator of the network. Under the project, VIETRADE provided two sources of support to the network. Project staff organized the logistics and follow-up of the quarterly meetings of the TWGs and PCC. In addition, the project covered the travel expenses of a number of non-Hanoi-based participating organizations. VIETRADE suggests that the latter is not a significant issue.

The logistical functions fulfilled by the project staff to coordinate the network have yet to be incorporated into the functions of any of VIETRADE's Departments. This needs to be done. This raises a larger issue about NEX under the Hanoi Declaration on Aid Effectiveness discussed in a latter section of this report.

Recommendation: A third issue is the role of VIETRADE in ensuring follow-up on the issues raised by the TWGs. The TWGs have raised two concerns. The first concern is policy follow-up by senior leaders in MoIT or higher up in the Government. In general, members of the TWGs feel that VIETRADE is weak in pushing issues up to higher policy-making levels.

Conceivably, a stronger institutionalization of VIETRADE's function as coordinator of the TSN through a National Export Council should help create a stronger link with policy-makers.

Recommendation: The second concern raised by TWGs is follow-up on issues by means of Technical Assistance involving ODA.

Under the project, the only pool of such resources accessible was the limited funding available from the project. Clearly, access to a larger pool might require stronger coordination with other Development Partners' assistance. This issue is discussed later in the report.

Recommendation: A fourth issue is how best to run the network especially if the next round of capacity building is to focus on provincial TPCs as suggested below.

The Evaluators' suggestion is for VIETRADE to decentralize the network concept and possibly run three networks in parallel, including one centered on Hanoi, the other on Danang, and the last one on Ho Chi Minh City. This would make it easier to include a larger number of provincial TPCs by cutting down on logistical costs associated with meetings. The operation of the three, decentralized networks could be supplemented by a yearly apex meeting for representatives of all three networks to share lessons and recommendations.

Product Associations

Relevance and Impact: The project followed the recommendations of the mid-term Evaluators and focused much of its TA on the Product Associations and needs for capacity strengthening identified in the TWGs.

For example, VIETRADE, with the support of the project, helped create the Handicraft Exporters Association – Vietcraft – filling a need in a sector that, until then, lacked a structuring body. A very dynamic, well-networked and highly knowledgeable professional was recruited as General Secretary to put together the organization. In turn, he has hired a staff of young, eager professionals. In one-year time, the new Association has succeeded in raising the number of members from 200 to nearly 350 on the sheer success of its interventions. The Association has already assisted a number of its members in several overseas trade marketing and promotion efforts including participation to Hong Kong and Frankfurt's Home Décor Trade Fairs (Hong Kong, under MoIT funding; Frankfurt, under project funding.) The feedback from the Vietnamese enterprises that participated to these events is that it helped them understand better market demand and how much Home Décor, like the garment business, has become a “fashion” business where enterprises must respond quickly to shifting demand through new product design and product development.

Likewise, in the shoe sector, enterprises are under pressure to move up from “sub-contractors” (simple order-takers) to “contractors” including getting involved in product design and product development. With support from the project, LEFASO and its product design institute, LEASHORESIN, organized three very successful courses on product design and product development for approximately 30 SMEs each time. The courses were run by an Italian leather and shoe designer.

A parallel design training exercise was organized for some 20 firms by the project jointly with VITAS for the garment sector. HAWA, VPA and VINAFRUIT also benefited from comparable support.

Also, highly successful trade missions to foreign trade fairs were organized for groups of exporting enterprises members of each of the six Associations, with an international expert leading each mission and one staff from the respective association also accompanying.

One limitation of the project focus on Product Associations is the membership of the Product Associations themselves. As currently organized in Vietnam, product association membership is overwhelmingly dominated by large enterprises (formerly including many SOEs though the recent pace of equitization has been rapid and the number of SOEs is being reduced rapidly.) To expand its impact on exporting enterprises, the project needs to reach out to SMEs and to do so will require bringing other actors in the TSN, namely provincial TPCs. More on this below.

Capacity and Sustainability: Sustainability of the initiatives launched under the project with the Associations rests on three key points.

First, the degree of professionalism of product associations varies. Product Associations in Vietnam have an ambiguous status. Vietnam does not have a law providing a proper legal framework for non-profit organizations. In addition, historically, product associations were created by Ministries and used to give reward jobs to retired former high-level officials. The latter typically have little to no experience and rather limited understanding of the world of business. Beside their access to certain government networks, they can provide only limited leadership to businesses in their sector.

Our perception is that Product Associations in recent years have been changing rapidly for the better however, as more and more business men and women from exporting enterprises get involved directly in the management of the Associations. Here, it would seem, the project has had a very direct positive impact on bringing about such change. The activities of the project have helped Associations get involved in issues of very direct relevance to business people and the latter, in turn, have felt inclined to become more involved. In addition to more business people taking leadership roles in Associations, membership seems to have grown also over the past few years as a result of this new activism.

Business people are actively running HAWA and VPA. As noted earlier, staffing of Vietcraft, a new association, has been based on criteria of professionalism and sector expertise. Vitas, also appears to be moving in the direction of bringing in its rank senior staff coming from the business side as opposed to the government side. LEFASO's senior leaders also seem quite knowledgeable about the needs of enterprises in their sector.

A second dimension relating to the sustainability of activities started under the project with the Associations is their very scope. What emerges from the product strategy work and the issues raised in the TWGs is that capacity in product design and product development is perhaps the most important capacity that needs to be built in exporting enterprises. This is what they need if they are to succeed in making the Value Chain shift required from their changing competitive condition in the world market.

To a large extent, product sectors and product associations still lack the product design centers that can help train product designers and product developers for enterprises.

Recommendation: Depending on circumstances, Product Associations might need equipment (in some cases) and trainers (all associations interviewed.) The kind of training organized by the project for LEFASO with the Italian designer/trainer is a step in the right direction but much more is needed. Associations need training packs in product design and product development and a training of trainers so that they, in turn, can reach out to a larger audience of enterprises. Associations also need resources to link Vietnamese product designers and developers to the knowledge of product demand and demand shifts in markets where Vietnam is exporting or might export.

Here, the issue of linkages between the SECO-Sida project and other TAs is very relevant. More will be said on this below.

Provincial Trade Promotion Centers

Several Provincial TPCs were associated with the project through their involvement in the TSN and through some training support, especially in the area of trade information.

In general, however, and in line with the recommendations of the mid-term evaluators, local TPCs were not the main target beneficiaries of the project. The plan, under the project extension, is to focus on those institutions to strengthen their capacity and as a means to expand the reach of the project to SMEs that are the main clients of local TPCs.

Recommendation: The Evaluators' view is that the new focus on local TPCs and exporting SMEs is indeed appropriate. However, the Evaluators would also recommend that VIETRADE and local TPCs first organize a survey of needs of exporting SMEs. Individual TPCs, VIETRADE and the project should understand better the needs of exporting SMEs before finalizing the range of support interventions that might be developed at the provincial level.

Specialized Trade Support Institutions

Relevance and Impact: Under Objective 4, various activities were launched to strengthen the *trade information capacity* of specialized Information TSIs, Product Associations and selected TPCs. Vietnamese exporting enterprises often lack the kind of trade information they need and are unable to get it from TSIs supposed to be specialized in trade information (hereafter “Information TSIs”). Enterprises lack that kind of information typically for two reasons: they do not always know what information would be useful to them (“they don’t know what they don’t know”); and, Information TSIs seem unable to provide it to them even if they know what is needed.

Much of the assistance on trade information provided by the project was of a “top-down” nature, with trade information experts trying to show Information TSIs what they should provide. The impact of this support in term of changing the delivery of pertinent trade information to exporting enterprises appears rather limited.

Capacity and Sustainability: It seems quite clear that Information TSIs (and other TSIs for that matter) do not learn well what they need to provide through a “top-down” approach. If anything, they need more exposure to “bottom-up” experience where they can learn first hand from exporting businesses what enterprises need to know. It seems unlikely that much of the support provided by the project in this specific area of support has built any new significant capacity and sustainability.

Recommendation: The Evaluators' advice would be to stop much, if not all, “top down” delivery of expertise on trade information to TSIs, and to Information TSIs in particular, that appears to have very limited impact. Instead, officials from organizations could be associated to some of the activities run directly for exporting enterprises, including overseas trade missions, so they can learn first-hand the kind of information enterprises truly need to compete overseas.

Overseas Trade Representatives

Relevance and Impact: MoIT has a vast network of economic counselors and overseas trade representatives (OTRs) in place in 47 overseas Vietnamese embassies. Some 142 officers in all are deployed at the moment. This is a significant, but, unfortunately, vastly under-used investment. The relevance of a network of counselors and OTRs is not an issue. When well positioned and well trained, they can be a formidable resource to assist TSIs and exporting enterprises in obtaining information or arranging trade missions, participations to overseas trade fairs, or match-making.

Unfortunately, the great majority of those posted overseas are under trained and do not have the skills to respond to the needs of Vietnamese enterprises and TSIs. Until recently, the position tended to be viewed as a form of reward for MoIT higher-level officials nearing retirement – many of whom did not have the appropriate skills and were sent overseas without proper training. Accordingly, the impact of this network on export development is rather slim.

