



**BỘ NGOẠI GIAO
CỘNG HÒA XHCN VIỆT NAM**

**CHƯƠNG TRÌNH PHÁT TRIỂN
LIÊN HỢP QUỐC**



VĂN KIẾN DỰ ÁN
**“TĂNG CƯỜNG NĂNG LỰC TRONG CÔNG TÁC NGOẠI
GIAO KINH TẾ VÀ ĐỐI THOẠI CHÍNH SÁCH GIỮA CHÌNH
PHỦ VÀ DOANH NGHIỆP”**

PROJECT
**“CAPACITY DEVELOPMENT FOR ECONOMIC
DIPLOMACY AND BUSINESS - GOVERNMENT POLICY
DIALOGUE”**

DETAILED PROJECT OUTLINE

Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue

I. General information

1. Project name :

“Capacity Development for Economic Diplomacy and Business – Government Policy Dialogue”

2. Project code :

3. Donor name : United Nation Development Programme (UNDP)

4. Governing agency : Ministry of Foreign Affairs

5. Project focal point : Department of Economic Affairs

6. Project partners : Government Office, Ministry of Industry and Trade, Ministry of Finance, Ministry of Plan and Investment, Research Institutes , Universities and other agencies

7. Proposing agency : Department of Economic Affairs

8. Project period : 3 years

9. Project place : Principally in Vietnam, some project activities concerned training, study tour will take place in foreign countries

10. Form resources : technical assistance by Official Development Assistance (ODA)

11. Budget : 2.500.000 USD (two millions five hundreds thousands USD)

- regular : 2.450.000 USD (UNDP)

- in kind contribution : 50.000 USD (Vietnam)

12. Government priority : Develop the capacity of the Government of Viet Nam to conduct economic diplomacy, and to create a new Government – Business policy dialogue mechanism in support of international economic integration and economic growth (Socio-Economic Development Plan 2006 – 2010)

SIGNATURE PAGE

UNDAF Outcome:

UNDAF Outcome 1: Government economic policies support growth that is more equitable, inclusive and sustainable.

Expected UNDP Country Programme Outcome:

CP Outcome: National pro-poor policies and interventions that support more equitable and inclusive growth.

Expected Outputs:

CP Output: Understanding of challenges improved/policy options identified to respond to socio-economic impact of globalization and integration/benefits of the international economy more equitably distributed.

Implementing Partner: Ministry of Foreign Affairs

Responsible Party: Economic Affairs Department, MOFA

Programme Period: 2006-2010

Programme Component: Policy analysis conducted of current challenges and policy options in globalization and Viet Nam's efforts in international integration (CPAP 2006-2010)

Project Title: Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue

Budget : 2,500,000 USD

Resources available:

- Regular USD 2,450,000
- In kind contributions USD 50,000

On behalf of the Government of Vietnam:

Mr. Vu Dzong, Vice Minister, Ministry of Foreign Affairs.

On behalf of UNDP:

Ms. Setsuko Yamazaki, Country Director, UNDP.

Summary

The objective of this project is to develop the Government's capacity to conduct economic diplomacy and to create new Government-business policy dialogue mechanisms in support of international economic integration. The project will facilitate the formation of knowledge networks in support of policy research and analysis and will also build capacity through dedicated training programmes for high level officials. The project will produce the following concrete results : 1) a master plan for economic diplomacy, bringing together the various strands of existing initiatives and plans under one strategic framework; 2) a policy leadership programme for senior Government, Party and business leaders on the strategy and implications of international economic integration; 3) training of Government officials on achieving results from economic diplomacy and on the planning, organization and implementation of Government-business policy dialogue events.