Capacity and Sustainability: MoIT Personnel Department is quite aware of the shortfalls (and costs) of the old system. Starting approximately five years ago, it has instituted a curriculum of training that all new OTRs must undergo before being posted overseas. Typically this curriculum is delivered by returning OTRs and professors from Universities. However, it will take some years before current personnel is

replaced by new, better trained staff. In addition, it is not clear how much the current training curriculum fits the requirements of the job.

Recommendation: Several activities could be undertaken to assist MoIT in its efforts to strengthen the network. First a thorough survey of needs of enterprises and TSIs should be developed to understand better what support they might expect from OTRs.⁴ This could involve reviewing in-depth requests that are received by OTRs as well as surveying a sample of exporting enterprises and TSIs.

Based on the information collected, a more tailored curriculum could be developed to train OTRs and counselors in responding to requests. In turn that curriculum could be introduced through a training of trainers that would be able to support to MoIT's annual training needs.

8. Exporting Enterprises Relevance and Impact; Capacity and Sustainability

Large Exporting Enterprises and SMEs:

Product Development and the Linkage to Market Research and Trade Information

Relevance and Impact: One of the most successful activities of the project was a series of overseas trade missions organized for each of the six sectors. Typically those missions involved several enterprises from the sector plus one official from the Product Association. In turn, an international product expert identified by the project accompanied the mission. Typically, the missions involved participation to international trade fairs.

While several missions resulted in export contracts for several firms, this was not their immediate objective. Rather the goal was to develop a stronger understanding among participants of the nature of market demand in the importing countries targeted and of the relationship between demand and product design and development.

Capacity and Sustainability: There is little doubt that these missions have left a lasting impact, sustainable on enterprises that participated as well as the Associations. To ensure a deeper impact, however, will require follow-up.

Recommendation: Additional similar missions should be organized involving other exporting enterprises and TSIs, including SMEs and provincial TPCs as suggested earlier in this report.

In addition, the project, through the TWGs and the aforementioned missions, helped increase awareness about the need for Vietnamese product sectors to develop product design and product development capacity. This will require building other capacities at the product sector level as suggested earlier in this report.

⁴ A survey of OTRs was conducted by VIETRADE under the project, including visits to three overseas embassies. However, it seems the survey was rather general in nature and did not yield much information about the nature of the work that should be expected from OTRs. Likewise, an old ITC manual on OTRs was translated into Vietnamese, but it seems little was done to adapt it to the Vietnamese context or to upgrade it.

Export Marketing Guidelines

Relevance and Impact: A tool to assist individual enterprises in developing export plans called “Export Marketing Guidelines” was provided to Associations for adaptation and dissemination to their members. The idea of the tool is to help individual enterprises identify how to plan for transforming their export business along a Value Chain approach.

Capacity and Sustainability: We have no issue with the concept behind the tool. However, it is clear that this particular tool has had little impact thus far.

Recommendation: *The tool needs to be re-conceived. It is not user-friendly, certainly not in a form that a business manager is likely to use it (at present, a long manual, typically, 50+ pages.) The officials of Product Associations do not seem to have either the skills to either adapt it or the capacity to disseminate it among exporting enterprises.*

The evaluators’ suggestion would be to train business consultant in the use of a relatively simple tool (or in simplifying a more complex one) that, in turn, they can sell at a relatively low price to exporting enterprises.

Trainers could involve some of those trained in the BMS training pack (below) and other business consultants as well.

Business Management Systems

Relevance and Impact: The Preparatory Assistance pointed to the lack of business management training for export in many Vietnamese exporting enterprises. As a result, the project programmed the training of a core of trainers that would be able to assist enterprises in improving their management capacity for export. Some 25 or so potential trainers were identified and under went a three-module training curriculum in Business Management Systems (BMS) prepared by ITC. In the end, twelve trainers graduated from the curriculum.

The original idea was for the trainers to then be able to assist either Product Associations or enterprises directly in developing diagnosis and providing support.

Capacity and Sustainability: The twelve trainers have organized themselves in the equivalent of a small professional association to try to promote their new tools. The reality is that most of them have found it extremely difficult to find a market for the BMS tool. There are possibly several reasons to explain this but most likely the overriding one is that there is a very small market in Vietnam at the moment for the BMS package among SMEs. The tool seems far more sophisticated than can be absorbed and too expensive.

Recommendation: *The evaluators have two recommendations. The BMS package might be more useful if it were disseminated via business school curriculums that train young professionals that eventually will become managers in Vietnamese enterprises. But that answers only long term change. In the short term, to the extent there is need that remains to be filled, the project should look for a far simpler tool to be disseminated to a broad audience of SMEs at a far lower unit cost. This could be done by providing complementary training to the EMD trainers.*

WTO and Vietnamese Export Opportunities

Vietnam’s recent entry into the WTO (a development that occurred after the formulation of the project) is changing market access conditions for many Vietnamese exports. If anything it will bring even more pressure on Vietnamese exporters to move up their value chains.

Recommendation: *Exporting enterprises and Product Associations indicate they have much too limited an understanding of how Vietnam’s entry in the WTO is affecting positively or negatively export opportunities.*

Awareness raising should be product-sector-by-product-sector, possibly involving the preparation of product sector export opportunities guides complemented by some training/coaching support.

9. VIETRADE and National Execution

Project Delivery

The matrix presented in Annex 1 summarizes project delivery during both the ITC-Execution and the NEX periods against what had been promised in the original project document. Overall delivery of the project has been quite complete.

There is no indication that the shift from ITC-execution to NEX diminished in any way or shape project delivery. Clearly, VIETRADE should be strengthened by continuing implementing projects through a NEX modality. In addition, future SECO support to VIETRADE should be sufficiently flexible so that VIETRADE is able to procure expertise not only from ITC (likely to remain its main partner), but, possibly, from other UN Agencies that can provide complementary expertise (e.g. UNIDO on standards; ILO on small business training; others.)

In general, as described throughout this report, the four main objectives of the project were well balanced with the findings and lessons learned from the first two objectives used to enrich the responses developed under the third and fourth objectives, thus providing good synergy across activities.

Ownership and Internalization of Technical Assistance by VIETRADE

Relevance and Impact: As mentioned earlier, VIETRADE was a newly born organization by the time the Preparatory Assistance was organized. The project has had a significant impact on shaping the organization.

One of the recent consultancies organized under the project has helped VIETRADE re-defined its primary functions and the resulting mandate of some of its key departments. A new departmental structure has been introduced recently involving six main departments:

- The Export Development Policy Department
- The Export Promotion Center (PromoCen)
- The External Communications and Relations Department
- The Administration Department
- The Planning and Finance Department
- The Trade Promotion Administration Department

There are a few additional units attached to VIETRADE including offices in HCMC, Danang, Dubai (just closed) and New York. Finally, the new structure anticipate a new Product Development and Market Research Department, although such department has yet to be created. TORs of the departments are shown in Annex 2.

The new structure is at a “testing” stage and the Director General has indicated that it will be reviewed after six months so adjustments can be made as needed.

The first three departments listed above are the substantive ones. In its overall design, the new Export Development Policy Department is essentially intended to take over most of the functions and capacities developed under the project, including operating the TSN, providing support to TSIs, identifying and responding to needs of TSIs.

What is significant here is that the very functions of the Department of Export Development Policy in effect recognize the relevance of the concept of Trade Support Network for Vietnam and many of the activities developed under the project. This is quite a change from the initial ambivalence on the part of VIETRADE during the period of Preparatory Assistance when VIETRADE's main concern was on developing its own human and institutional capacity. Overtime, it is clear that VIETRADE has come to appreciate more fully how the Trade Support Network can extend the reach of support to the vast community of Vietnamese exporters and the role it has to play to lead that network.

PromoCen operates under a slightly different status because it has the right to engage in “cost recovery” for some of its activities, something other departments are not allowed to do. Its main functions are support to enterprises including match-making, participation to trade missions and trade fairs, and some trade information.

The External Communications Department focuses on linkages with Development Partners and is also responsible for the “Made in Vietnam” branding campaign underway – Vietnam Value.

Capacity and Sustainability: NEX (National Project Execution) was introduced mid-way through the project (following the mid-term review) and was a strong step towards Aid Effectiveness as reflected in the 2005 Paris Declaration and the Hanoi Core Statement (see Annex 3.) Unfortunately, when the project transitioned from ITC-Execution to NEX, it also inherited a PMU structure that, like most PMU structures, often ends up competing with the work that should be done by the institution itself.

During the transition from ITC-Execution to NEX, the project PMU was relocated from a separate office to VIETRADE's main office. However, the PMU was allowed to remain and was made to report to what has now become the Department for External Communications and Relations.

Recommendation: The Evaluators' recommendation is that the project PMU should be disbanded.⁵ The project extension should be used to foster a transition of the project from the External Communication Department to the Department for Export Development Policy. The goal should be for the Director of the Department to become the National Project Manager. The Department's staff should become directly involved in the implementation of project extension activities. This could follow a review of how best to mesh the project's objectives and tasks with the Department's TORs. The current project staff (one staff) and international expert should be fully merged into the Department. It is only by integrating and institutionalizing fully the tasks and functions of the project into VIETRADE's structure that effective sustainability will be guaranteed.

⁵ As noted earlier, the Evaluators are aware that some form of independent staff might be required for purpose of managing and auditing the financial resources of the project and processing procurements, but that does not need to conflict with the formulation and implementation of activities by the Department's staff.

10. Coordination with other ODA: A Sector-Wide Approach (SWAp) for the Trade Sector in Vietnam?

There was no other TA provided to VIETRADE during the period of the SECO-Sida project.

However, VIETRADE does have a number of Memoranda of Understanding in place with US Commercial Services, CBI (Netherlands), and SIPPO and plans to develop new ones with JETRO and UKTI Services. These MoUs are not TA per se, but rather agreements to promote buyer-seller meetings and match-making services to help Vietnamese exporters develop new clients and new markets. Obviously, such MoUs are highly relevant with the mission of VIETRADE and the intent and focus of the project, namely to develop exports. VIETRADE's Department for External Communications and Relations appears to be doing a good job of linking demands arising from those MoUs to the work of the organization, including generating match-making opportunities among enterprises.

The project did coordinate activities with SIPPO in several occasions. However, the issue of coordination goes far beyond what is within the immediate reach of VIETRADE. As indicated in this report, the fundamental issue for exporting enterprises and TSIs in Vietnam is to develop the capacity to move up Value Chains or to support that transition. Thus support needs to happen at many different levels and to involve many different actors.

As far as we can tell, the French and ADB have been active in the tea sector and GTZ in the coffee sector. GTZ has posted recently an international product expert in HAWA. USAID has provided support to the fruit and vegetable sector in areas of HACCP and SPS in the recent past and UNDP in the area of service exports. SECO itself provides assistance to STAMEQ (Viet Nam's agency responsible for standards) via UNIDO. There are other supports to private sector development, which do have a bearing on export development since the latter includes a focus on supply capacity development.

Recommendation: These are all relevant assistance but there does not appear to be in-depth coordination among all of those supports. There is no Trade Sector SWAp in Vietnam to coordinate DPs active in the sector and the real issue here might be the relevance of initiating such a SWAp.

Annex 1: Project Delivery

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
Outcome 1: An updated national export development strategy recommended on the basis of the Government strategy, the re-assessed export potential and sectoral export strategies for selected export products and services.				
1.1 Updated and enlarged export potential assessment (EPA).	Extensive product coverage and in-depth assessment conducted with the enterprises/ concerned product associations and selected producers. Revised assessment in line with the revised Government export strategy and widely disseminated to all stakeholders. Assessment includes social ex-ante impact analysis focusing on backward linkages to producers, including gender impacts.	Completed in Dec 2005. Identified 37 export potential sectors. Conducted with the participation of 4 consultants from key associations; intensive consultations with TSIs, and a wide sample of exporting companies.		.
1.2 Export marketing guidelines for footwear sector completed.	Export marketing guidelines accepted and implemented by major enterprises.	Completed		

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
1.3 Sectoral export strategies completed for selected product groups: garments, fruits, arts and crafts, tea, coffee, spices, medicinal herbs/ extracts and computer software. Export marketing guidelines (enterprise level) for most of these products.	For most of these products, sectoral export strategies completed based on demand and supply considerations, review of main import markets, tariff and non-tariff factors, competitiveness, Government production and export targets, international marketing practices in the sector and environmental standards considerations. Recommendations on the backward linkages between exporters and producers (including contract farming) to enhance the opportunity of both men and women producers to benefit from sectoral export strategies, through an integrated supply chain. Recommendations for trade policy adaptation, and trade facilitation formulated. Export marketing guidelines covering recommendations on product, branding, packaging, labeling, price, distribution channels, and promotion completed. Recommendations on the implementation of ISO 14000.		6 export strategies (SESS) for garment, footwear, handicraft, plastic, wooden products, fruits & vegetables completed by Associations and businesses. Strong focus on value-chain strategy. Export marketing guidelines (EMGs) have been accordingly developed basing on these strategies. Except for Footwear, all strategies completed under NEX execution as follows: - Footwear: before 2004 - Garment: July 2006 - Handicraft: June 2006 - Fruit and vegetable: March 2007 - Wooden furniture: May 2007 - Plastic packaging: July 2007 Completion and dissemination of EMGs as follows: - Footwear: November 2004, disseminated to enterprises by Lefaso mid 2007 - Garment: July 2006, disseminated by Vitas to enterprises early 2007 - Handicraft: June 2006, delivered to enterprises mid 2007 - Fruit and vegetable: March 2007, delivered to enterprises by VINA FRUIT end 2007 - Wooden furniture: May 2007, disseminated to enterprises by HAWA end of 2007 - Plastic packaging: July 2007, delivered to enterprises by the association (VPA) end 2007	Preparation of Strategy highly valued by participants and members of association. Participants and Associations learned about Value Chain strategies which they need. Effectiveness of EMG tool seems very limited. Tool is not adapted to audience (business managers.) In addition, Associations seem to have trouble providing effective dissemination. Only selected garment and handicraft companies said they are helpful.

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
	Recommendations on market opportunities for organic products or products respectful of the environment formulated in close consultation with SIPPO, MPDF and other projects dealing with environmental management and certification. For some of these products (coffee, tea, computer software), only world market researches and feasibility studies will be conducted.			Note: At the request of the Government, the sectors of wooden furniture and plastic packaging were selected to replace spices and medicinal plants and extracts and computer software. Also, tea sector was eliminated due to large TA from ADB.
1.4 Export marketing strategy for selected services, based on export potential assessment and comprehensive development strategy for the service sector	Export marketing strategy for selected services based on the Government export strategy for 2001-2010, the development strategy proposed by the future UNDP project for services and the export potential assessment [output 1.1]. Content of export marketing strategy for selected services includes: - world demand for each service area, - main target markets - current supply, - how to attract investments and transfer technology, - how to integrate environmental standards, - needs to adapt existing trade policy and, - a time-bound action plan.	From 2004 to 2006, the project regularly exchanged information and experiences with UNDP project making an inventory of services in Vietnam and drafting a development strategy.	The UNDP project was completed in June 2006 and the SECO/Sida project took over some of the results. Three sub sectors offering the best potential for export were selected: software, freight forwarding, business consultancy and training. In early 2006, the project drafted export strategies for the three sectors; in early 2007, the project conducted initial training and consultancy with associations and enterprises	

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
1.5 Technical guidance and recommendations for updating national export development strategy provided	Export development strategy responsive to and supporting the needs of exporters. Latest world demand and Vietnamese supply conditions reflected in the Strategy. Broad range of TSI support services required by exporters indicated in the Strategy	A National Export Strategy was prepared by a multi-disciplinary task force of 26 members using ITC's NEST tool, under the joint guidance of the Ministry of Trade (MOT) and the project between August 2005 and April 2006. Introduced economic planners to concepts of world demand and value chain. Findings from the NEST were used in the updating of the Government 2006-2010 National Export Development Plan.		The NEST has helped introduced the concept of Value Chain Strategy among Government economic planners. However, planners have difficulty reconciling Value Chain approach with traditional quantitative target planning. Also, senior level policy makers still lack fuller understanding of Value Chain export strategies.

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
Outcome 2: An effective trade development network supporting the needs of exporting enterprises on a sustainable basis				
2.1 Trade development network organized, launched and functioning as a coordination mechanism between Government, TSIs and enterprises.	Increased information flows between network members Core TSIs regularly exchanging information on client needs, support policies and measures, market access and other export marketing possibilities. Information considered as a valuable asset by each TSI. Suitable formats and protocols for exchanging information developed, tested and accepted. Technical Working Committees (TWCs) constituted and supporting the formulation of sectoral export development plans and facilitating strengthened cooperation among TSIs. VIETRADE as Secretary to TWCs, filtering back to higher levels critical issues raised by TWCs.	A Project Consultative Committee was organised and held 11 meetings – 4 during ITC execution and 7 during NEX. The voluntary membership increased from 15 organizations in 2004 to almost 50 in 2007. Four Technical Working Groups (TWGs) were organized and held meetings before each PCC meeting: – Product Development (7 meetings): led by VCCI with 70 members, – Trade Finance (7 meetings): led by Techcombank, with 60. members: bankings, buz, freight and logistic companies, etc. The TWG on Finance also organized meetings outside the official schedule – Trade Information (4 meetings only): led by VITIC, – Export Business Training led by EMD (Association of Trainers) Also: – VIETRADE acted as coordinator and leader of the TSN; – Networking increased information flows among network members and was highly appreciated by participants VIETRADE was able to establish a closer relationship to TSIs and provide assistance to Product Associations and a few Provincial TPOs to strengthen their professional competence (annual conference, local training programs, regular advisory visits, etc). – VIETRADE support to the formulation of sectoral export development plans – VIETRADE acted as Secretary to TWGs and received recommendations raised by TWGs. – The TWGs proposed a number of issues for TA support to which the project was able to respond a (see 3.1)	By NEX	VIETRADE wants to institutionalize the TSN, PCC TWG mechanisms through a National Export Council. No meetings of the TWGs and PCC have been held since the end of project in late 2007. The meetings are organized in Ha Noi, limiting participation from provinces, especially from TPCs or Product Associations from the South. A more decentralized approach to the TSN is called for. New Product Associations and a wider number of provincial TPCs should be brought into the Network