Specific activities included in the project to achieve these results include the following: (i) practical policy research relating to Viet Nam's international economic integration conducted by teams of domestic and international scholars; (ii) workshops involving national stakeholders and international experts on the development of Viet Nam's economic diplomacy; (iii) study tours to China and other Asian countries to attend Government-Business Roundtable Meetings to learn lessons relevant to Viet Nam's planning efforts; (iv) the design and implementation of a high-level training programme on the changing nature of international economic relationships targeted to senior leaders of the Government, Party and state-owned enterprises; (v) training for Government officials in support of economic diplomacy initiatives, including the organization of Government-business policy dialogue events.

LIST OF ABBREVIATIONS

UNDP : United Nation Development Programme

ODA : Official Development Assistance

WTO : World Trade Organization

SEDP : Social Economic Development Plan

UNDAF : United Nations Development Assistance Framework

WEF : World Economic Forum

NEX : National Execution

NIP : National Implementation Plan

CELP : China Executive Leadership Programme

VELP : Viet Nam Executive Leadership Program

NPD : National Project Director

D-NPD : Deputy - National Project Director

UNDP CO : United Nations Development Programme Country Office

TOR : Term of reference

II. Project content

Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue

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1. Project Justification

Viet Nam formally acceded to the World Trade Organization (WTO) on 11 January 2007. This date marks a major milestone in the country's path towards proactive international economic integration as directed by the 10th Congress of the Vietnamese Communist Party held in 2006. The Asia-Pacific Economic Cooperation Summit held in Ha Noi in November 2006 further underscored Viet Nam's emergence on the international scene and the Government's commitment to the development of multilateral economic relations. More recently, Prime Minister Nguyen Tan Dung attended the annual World Economic Forum conference in Davos, Switzerland, and Deputy Prime Minister and Minister of Foreign Affairs Pham Gia Khiem has proclaimed 2007 as the Year of Economic Diplomacy.

In many ways WTO accession marks the beginning rather than the end of the Government of Viet Nam's ambition to harness the power of globalization to serve the overarching goal of sustainable national development and prosperity for all Vietnamese people. Numerous technical issues will require attention in the course of implementing the WTO accession agreement, other multilateral arrangements and related bilateral agreements. These specialized issues are directly addressed in the Government's sectoral plans, which are supported by multilateral and bilateral development agencies. The European Union (Multilateral Trade Policy Assistance Programme), the United States (Support for Trade Acceleration Project) and the United Kingdom and Australia (Beyond WTO Multi-donor Trust Fund) are active in support of Viet Nam's efforts to implement the provisions of multilateral and bilateral accords.

Beyond these technical issues, Viet Nam will need to maximize the positive impact of economic diplomacy. Economic diplomacy is not limited to advancing Viet Nam's economic interests in multilateral and bilateral negotiations and fora. It also includes the Government's capacity to acquire information, analysis and perspectives from economic partners, including governments, international organizations and multinational corporations, and to make effective use of this information in policy making. Viet Nam requires a strategy for economic diplomacy and capacity development to implement the strategy.

This detailed project outline describes a three-year project to deliver three core results: 1) a master plan for economic diplomacy, bringing together the various strands of existing initiatives and plans under one strategic framework; 2) a policy leadership programme for senior Government, Party and business leaders on the strategy and implications of international economic integration; 3) training of Government officials on achieving results from economic diplomacy and on the planning, organization and implementation of Government-business policy dialogue events. The project will be implemented by the Economic Affairs Department of the Ministry of Foreign Affairs (MOFA), which will coordinate the activities described in this document. Other participating agencies will include Government Office, the Ministry of Trade, the Ministry of Finance, national

research institutes, universities and other agencies active in economic policy formation.

UNDP comparative advantage: The Government of Viet Nam respects UNDP's neutrality and objectivity in policy matters; UNDP has extensive experience in supporting GOVN in strategic policy areas such as the 20 Year Review of *Doi Moi*; the Government has requested that UNDP take the lead among international organizations in supporting high level policy dialogue activities for senior policy makers.

Links to Socio-Economic Development Strategy 2006-2010: The acceleration of international economic integration is the third of eight main tasks listed in the SEDP.