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
2.2 VIETRADE trade-sup- porting and co-coordinating capacity strengthened	Training need assessment carried out at VIETRADE, training plan agreed with Director General. An estimated 20 VIETRADE staff trained in turns and in stages through specially organized workshops on trade promotion/ trade development and project management. VIETRADE effectively leading the trade development network, being closely connected with the overseas trade representation network	Staff training need assessment carried out	1) 4 training for VIETRADE staff (approximately 90 participants): – Trade promotion strategies and operations (25th -27th Oct 2006); – Another five half-day follow-up on trade promotion techniques, March 19th – 23rd, 2007, – Project Management, 26th Feb–2nd March 2007 – Effective Work Skills, April 16th–20th, 2007 2) VIETRADE staff participated in project seminars. 3) A manual of operations to improve VIETRADE staff's daily work was prepared under the project 4) A proposal to reorganize VIETRADE was prepared by International Consultant. The proposal is being implemented under restructuring decision of the Director General in early 2008.	The new structure has 4 key substantive departments of: – Export Policy Development – External Communications and Relations – Market Research and Development – Promocen Activities of Project PMU need to be more fully incorporated in new departmental structure OTRs network: Still very weak despite very large and costly investment by MoIT. Strengthening must be pursued. (see 2.4)

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
2.3 Export-related trade and product /services associations strengthened as service providers to their members	All trade and product associations concerned with products under output 1.3 as well as LEFASO and VASEP better equipped to service their members in the areas of trade information, training and consulting. Trade and product associations dealing with products having an export potential (as reflected in output 1.1) have received formal training in trade information and business consulting services, as well as in delivering training programmes. Those associations have also benefited from their involvement in the trade development network. As much as possible, associations providing services on a cost-recovery or fee-paying basis.	The project provided various training opportunities to officials from Product Associations including in market research, development of sector strategies, trade information, etc. This has made the Associations more relevant to their members. For instance, LEFASO and VITAS benefited from training courses in design that were highly valued and appreciated by their members. The project has also helped associations carry out a number of national workshops to discuss their sector strategies. These events became an opportunity for open dialogues between the government and business community Most significant impact: – Training (mentioned below in 1.5) – Market research study tour to foreign countries to assist exporting enterprises learn about the relationship between market demand and product design and development: Plastic: to Germany Garment: UK, Germany Handicraft: Germany Fruit: Dubai Wood: Italy, UK	The project provided various training opportunities to officials from Product Associations including in market research, development of sector strategies, trade information, etc. This has made the Associations more relevant to their members. For instance, LEFASO and VITAS benefited from training courses in design that were highly valued and appreciated by their members. The project has also helped associations carry out a number of national workshops to discuss their sector strategies. These events became an opportunity for open dialogues between the government and business community Most significant impact: – Training (mentioned below in 1.5) – Market research study tour to foreign countries to assist exporting enterprises learn about the relationship between market demand and product design and development: Plastic: to Germany Garment: UK, Germany Handicraft: Germany Fruit: Dubai Wood: Italy, UK	– Vietcraft- the National Association of Handicrafts Exporters- was set up with project assistance (Jan 2007) upon request from MOT for the recognition of the role of the sector. By now, Vietcraft has proven to be a new model for a product association. From 228 members at the beginning, membership has increased to 293 by the end of 2007 and 324 by Oct 2008, all 324 members with fee contribution. – The project favored large exporting enterprises. Product Associations tend to be dominated by large exporting enterprises. There is a need to target SMEs – Most trainees selected via the Product Associations have tended to be recruited from the area around the headoffice of the association (Ha Noi, Ha Tay)

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
2.4 Vietnam overseas trade representation (OTR) network streamlined and its performance being gradually improved.	Proposals for reorganizing OTR network considered by high level authorities (Government office, MOFA, MOT, etc), including proposed working relationships between VIETRADE and OTRs. Database on exporting companies established at VIETRADE. Standard formats (e.g. for enquiries, reports) put into practice. Faster response to enquiries. Manual on operational work guidelines for OTRs drafted, accepted and put into operation. New procedures for recruitment, pre-posting training and briefing, regular reporting, monitoring and evaluation drafted, accepted and put into operation. Regular pre-posting training course and briefing set up with relevant training materials, and having taken place at least once.		- Two field trips to selected posts in China, Japan and Germany were organized during the period of 23rd April to 17th May 2007 for a team of two senior officials from VIETRADE and the Personnel Department of the Ministry and a National consultant who prepared the proposal for a restructuring of the OTR system. - An OTR operational manual was produced for Vietnam, based on an ITC generic manual - A one-week ToT program in October 2007 using the most updated OTR manual developed by ITC	The OTR network is still very weak. MolT does not seem to have a good understanding of the services expected from the OTRs and does not seem able to train new OTRs accordingly.

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
2.5 Exchange of experiences between Vietnam and selected other countries on trade promotion issues and export development	TsIs and trade/product associations with realistic action plans, based on their earlier expressed needs, to overcome their assessed deficiencies. Discussion and examples shared on relation between producers and processing exporting enterprises (e.g. contract farming). Action plans put into application; measurable impact on the effectiveness of the trade promotion network.	n/a	n/a	
Output Targets	Promised	Delivered By ITC	By NEX	Remarks
Outcome 3: Sustainable capacity (financially and technically) among selected institutions to provide trade-related training and counseling services to TsIs and exporting enterprises all over Vietnam				
3.1 Decision-making staff, with a minimum target of 30% women, from TsIs and exporting enterprises all over Vietnam more knowledgeable in specific areas of trade promotion and export marketing	16 specialized seminars/workshops presented in Hanoi, HCMC and in other cities. An estimated 400 staff from TsIs and exporting enterprises more knowledgeable in specialized areas of trade promotion/export marketing. An estimated 100 organizations/enterprises having received follow-up consultancy advice on the topics presented at the seminars.	Around 700 participants (including 40-50% women) from TsIs and exporting enterprises all over Vietnam have increased their trade promotion/exporting knowledge during a series of initial and repeat workshops and many also received follow up counseling assistance after the workshop. The four key subjects were: marketing research, export quality management, export product development, export sales promotion.	More than 10 courses on design capacity have attracted a number of participants from technical design departments in export enterprises, specifically 30 designers for garments, 55 designers for footwear, 153 participants for arts & crafts over a number of sub-sectors, and 36 for wood furniture	

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
3.2 Future export trainers/counselors, with a minimum target of 30% women, trained in assessing training needs.	An estimated 40 potential trainers/counselors from all over Vietnam, mostly from Universities, training organizations and TSIs, have undertaken actual surveys of exporting enterprises and identified priority needs, including possible differentiated needs from women and men as senior managers of the export enterprises.	25 participants trained in the first module in Mar 2006		11 lead trainers graduated from the BMS module course. They have established themselves into an association (EMD), which seeks to charge market-level fees for their counseling/training services to enterprises. Except from funding from Development Partners, there does not seem to be a market for the BMS service in Vietnam at the moment.
3.3 Future export trainers/counselors trained in how to design, manage and evaluate training programmes and counseling interventions	An estimated 40 potential trainers/counselors from all over Vietnam, mostly from University, training organizations and TSIs, have developed appropriate programmes for training and counseling addressing the needs identified.		11 of the 25 trainers selected to continue with second module in Dec 2006	The 30 participants who received the pilot trainings will eventually benefit from relevant material in Vietnamese on 8 major trade promotion subjects.
3.4 Future export trainers/counselors having upgraded their substantive knowledge in the core areas of trade promotion/ export marketing and in overall strategic planning and management	An estimated 40 potential trainers/counselors, mostly from Universities, training organizations, TSIs and product associations, have actively participated in direct training events presented by the project under output 3.1 Increased knowledge of trainers/counselors reflected in knowledge assessment questionnaire			

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
3.5 Future export trainers/counselors having adapted or developed in Vietnamese a range of export-related training materials and counseling support materials	An estimated 40 potential trainers/counselors, mostly from Universities, training organizations, TSIs and product associations, have actively participated in direct training events presented by the project under output 3.1 and possibly complementary training events especially organized for them by the project.		The 11 lead trainers selected for this assignment	
3.6 Future export trainers/counselors having upgraded their skills in delivery techniques	An estimated 40 potential trainers/counselors have made effective presentations in their fields of competence, based on training and counseling materials they wrote and visual aids they prepared.		11 lead trainers throughout the country continued with the topic in Jan 2007	
3.7 A series of pilot seminars/counseling services have been tested, using the newly developed training and counseling support materials	Five export-related seminars and counseling interventions entirely presented by Vietnamese resource staff, using their specifically developed materials, have been successfully presented in several cities of Vietnam.		4 groups of trainers worked and prepared – under guidance from international specialists - training material for 4 pilot workshops on: trade fair participation, international contracts and negotiations, export packaging, trade finance. The training material was in the form of trainers guides. 4 pilot training workshops were organised by 11 lead trainers to a wider group of trainer from TSIs (app. 30)	

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
Outcome 4: An effective trade information capacity serving the needs of Government, trade support institutions and export enterprises				
4.1 Needs of trade information users and constraints of trade information providers assessed on a sample basis	An estimated sample of 30 trade information users and providers has been surveyed as far as their needs and constraints are concerned.	The first needs assessment of users and constraints of providers carried out in late 2004		Information provision and information exchange seem still be very limited. At the meeting with VPA, only 50%–60% of the need of information has been addressed, and mostly for general administrative information only, limited market analysis
4.2 Action plan formulated for building up trade information capabilities in Vietnam	An action plan produced detailing objectives, responsibilities, timing and approaches to be used by Government, TSIs and enterprises for reaching sustainability in trade information in Vietnam. Guidelines for a systematic exchange of information between Vietnamese TSIs and international ones produced. Guidance on the management of information sources provided in the action plan	An action plan was drafted in early 2005 and subsequently kept updated through consultation with TSIs and members of the Trade Information Group		
4.3 Trade information specialists (including from TSIs, trade associations and large enterprises) trained in specialized techniques	An estimated 50 trade information specialists have learned and practiced information sourcing, statistical and market research, information processing, presentation and dissemination techniques	02 training to VITIC, TPCs, TSIs, TPOs staff on information storage (mainly documents and publications) by 2 ladies from ITC; - The first workshop on the organization of a Trade Information Service (TIS): in late 2005. - A 2-week training and coaching program on the management of TIS: in July 2006		

Output Targets	Promised	Delivered By ITC	By NEX	Remarks
4.4 Exporters more aware of the critical role and functions of trade information in export operations	An estimated 80 producing exporters have understood the added value of trade information and management to their business plans and how to source needed information.	In May 2006, a workshop was held to enable exporters to better utilize trade information as a strategic tool in decision-making.	- A coaching program during May 21st –30th, 2007 for information search for business - A workshop on market research, information and analysis: in Hanoi in July 2007. - In August 2007, another workshop for exporters was more specifically dedicated to identifying and evaluating information sources in leading export product sectors and on major markets; it devoted a fair amount of time to web resources and web directories.	
4.5 Trade information specialists and managers trained in the management of trade information services	Trade information services have developed plans and road maps for improving information management, financial management and human resources management, including equal opportunities and promotion for both women and men. They have also indicated what resources are needed to bring them to a satisfactory management level.		3 senior trade information officers from VIETRADE, VCCI and ITPC were sent to Geneva and London from 21st Nov to 2nd Dec 2006 for a training program on the management and delivery of trade information services	
4.6 Trade information services in TSIs or trade associations are operating on a self-sustaining basis.	Trade information services at Government, TSI and trade association levels are functioning effectively and networked internally and externally in Vietnam and, as much as possible, self-financing	The four leading members of the TWG on Trade Information agreed in late 2006 to share trade information resources through a special portal "TSI link" hosted by VIETRADE, and to make those resources available to the business community.	In late 2007, the members of the TWG recommended to introduce a fee-charging scheme for the business community and to further improve the portal in terms of service and quality.	
			VIETRADE has developed a number of research and surveys as well as directories to serve enterprises and gov. agencies.	
			In May 2007, VIETRADE and its business servicing arm PROMOCEN, ordered a number of publications, reference materials, reports on products and markets, and made a subscription to two leading information providers (Euromonitor and Factiva) to beef up their information resources and become better equipped to service their users.	

Annex 2: Key Functions and Tasks of VIETRADE's Departments

1. Administration

1. Assistance for general coordination and monitoring of the implementation of tasks assigned by leaders of VIETRADE; report preparation
2. Management and guidance provision on data and documents storage; receive, forward and filling correspondences, manage the stamp of VIETRADE and quality assurance for documentation and correspondence out of VIETRADE;
3. Administration management including administrative reform and simplification; development of regulations, office manuals;
4. Property and asset management;
5. Organisation and logistic arrangement for meetings, workshops and business trips of VIETRADE officers. Focal point for diplomatic missions or receiving foreign visitors;
6. Personnel organisation and management
 - a. Revision or new development and submission for approval of TORs and structure for existing or new divisions under VIETRADE;
 - b. Personnel management;
 - c. Coordination and leadership in staff development plans and other HRM issues;
 - d. Staff training;
 - e. Promotion and appointment;
 - f. Supervision of pay policies; recruitment, rewards and disciplines policies;
 - g. Development and submission of guidelines for setting up TPOs at local levels;
7. For IT sub-division: management of the informatics infrastructure, LAN in the premises of VIETRADE; development and application of IT and e-commerce in trade promotion activities;
8. Introduction and dissemination of anti-corruption and efficiency principles.
9. Other tasks as assigned by the Director General.

2. Planning and Finance Department

1. Coordination and Development of strategy and planning for trade promotion activities of VIETRADE;
2. Preparation of annual budgeting; supervision of plan implementation of all departments and divisions under VIETRADE;
3. Management and coordination all financial sources of VIETRADE (including State Budget and other legal sources)
4. State management function of income sources from state budget;
5. Leading in development of regulation for financial management scheme as well as applicable norms for the use of funding from state budget for trade promotion for the approval of line agencies;

6. Development of financial regulation in VIETRADE and guidance in staff training regarding financial management issues;
7. Functions of accounting, supervision, monitoring and assurance of transparency in accordance with existing laws and regulations; appraisal of annual financial reports of divisions under VIETRADE; internal audit and inspection;
8. Other tasks as assigned by the Director General.

3. Trade Promotion Administration Department

1. Leading and Coordination with agencies under MOIT, line agencies, trade management agencies at local level on activities regarding trade promotion;
2. State management function with showrooms, TPCs in foreign countries;
3. Draft and develop for submission regulations regarding state management on trade and trade mark promotion activities;
4. Supervision of regulation implementation;
5. Training on state management function regarding trade and trade mark promotion for local agencies and businesses;
6. Updating and dissemination of state's activities in trade promotion through website of VIETRADE;
7. Other tasks as assigned by the Director General.

4. Export Development Policy Department

1. Leading and coordination with other agencies of VIETRADE and other line agencies to develop export development strategy; facilitation of trade promotion to core sectors and sectors with large potential for exports;
2. Proposals for mechanisms, policies and action plans for furthering trade promotion system (sector associations; TPCs, TPOs; export businesses);
3. State management function of national trade promotion program as assigned and authorized by the Minister; standing member of National Secretariat of the Program; draft annual Program for approval of the Minister; implement and supervision of the Program upon approval'
4. Focal point for the relation with TPAs; TPCs at local level; sectoral associations and other TPOs; assistance to training and development of their staff;
5. Focal point for implementation of tasks assigned by MOIT regarding key economic zones;
6. Leading in assessment and reporting in trade promotion activities in domestic and international markets; capacity and needs of trade promotion of business and TPOs (TPCs, sectoral association and other TPOs);
7. Updating and dissemination of National Trade Promotion programs on the website of VIETRADE;
8. Other tasks as assigned by the Director General.

5. Market Research and Development Department

1. Market research for trade promotion policy promulgation; research on policy and economic activities, trade, industry, legal framework, preferences as well as market situation of foreign countries to recommend strategies for market access, expansion and strengthen of key commodities of Viet Nam;
2. Study on capacity and potential of Viet Nam export commodity for advertisement and promotion;
3. Development of database on commodity and markets for VIETRADE; dissemination of information and library management and development;
4. Development of orientation for annual activities and long-term strategy for VIETRADE;
5. Focal point for scientific research; member of Information Advisory Council of MOIT;
6. Other tasks as assigned by the Director General.

6. External Communication and Relations Department

1. Dissemination of info on opportunities for trade relation with Viet Nam; typical products and businesses of Viet Nam as well as activities of VIETRADE to all domestic and international clients;
2. Standing member of Secretariat to National Branding Program
3. Advisory function to VIETRADE management in external relations: member of Asia Europe Business Forum, Asian Trade Promotion Forum, ASEAN Japan Center for Promotion of Trade, Investment and Tourism; focal point in relation with Viet Nam TPOs and OTRs as well as foreign countries' OTRs in Viet Nam;
4. Leading in negotiation and development of agreements with agencies in industry and trade promotion
5. Focal point for information to media, press-release; focal point for information regarding trade promotion in Viet Nam and foreign countries;
6. Publications for information dissemination; leading and coordination with other departments to develop, maintain and share information through the website;
7. Supervision of preparation, editing and printing of information of VIETRADE, including e-information;
8. Other tasks as assigned by the Director General.

7. Representative Office in Ho Chi Minh city

1. Represent VIETRADE for activities in the south
2. Coordinate with departments of VIETRADE to organise activities in the south
3. Implement annual plan
4. HR management, financial management, asset management;
5. Other tasks as assigned by the Director General.

8. Representative Office in Da Nang City

1. Represent VIETRADE in activities for the central region
2. Coordinate with departments of VIETRADE to organise activities in the central region
3. Implement the approved annual plan
4. HR management, financial management, asset management;
5. Other tasks as assigned by the Director General.