Links to UNDAF: UNDAF: Outcome 1 - Government economic policies support growth that is more equitable, inclusive and sustainable; and Outcome 3 - Policies, law and governance structures conform to the values and goals of the Millennium Declaration.

Links to UNDP CPD/CPAP: Outcome 1 - Understanding challenges of and improved policy options identified to respond to socio-economic impact of globalization and integration. Benefits of participation in the internationally economy more equitably distributed.

2. Project overview

The objective of this project is to develop the Government's capacity to conduct economic diplomacy and to create new knowledge networks and Government-business policy dialogue mechanisms in support of international economic integration. The project will help Viet Nam benefit from international experience and policy research and analysis in support of international integration. The project will produce the following concrete results: : 1) a master plan for economic diplomacy, bringing together the various strands of existing initiatives and plans under one strategic framework; 2) a policy leadership programme for senior Government, Party and business leaders on the strategy and implications of international economic integration; 3) training of Government officials on achieving results from economic diplomacy and on the planning, organization and implementation of Government-business policy dialogue events.

The three results are closely inter-related and together represent a critical contribution to Viet Nam's capacity to derive maximum benefit from economic diplomacy initiatives. As international contacts and relationships proliferate and intensity, Viet Nam needs an integrated strategy to make the most of these separate initiatives. Government officials need to upgrade their knowledge of the changing nature of international political economy, and skills in organizing and implementing events such as Government-business round-table meetings. These initiatives must be linked to high quality policy research to inform the Government's approach to economic diplomacy and to distil key policy lessons.

Specific activities supported by the project include the following: (i) practical policy research on Viet Nam's existing economic diplomacy initiatives and recommendations for new developments and directions; (ii) workshops involving national stakeholders and international experts on the development of Viet Nam's economic diplomacy and relevant policy issues; (iii) study tours to China and other Asian countries to attend Government-Business Roundtable Meetings to learn lessons relevant to Viet Nam's planning and implementation efforts; (iv) the design and implementation of a high-level training programme on the changing nature of international economic relationships targeted to senior leaders of the Government, Party and state-owned enterprises; (v) training for Government officials in support of economic diplomacy initiatives, including the organization of Government-business policy dialogue events.

The project will build on existing knowledge networks comprised of policy makers, international organizations, national and international scholars, and national and international business leaders. It will not set up a new institutional to conduct policy analysis, but will instead link domestic researchers and policy makers to international knowledge networks. The activities described above will mobilize existing expertise and develop new capabilities within Government to respond to emerging opportunities and challenges in economic diplomacy.

The estimated budget of the project is USD 2,500,000 including a Government in-kind contribution of USD 50,000 in the form of project personnel and office space. The cash component will be funded from UNDP TRAC. An indicative budget is shown below.

Indicative budget		(in USD)
	UNDP	Viet Nam
- Technical assistance	1,015,000	
International experts	625,000	
National experts	390,000	
- Viet Nam Executive Leadership Programme	1,050,000	
- Workshops and seminars	90,000	
- Study tours	105,000	
- Equipment (office equipment)	30,000	
- Management costs	110,000	50,000
Project staff	63,000	5,000
Office space		45,000
Other (NEX audit, supplies, printing)	52,000	
- Documentation/Publications	50,000	
TOTAL	2,450,000	50,000

3. Project Strategy

The Government has requested assistance from the international community to develop skills and mobilize knowledge networks in support of economic diplomacy. These networks, encompassing policy makers, scholars, experts and business leaders are an essential component of the process of policy formation for a globalizing economy. They will help leaders respond more rapidly and effectively to challenges as they arise, and to formulate more proactive strategies rather than responding passively to changes in the international economy and business climate.