9. Trade and Industry Television Program

10. PROMOCEN

1. Works under a separate TOR (Decision 44/QD-XTTN of 13/3/2008)

11. Vietnam Trade Center in New York

12. Vietnam Trade Center in Dubai

Key Functions and Tasks of PROMOCEN

Decision 0221/QD-XTTM, 19 September 2008

1. Function

Promocen is a not-for-profit organization under VIETRADE with cost recovery scheme with the key function of support to export promotion and trade development.

Promocen is a legal entity, eligible for opening bank account at State Treasury and has its own stamp for transaction with the Head-office bases in Ha Noi.

2. Tasks and Authorities

10. Organize activities and services for export support and trade promotion including: information& communication, trade and investment advice, organization of trade fairs, trade missions and exhibitions within and outside the country, organization of market surveys and facilitation of trading transactions of foreign missions to Viet Nam as well as those of Viet Nam to foreign markets; other services upon requests of both domestic and foreign businesses.
11. Coordinate and work with other departments of VIETRADE to organize workshops, dialogues, forums, conferences and trainings to build up capacity and skills in export and trade promotion to provide support to all economic players and domestic TPOs.
12. Prepare and publish the Weekly Export Bulletin of VIETRADE; collate and update information on the Portal of E-commerce assigned by VIETRADE to Promocen for development, management and operation.

13. Carry out programs, projects and assignments on trade promotion using state budget assigned by VIETRADE.
14. Act as the focal point to coordinate with Trade Centers, showrooms of Vietnamese businesses in foreign countries to organize trade promotion activities.
15. Be entitled for entering into contracts and agreements with individuals and organizations, both domestic and foreign, to carry out service under the assigned tasks and functions.
16. Be entitled for organizing missions coming into the country or abroad within its activities and regulated legal framework.
17. Be entitled for receiving assistance, fund, assets and facilities from, either domestic or foreign, individuals and/or socio-economic organizations to facilitate PROMOCEN's activities, within the regulated legal framework.
18. Organize and use all the materials, assets and personnel resources assigned by the government, carry out proper accounting and financial management as per Government's prevailing regulation and the authorization of VIETRADE.
19. Other tasks as assigned by the Director General.

3. Organizational Structure

1. Management team

- a. Director
- b. Vice Director(s)

The Director is responsible before the General Director of VIETRADE for all activities of PROMOCEN. Vice Directors assist the Director and each will be responsible for specific field(s) assigned by the Director.

The Director, Vice Director(s) and Chief Accountant are appointed and dismissed by the General Director of VIETRADE.

2. Functional divisions

- a. Administration and Accounting Division;
- b. Business Information and Consultancy Division;
- c. Trade fairs and Exhibitions Division;
- d. Training and Events Management Division;
- e. Export Promotion Center at Hochiminh City;
- f. Export Promotion Center at Danang City;

Heads and Vice Heads of Divisions are appointed and dismissed by the Director upon consultation with the General Director of VIETRADE.

The establishment, merger or dissolution of divisions under PROMOCEN are subjected to the decisions of the Director upon approval from the General Director of VIETRADE.

The Director of PROMOCEN is responsible for developing manual and regulations for the organization and operation of PROMOCEN for submission to and approval by the General Director of VIETRADE.

Annex 3: Hanoi Core Statement on Aid Effectiveness Ownership, Harmonization, Alignment, Results

Background Statement

We, the Government of Vietnam and development partners, agree to take far-reaching and monitorable actions to make aid more effective as we look ahead to the achievement of Vietnam's Development Goals (VDGs) by 2010, and the Millennium Development Goals (MDGs) by 2015⁶. We recognise that while volumes of aid and other development resources are increasing to achieve the VDGs, aid effectiveness must also increase significantly to support Vietnam's efforts to strengthen governance, to improve development performance, and to enhance development outcomes. We agree at this workshop to localise the conclusions of the High Level Forum on Aid effectiveness held in Paris in March 2005 ("The Paris Declaration") to reflect circumstances in Vietnam. We resolve to increase the impact of aid in reducing poverty and inequality, increasing growth, building the capacity of human resources and institutions, and accelerating achievement of the VDGs.

Partnership Commitments

Developed in a spirit of mutual accountability, these Partnership Commitments reflect the ambitions and structure of the Paris Declaration and build on the on-going efforts and experiences of development in Vietnam.

1. Ownership

Vietnam defines operational development policies

1. The Government of Vietnam exercises leadership in developing and implementing its 5 Year Socio Economic Development Plan (SEDP) through a broad consultative processes which integrates overseas development aid into mainstream planning (*Indicator 1*).
2. The Government of Vietnam further strengthens its leadership role in co-ordinating aid at all levels.

2. Alignment

Donors align with Vietnam's strategies and commit to use strengthened country systems

3. Donors base their support on the Government of Vietnam's SEDP and related national, regional and provincial, and sectoral plans (*Indicator 2*).
4. Donors base dialogue on the poverty reduction and growth agenda articulated in the SEDP.
5. The Government of Vietnam and donors establish mutually agreed frameworks that provide reliable assessments of country systems, procedures and their performance.
6. Donors use country systems and procedures to the maximum extent possible. Where use of country systems is not feasible, donors establish additional safeguards and measures in ways that strengthen country systems and procedures (*Indicator 5, 6 and 8*).
7. Donors avoid creating parallel structures (PMUs) for day-to-day management and implementation of aid-financed projects and programmes (*Indicator 3*).
8. Donors phase out paid incentives for government officials administering aid financed activities and do not establish incentives in future activities.

⁶ Vietnam's progress in meeting the MDGs will be presented to the UNGA Summit in New York, September 2005.

**Vietnam strengthens institutional capacity with support from donors;
donors increasingly use government systems**

9. The Government of Vietnam integrates capacity building objectives in the SEDP and related national, regional and provincial, and sectoral plans and leads a comprehensive capacity building programme with co-ordinated donor support (*Indicator 4*).
10. The Government of Vietnam undertakes reforms, such as public administration reforms (PAR), that promote long-term capacity development.
11. The Government of Vietnam undertakes reforms to ensure that the legal framework, national systems, institutions and procedures for managing aid and other development resources are effective, accountable and transparent.
12. The Government of Vietnam and donors commit sufficient resources to support and sustain reform and capacity building in public procurement and public financial management.
13. Donors progressively rely on the Government of Vietnam's procurement system once mutually agreed standards have been attained (*Indicator 5*).
14. Donors progressively rely on the Government of Vietnam's public financial management system once mutually agreed standards have been attained (*Indicator 6*).
15. The Government of Vietnam publishes timely, transparent and reliable reports on budget planning and execution (*Indicator 6*).
16. Donors enhance the predictability of future aid through transparent decision making processes, provide reliable indicative commitments of aid over a multi-year framework (including aid commitments covering multi-year expenditures of projects) and release aid in a timely and predictable fashion in relation to the Government of Vietnam's budget cycle (*Indicator 7*).
17. The Government of Vietnam, supported by donors, develop specialised technical and policy capacity for social and environmental analysis (SIA and EIA) and enforcement of legislation (*Indicator 8*).

3. Harmonization and Simplification

Donors implement common arrangements and simplify procedures

18. The Government of Vietnam and donors jointly conduct and use core diagnostic reviews such as Country Financial Accountability Assessment (CFAA), Public Expenditure Review (PER), Country Procurement Assessment Report (CPAR), etc, and the Government of Vietnam and donors work together to share other reviews and carry out more joint reviews (*Indicator 9*).
19. Donors rationalise their systems and procedures by implementing common arrangements for planning, design, implementation, M&E and reporting to Government of Vietnam on donor activities and aid flows (*Indicator 10*).
20. Government of Vietnam and donors increasingly use programme based approaches (Defined in Box 3.1, Chapter 3 "Sector Approaches" of Harmonising Donor Practices for Effective Aid Delivery, Volume 2 (OECD, 2005))⁷ (*Indicator 11*).
21. Decentralisation and delegation of authority to the country level is maximised for each donor (*Indicator 12*).

⁷ In this definition programme-based approaches share the following features irrespective of aid modalities: i) Leadership by the host country; ii) Single Comprehensive programme and budget framework; iii) Formalised process for donor co-ordination and harmonisation of procedures; and iv) Efforts to increase use of local systems for the whole project cycle.

Complementarity: more effective division of labour

22. The Government of Vietnam provides clear views on donors' comparative advantage, different aid modalities and on how to achieve donor complementarity at country or sector level.
23. Donors make full use of respective comparative advantage at sector level by aligning support and agreeing, where appropriate, lead donors for co-ordinating programmes, activities and tasks, including delegated co-operation.

Incentives for collaborative behaviour

24. Government and donors devise practical means to encourage harmonisation, alignment, and results based management.

4. Managing for results

Managing resources and improving decision-making for results

25. The Government of Vietnam and donors jointly use results-oriented performance assessment frameworks to maximise aid effectiveness and manage implementation of the SEDP and related national, regional, provincial and sectoral plans (*Indicator 13*).
26. Donors link country programmes and resources to achieve results that contribute to, and are assessed by, Government of Vietnam performance assessment frameworks, using agreed indicators.

5. Mutual Accountability

Government of Vietnam and donors are accountable for development results

27. The Government of Vietnam and donors jointly assess, and carry out annual independent reviews, on progress in implementing agreed commitments on aid effectiveness and improved development outcomes through existing and increasingly objective country level mechanisms (*Indicator 14*).
28. Donors provide timely, transparent and comprehensive information on aid flows and programme intentions to enable Government of Vietnam to present comprehensive budget reports to legislatures and citizens, and co-ordinate aid more effectively.

Hanoi core statement indicators and targets

Indicator	Indicative Targets to 2010 ⁸
Ownership	
1 5 Year Socio-Economic Development Plan (SEDP) is finalised, CPRGS principles are integrated; SEDP is effectively implemented.	5 Year SEDP targets are achieved
Alignment	
2 Donor assistance strategies are aligned to the SEDP and related national, regional, provincial and sector strategies.	All donor assistance strategies
3 Donors strengthen GoV capacity by avoiding parallel PMUs.	No parallel PMUs
4 Capacity building objectives are clearly set out in the SEDP and related national, regional, provincial and sector strategies, and PAR. GOV and partner agencies lead comprehensive capacity building programmes with co-ordinated donor support – Percent of aid for capacity building per se delivered through partner-led and coordinated programmes.	100% partner-led and coordinated programmes
5 Public procurement systems are strengthened to mutually agreed standards taking into account such recommendations as CPAR, PAR – Percent of aid flow and percent of donors using GoV procurement systems.	At least 50% of aid flows and at least 50% of donors channeling at least 50% of their funds through country systems

⁸ Targets may be modified following finalisation of the Indicators of Progress (Part III of the Paris Declaration). Interim targets to be established in the V-HAP.

Indicator	Indicative Targets to 2010 ⁸
6 a) Public financial management systems strengthened and PER / CFAA recommendations are implemented. b) GoV publishes timely, transparent and reliable reporting on budget execution, audited by State Audit of Vietnam in accordance with INTOSAI. ⁹ Percent of aid flows and percent of donors that use the national budgeting, financial reporting, and auditing system.	At least 50% of aid flows and at least 50% of donors channeling at least 50% of their funds through country systems
7 More predictable aid – Percent of aid disbursed according to agreed schedules in annual or multi-year frameworks	75% of aid disbursed on schedule
8 GoV and donors improve environmental and social safeguards – Percent of EIAs and SIAs implemented to international standards and using government systems	At least 100% of EIAs and SIAs under donor funded projects implemented to international standards and at least 30% of these carried out using government systems.
Harmonisation and Simplification	
9 Fewer, better, core diagnostic and country analytical reviews of Vietnam's development needs. – Percent of country/sector diagnostic reviews and studies used by 2 or more donors.	Core diagnostic reviews used by all donors; at least 75% of country analytical reviews used by 2 or more donors
10 Common project cycle management tools agreed and used throughout the project/programme cycle (planning, design, implementation, management reporting etc.) – Percent of donors using common project/programme cycle tools	At least 50% of donors
11 Donor interventions are co-ordinated within GoV-led policy and sector frameworks, including general / sector budget support and project modalities. The % use of different aid modalities (by volume) will be monitored each year	At least 75% of aid is national or sector programme based
12 Donors enhance capacity of country offices and delegate authority to them – Percent of donors and aid interventions that are managed at the country level.	At least 75% of aid interventions
Managing for Results	
13 Results framework developed and used to assess the performance of the SEDP and sector programmes – Composite score based on 4 characteristics of a results-oriented framework (objectives, availability of indicators, M&E capacity and information use in decision making)	Score of 3 based on DAC criteria ¹⁰ and continuous monitoring
Mutual Accountability	
14 Periodic mutual assessment of progress in implementing agreed commitments on aid effectiveness	Annual assessment

⁸ Targets may be modified following finalisation of the Indicators of Progress (Part III of the Paris Declaration). Interim targets to be established in the V-HAP.

⁹ International Organisation of Supreme Audit Institutions (INTOSAI).

¹⁰ This is based on the OECD DAC scoring system detailed in their questionnaire "Baseline Survey Paris Declaration on Aid Effectiveness, 2005".

Annex 5: Example of a Trade SWAp (Sector Wide Approach): The Case of Cambodia



A Sector-Wide Approach for Trade or *Trade SWAp*

The Case of Cambodia
A Presentation to VIETRADE Officials

Thierry Noyelle and You Mab, Hanoi. November 28. 2008



Background

- 1997 Integrated Framework for LDCs: Cambodia first country to prepare a DTIS (2001)
- Enhanced Integrated Framework
- Hong Kong 2005 WTO Ministerial: a renewed commitment to Aid-for-Trade
- 2005 Paris Declaration on Aid Effectiveness



Why a SWAP?

- The purpose of a SWAp is to focus national policy and international Development Partners' support for an entire economic sector on the basis of a **single comprehensive program endorsed by all sector stakeholders**
- The purpose of a SWAp is to ensure a Government takes full **ownership** of the formulation, implementation, and monitoring of its sector-wide program – a **challenge** but also an **opportunity**
- A Trade SWAp is more complicated than for other sectors because trade is “inter-ministerial”



Five Steps to Cambodia Trade SWAp

1. Endorsement of SWAp concept by MoC and RGC – Early 2007
2. Establishment of “*Sub-Steering Committee on Trade Development and Trade-Related Investment*” chaired by MoC and co-chaired by MoF
3. Creation of new Department in MoC to serve as Secretariat to SWAp and responsible for coordinating Aid-for-Trade – *Department for International Cooperation or DICO*
4. Revamping of an “*Inter-ministerial Coordinating Committee for Implementing the Obligations and Commitments of Cambodia in the WTO*”
5. *Cambodia 2007 Trade Integration Strategy*

19 Product and Service Export Potentials

- 1. Garments
- 2. Footwear
- 3. Rice
- 4. Cassava
- 5. Rubber
- 6. Fishery
- 7. Cashew Nuts
- 8. Silk
- 9. Soybeans
- 10. Livestock
- 11. Corn
- 12. Beer
- 13. Fruits & Vegetables
- 14. Wood Products
- 15. Light Manufacturing
- 16. Tourism
- 17. Labor Services
- 18. Web-based Services
- 19. Transport & Transport-Related Services

19 Product and Service Export Potentials

**Positioning of 19 Product and Service Sectors
According to their Export Potential and Human Development Impact**

Human development impact	Export potential		
	Low	Medium	High
High			Garments Tourism
Medium-High	Silk	Fishery Rice Fruits and vegetables	
Medium	Livestock Cashew nuts	Wood products Light manufacturing Labor services	Footwear Rubber
Low-Medium	Corn	Soybeans	
Low	Beer Web-based services Transport services		Cassava

19 SWOT Analyses

Sector Action Plan: Rice

Strengths/Opportunities	Weaknesses/Threats
High current export performance (Index 1 = 5.0)	
High exports of paddy rice to Thailand and Viet Nam, making rice the major agricultural export product (estimates are around US\$ 200 million)	Few exports of milled rice. High export dependency on Thailand and Viet Nam.
Low world markets index (Index 2 = 1.2)	
Cambodia will enjoy duty-free access to the EU from 2009 and enjoys duty-free access in some major importing countries. World market prices are currently very high. WTO negotiations could lead to less protection in agricultural trade in some countries, though the impact on rice will probably be rather low. There seems to be a market potential for "fair trade" and/or organic rice. Nigeria seems an interesting diversification market.	Relatively low growth of world imports. Many major consuming countries protect their markets (e.g. Japan, South Korea, some ASEAN countries). Few countries offer preferential market access for Cambodia. Share of potential markets in world imports is small. High informal export costs. Currently, exports largely rely on demand and milling facilities for paddy rice from Thailand and Viet Nam.
High domestic supply index (Index 3 = 3.2)	
High surplus production of paddy rice. Some high-valued varieties are already produced. Milling facilities would allow more direct exports to overseas markets and more added value in Cambodia. Also, market power of Thai and Vietnamese buyers would shrink. Potential in the production and export of organic and/or fair trade rice.	Lack of irrigation infrastructure and low technological level in farming, and processing. High electricity and transport costs. Low development stage, cultivation on subsistence level. High input costs. Low quality and capacity of milling facility. Inadequate storage and grain silo. Lack of credit with low interest rate.
High socio-economic impact (Index 4 = 5.0)	
Rice is by far the most important agricultural export product of Cambodia. Very high socio-economic impact in terms of job creation and poverty reduction, especially in rural areas. More milling facilities could lower dependence on Thai or Vietnamese mills.	Rice is staple food for most Cambodians. Therefore, price changes (e.g. an increase due to increasing export demand) could harm vulnerable groups who are net-buyers of rice.
Preliminary priority actions	
Facilitate cooperation between public and private sector, in areas such as: provision agriculture inputs (seed strains, fertilizers, insecticides/pesticides, etc.) by the private sector; dissemination of information and technical advice on planning; integrated pest management and crop management; and field maintenance, especially pre- and post-harvest. Develop milling capacity Encourage diversification in terms of aroma, flavor, chemical-free and organic varieties. Develop geographical indications Develop export promotion capacity in the sector, including to new potential markets of Africa	

Cambodia Trade SWAp: 3 Strategic Objectives

- Need to strengthen the infrastructure of services required to support development of new exports (trade facilitation, SPS, IPRs, trade promotion, enabling legal environment) **(Pillar 1)**
- Need to diversify export base (19 priority products and services). Needs of producers must be addressed at the provincial level (decentralized approach) **(Pillar 2)**
- Need to develop management and implementation capacity of government support institutions, business associations, exporting enterprises. Need to develop analytical capacity **(Pillar 3)**



Early Implementation

- Programming Work by the 3 pillars under way
- Major effort underway to strengthen capacity of DICO, including monitoring capacity
- Trade SWAp Monitoring Indicators for Year 1
- Coordination of DP support



MoC-UNDP T.R.A.D.E. Project

Support to Implementation of Trade SWAp



T.R.A.D.E.?