A concept note developed by the Ministry of Foreign Affairs, UNDP, the Kennedy School of Government of Harvard University and the University of Cambridge sets out a comprehensive and innovative programme to achieve these results. The concept note, which is attached to this document as Annex 3, sets out three components: i) practical policy research, bringing together top national and international scholars to address the major policy issues facing Viet Nam in the context of international integration; ii) policy dialogue round-table discussions bringing together top policy makers, national and international business leaders and scholars; iii) a new leadership training initiative involving international partners to provide annual, intensive training sessions on selected topic relating to economic development policy in the context of globalization and international integration.

The present project will support the achievement of the objectives set out in the concept note. The project will support policy research activities as inputs into the formulation of strategic plan for economic diplomacy. Seminars and workshops

attended by policy makers, scholars and other stakeholders will provide a consultation mechanism for the new strategy, and will ensure that the strategy is inclusive and appropriate to the country's needs.

The project will also help the Government derive lessons from international experience. Study tours to attend Government-business round table meetings in China and other countries in the region will provide valuable direct experience that the Government can utilize in planning similar events in Viet Nam. For example, Government plans to host some World Economic Forum (WEF) events in Vietnam in 2008 and 2009 would benefit from hands-on experience of organizing similar events in the region. Policy makers will also have an opportunity to consult with their peers in other countries in the region to learn from their successes and failures in economic diplomacy.

The project will also design and implement a programme of high level policy leadership training courses for Viet Nam's top policy makers and business leaders to be organized at Cambridge University on an annual basis from 2008 to 2010. Cambridge and Harvard Universities have organized similar programs and courses in other countries in the region such as the highly successful Cambridge China Executive Leadership Programme (CELP) held on the Cambridge campus. Scholars from the University of Cambridge and Harvard University will collaborate with national scholars and policy makers in designing a curriculum appropriate to the needs of Viet Nam's leaders. The training programme will also involve officials of the Ministry of Foreign Affairs who will gain a better understanding of the objectives and methods of these initiatives.

The project will provide NEX training to the staff of the Economic Affairs Department to facilitate project implementation.

In implementing all components of the project the Ministry of Foreign Affairs and UNDP will emphasize the need to increase the involvement of women researchers and policy makers in Viet Nam's economic diplomacy and knowledge networks. MOFA will actively seek out qualified female policy makers and researchers to take a leading role in the research and training activities supported by the project.

The Economic Affairs Department of the Ministry of Foreign Affairs has been identified by Government as the appropriate implementing agency for this project. The Ministry of Foreign Affairs is committed to enhancing its capacity to conduct economic diplomacy and policy research, as evidenced by Foreign Minister Pham Gia Khiem's decision to proclaim 2007 as the Year of Economic Diplomacy. The Economic Affairs Department organized the Prime Minister's participation at the 2007 WEF Annual Meeting in Davos and is responsible for Viet Nam's preparations for upcoming WEF events and programmes. The Department is well placed to support other policy dialogue activities owing to its leadership role in economic diplomacy and experience organizing and preparing top leaders for international fora. The Department also routinely networks with national research

institutions and policy makers in the normal course of engaging in economic diplomacy.

The activities will be carried out by international and national experts including research institutes, universities and individual consultants in conjunction with Government agencies. The project will build on other projects and programmes relating to economic policy dialogue including but not limited to the Support to the 20 Year Review of Doi Moi of the Viet Nam Academy of Social Sciences; the Financial Policy Analysis Project including the Policy Advisory Group in the Ministry of Finance; and various projects in support of developing policy analysis capacity of the National Assembly.

4. Project implementation structure

Implementation Modality:

This project will be implemented through the National Execution (NEX) modality with the Economic Affairs Department of the Ministry of Foreign Affairs as NIP in collaboration with Government Office, national research institutes and other national and international partners. The NIP will have the overall responsibility for coordinating the inputs of other partners and to ensure that the project meets the needs of the Government as the ultimate beneficiary of this project. UNDP will provide technical and other support at the request of the NIP.

Capacity Development for Project Management:

The project includes resources to recruit administrative staff to support the Economic Affairs Department in the implementation of the project and to procure necessary office equipment. Department staff will receive NEX training from UNDP as part of this project.

A project manager and project assistant will be recruited from outside of the civil service to ensure that project administration does not impose an undue burden on public officials. Sample terms of reference for these positions are provided in Annex 2. NEX training will be provided to project staff in the first quarter of project implementation.

Monitoring will be carried out on the basis of regular quarterly work plans and financial reports. UNDP Outcome Evaluation will form the basis of the evaluation strategy of the project.

5. Project specialist

The demand for and requirement upon project specialist will be presented in another concept note that UNDP, Cambridge and Harvard are drafting and it will become more detail in the project document later on.

6. Project coordination

Effective coordination among Ministry of Foreign Affairs departments and other Government agencies is an essential to the success of the project.

Coordination within the Ministry of Foreign Affairs will be achieved through the demonstrated commitment of top level leadership to the project and project outcomes. The National Project Director should be selected from among the Ministry's senior leaders.

Consultation with donor organizations will be carried out by the National Project Director, Deputy National Project Director and international and national experts in the course of implementing the project.

7. Cooperation with donor

UNDP had funded a number of projects of the departments of MOFA such as the project on "Assistance for capacity improvement of the sectors and localities on international conventions on human rights ratified by Viet Nam" implemented by the Department of International Organizations.

With similar goals of improving the capacity of the Government in implementing economic diplomacy in international economic integration, Hanns Seidel Fund also funded MOFA to carry out training courses on international economic integration by the Department of Multilateral Economic Cooperation.

Though some projects had similar objectives, the project on "Capacity development for economic diplomacy and business-government policy dialogue" implemented by the Department of Economic Affairs- MOFA aims at the outputs which have not been cited by any projects and not overlapped with the funded projects at MOFA.

Annex 1: List of Major Supplies and Sub-contracts

Office equipment procured through competitive bidding:

- 2 laptops computers conforming to the following minimum specifications:
 - Minimum 512MB DDR2 533 MHz
 - Intel PRO/Wireless 3945A/G (802.11a/g)
 - 24XCDRW/DVD
 - 80 GB Hard Drive
- 1 portable b/w printer
- 3 desktop computers conforming to the following minimum specifications:
 - Minimum 2GB DDR2 533 MHz
 - 24XCDRW/DVD
 - 80 GB Hard Drive
 - Flat screen
- 1 colour laser printer
- 1 photocopier/scanner
- 1 fax machine
- 1 safety box
- Office furniture of the following approximate configuration:
 - 3 desks with computer tables
 - 3 bookshelves
 - 3 office chairs
 - 3 desk lamps
 - Work table and chairs
 - Filing cabinet

Annex 2: Terms of Reference

1. Project Manager
2. Project Assistant
3. Project Accountant

1. Project Manager

Model Job Description for Project Manager (PM)

Background

Under the direct supervision of the National Project Director, the Project Manager is responsible for the operational management of the project, i.e. s/he assumes the day-to-day operational management of the project in line with the project document as well as policies/procedures for nationally executed projects. For this reason, s/he must be able to work full-time on the post.

Duties and Responsibilities

1. Prepares and updates quarterly and annual project work plans, and submits these to the NPD and UNDP CO for clearance.
2. Ensures that all agreements with Responsible Parties are prepared, negotiated and agreed upon.
3. Drafts TORs for key inputs (i.e. personnel, sub-contracts, training, procurement) under the responsibility of the NIP, submits these to the NPD and UNDP CO for clearance, and administers the mobilization of such inputs.
4. With respect to external project implementing agencies:
 - (a) ensures that these agencies mobilize and deliver the inputs in accordance with their letters of agreement or contracts, and
 - (b) provides overall supervision and/or coordination of their work to ensure the production, quality and timeliness of the expected outputs.
5. Assumes direct responsibility for managing the project budget as Committing Officer, by ensuring that:
 - (a) project funds are made available when needed, and are disbursed properly,
 - (b) expenditures are in accordance with the project document and/or existing project work plan,
 - (b) accounting records and supporting documents are kept,
 - (c) required financial reports are prepared,