Trade-Related Assistance for
Development and Equity



TRADE Project Support

- *Pillar 2*

- Management of Pillar 2 (Shepherd)
- Decentralization of Support Services in Catchment Areas
- Development of Provincial Public Private Dialogue and Provincial Business Associations
- Value Chain Work

- *Pillar 3*

- Management of Pillar 3 (Shepherd)
- Strengthening Government Management of SWAp process and Aid-for-Trade Coordination with Other DPs including building up DICO
- Policy Studies
- Institutional Capacity Development
- Communication and Awareness Raising

*Pillar 2 Support:
3 Pilot Provinces Selected and Targeted for
In-Depth Activities*

- Kampong Cham (Value Chains Corn, Soybean, and Cassava)
- Siemreap (Value chains on Silk and Prahoc)
- North-West Catchment Area (Battambang, Banteai Meanchei, Pailin)–bordering Thailand (Value chains on Rice, Cassava, Soybean, Corn)

Current and Future Activities

- ❖ Provincial Public-Private Dialogue
- ❖ Develop and Strengthen Product Associations
- ❖ Strengthen Trade Promotion Infrastructure (Trade Information Services & Trade Support Network)
- ❖ Strengthen Agricultural Extension Services to assist with SPS
- ❖ Enhance Packaging/Labeling for existing and new products
- ❖ Assess needs for Trade Finance



Pillar 3 Support: Capacity Development Current and Future Activities

- Develop capacity building and training plans for 4 MoC departments – DICO, TPD, DNLC, DLA and selected provincial departments (beginning with Provincial Department of Commerce in 3 pilot provinces)
- Develop capacity building and training plans for 1 MAFF department and 2 CDC departments
- Transfer CD and management skills and knowledge to Core Team through the Advisors



THANK YOU!

Annex 6: Evaluation Mission Schedule

Thursday, October 15

- 10.00am Mr. Do Kim Lang, Director, External Communications, VIETRADE, Alain Chevalier, Senior Trade Advisor
- 2.00pm Daniel Lenggenhager, First Secretary, and Ms. Nguyen Hong Giang, Senior Programme Officer, Swiss Cooperation Office, Embassy of Switzerland
- 3.30pm Mr. Do Kim Lang, Director, External Communications, VIETRADE, Alain Chevalier, Senior Trade Advisor

Friday, October 16

- Morning Review of documents
- 2.30pm Ms. Tran Nhu Trang, National Consultant
- 3.30pm Mr. Do Kim Lang, Director, External Communications, VIETRADE, Alain Chevalier, Senior Trade Advisor

Saturday, October 17–Sunday, October 18

Review of documents and report writing

Monday, October 20

- 9.30am Mr. Bui Duy Quy, MoIT, Department of Personnel (in charge of Overseas Trade Representatives)
- 11.00am Mr. Do Kim Lang, Director, External Communications, VIETRADE, Alain Chevalier, Senior Trade Advisor
- 1.30pm Mr. Dinh Manh Hung, Deputy Director, VCCI (Core member of PCC)
- 3.30pm Mr. Le Duc Linh, Deputy Director, External Affairs, VITIC (Lead of Trade Information Technical Working Group)

Tuesday, October 21

- 9.00am Ms. Phan Thanh Ha, CIEM (Core member of PCC. Involved in Export Strategy)
- 10.00am Ms. Nguyen Thi Thien Huong, Deputy General Director, Techcombank (Lead of Trade Finance Working Group)
- 3.30pm Mr. Do Kim Lang, Director, External Communications, VIETRADE, Alain Chevalier, Senior Trade Advisor

Wednesday, October 22

- 9.00am Mr. Le Ba Ngoc, Secretary General, Vietcraft (Handicraft Exporters Association created by the project. Involved in Export Strategy)
- 10.30am Ms. Tran Thi Huyen Trang, EMD (Training firm created as a result of the project. Lead for Export Business Training Technical Working Group)
- 1.30pm Mr. Le Van Dao, VITAS (Garment Association) (Involved in Export Strategy)
- 3.00pm Ms. Hoa Phi Thi Mai, Merchandising Manager, Hanosimex (Textile, Garments)
- 4.30pm Ms. Nguyen Thi Tong, Vice President, LEFASO (Footwear Association) (Involved in Export Strategy)

Thursday, October 23

- 9.00am Ms. Le Thi Ngoc Lien, UNDP. Formerly with SIDA.
- 10.30am Ms. Tran Thi Minh Thu, Deputy Director, LEASHORESIN, Leather Shoe Design Institute (member of Product Development Technical Working Group)
- 1.30pm Mr. Hoang Minh Khang, Executive Director, Mr. Than Duc Viet, Garco 10, Ms. Dang Phuong Dung, VITAS and formerly executive Director of Garco 10 (Garments)

Friday, October 24

- 8.30am Mr. Nguyen Quang Duy, Sales Manager, Tien Dong Co. Ltd (Handicraft)
- 10.30am Ms. Le Ngoc Minh, Quangvinh Ceramic Co. Ltd (Ceramics)
- 2.00pm Mr. Bach Van Mung, Former Director of Planning Department, MoIT (Responsible for leading National Export Strategy using ITC NEST)
- 3.30pm Ms. Nguyen Thi Mai Anh, Hanoi TPC
- 4.30pm Mr. Alain Chevalier

Saturday, October 17–Sunday, October 18

Review of documents and report writing

Monday, October 27

8.00am Drive Hanoi-Haiphong

9.30am Mr. Pham Van Trung, Vice Director, Haiphong Trade Promotion Center

1.30pm Drive back to Hanoi

Tuesday, October 28

9.00am Mr. Nguyen Viet Hoa, Director, Export Development Department. Re: Functions of Department

10.30am Mr. Do Kim Lang, Director, External Communications Department. Re: Functions of Department

3.30pm Mr. Le Xuan Duong, Director and Mr. Ta Huu Thinh, Deputy Director, Promocen.
Re: Functions of Department

6.30pm Flight to HCMC

Wednesday, October 29

8.30am Mr. Hoang Vi Huu, ITPC, Deputy Chief, Information Department

10.30am Mr. Ton Ba Thao, Director, HASA Vietnam Arts & Craft (basket weaving)

1.30pm Tran Quoc Manh, Vice Chairman, HAWA

3.30pm Mr. Ho Duc Lam, Vice Chairman, VPA (Plastics Association) and General Director, Rang Dong,
Ms. Dinh Thuy Nhlen, Trade Promotion, VPA, and Ms. Huyn Thi My, Office Manager, VPA

Thursday, October 30

8.30am Mr. Huynh Van Hanh, Vice Chairman, HAWA and Managing Director, Minh Phuong Furniture

10.30am Mr. Huynh Qung Thanh, Vice Chairman, HAWA and General Director, Hiep Long Fine Furniture,

2.00pm Mr. Vo Van Bon, Tien Giang Vegetables & Fruits, JSC, member VINAFRUIT

Friday, October 31

9.30am Mr. Dinh Van Huong, Chairman, and Ms. Dang Thi Thu Thuy, Trade Specialist, VINAFRUIT
(Fruit and Vegetable Association)

Report writing

Saturday, November 1–Sunday, November 2

Review of documents and report writing. Preparation of presentation for Tuesday debriefing

Monday, November 3

9.30am Ms. Nguyen Thi Minh Ly, Deputy Director, Ms. Nguyen Bich Van, Chief Accountant,
and Ms. Nguyen Ngoc Thuy, Information Expert, Vietnam Rubber Wood Association (VRA)

2.00pm Mr. Ta Tri Nhan, EMD, HCMC

6.00pm Flight back to Hanoi

Tuesday, November 4

11.00am VIETRADE Director General

2.00pm Debriefing with SECO, SIDA, and VIETRADE

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SUPPORT TO TRADE PROMOTION AND EXPORT DEVELOPMENT IN VIETNAM

With the launch of Doi Moi in 1986, Viet Nam committed itself to economic liberalization, including Trade and Investment liberalization. By the 1990s, Viet Nam's GDP was growing at an average of 8% per annum and its exports at an average of 20% per annum – both of which contributed to a substantial reduction in poverty. A Pre-Feasibility Study conducted in 1999–2000, emphasized the need for Vietnam to develop the capacity of a Trade Institution Support Network in which the capacity of VIETRADE, Vietnam's trade promotion organization, and that of other support institutions would be developed in tandem. The main development target of the project was to assist the Government of Viet Nam in achieving its ambitious export development targets under its 2000–2010 Export Development Plan.

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