- (d) financial operations are transparent and financial procedures/regulations for NEX projects are properly applied; and
- (e) s/he is ready to stand up to audits at any time.
6. Assumes direct responsibility for managing the physical resources (e.g. vehicles, office equipment, furniture, stationary...) provided to the project by UNDP.
 7. Supervises the project staff and local or international experts/consultants working for the project.
 8. Drafts project progress reports of various types (e.g. quarterly report, annual report, and the Final Project Report) as scheduled, and organizes review meetings and evaluation missions in coordination with UNDP.
 9. Reports regularly to and keeps the NPD up-to-date on project progress, implementing issues, emerging risks/problems as well as suggests to him/her necessary remedial actions.

General qualifications

1. General knowledge of substantive matters that are addressed by the project
2. Knowledge and experience in project management
3. Good inter-personal and team building skills
4. Full time availability for project management duties
5. Working level of English language is an absolute necessity
6. Familiarity with technical assistance projects and UNDP programme in Viet Nam is an asset.

2. Project Assistant

Model Job Description for Project Assistant

I. Duties and Responsibilities:

Under the direction of the NPD and D-NPD, the Project Assistant will:

- Provide necessary assistance in the operational management of the project according to the project document and the NEX procedures;
- Assist in the preparation of annuals and quarterly project work plan and progress reports;
- Undertake the preparation of project events as per approved work plans, including workshops, meetings, trainings and study tours, particularly those under the capacity building component., etc.;

- Make logistical arrangements for project staff, consultants and invited guests coming for project activities (visas, transportation, hotel bookings, etc.);
- Prepare background materials for discussion and briefing sessions on project matters;
- Assist with preparation of ToRs and contracts for consultants/experts for project activities;
- Take care of the project telephone, fax, and e-mail system;
- Draft correspondence on administrative and project matters under the responsibility of the project; and,
- Be responsible for the project filing system, including the numeration and filing of all incoming and outgoing correspondence.

The Project Assistant will carry out other duties as may be required by the NDP for the successful conclusion of the Project.

II. Qualifications:

- University degree in a relevant field;
- A minimum of five-years of relevant working experience in project/business/public administration;
- Experience and/or familiarity with UNDP regulations;
- Good secretarial skills and organizational capacity;
- Experience in project development and implementation;
- Familiarity with and experience in government institutions and procedures would be an advantage;
- Proficiency in the use of information technologies and good computer skills, particularly in the use of MS Office Package (MS Word, MS Excel, etc.) and Vietnamese typing software such as Unicode, Unikey and ABC; and
- Excellent command on both written and spoken English.

3. Project Accountant

Model Job Description for Project Accountant

I. Duties and Responsibilities

Under the direction of the NPD and D-NPD, the Project Accountant will:

- In charge of the project's financial management and accounting;

- Prepare financial statement on the quarterly (if required), annually basis and projects final financial statement;
- In charge of cash-in and cash-out in accordance with the regulation, assuring the availability of cash and legal disbursement;
- In charge of controlling and checking all the invoices and receipts and assuring them legal in accordance with the regulation and law;
- In charge of preparing and reporting monthly financial statement to the NPD;
- In charge of the filing system of the accounting record, invoices, receipts, etc of the projects in accordance with the regulation of record filing;
- Assuring the transparency of financial activities as well as the strict obedience of financial procedure/regulation for NEX project; and
- Must be able to assist the audit at anytime.

Project Accountant will carry out other duties if required by NPD for the ultimate successful implementation of the project.

II. Qualifications:

- University degree in accounting/ finance;
- At least three years of experience in project accounting/ business/ public sector;
- Experience with accounting software;
- Priority given to candidate with experience and/or good knowledge of UNDP regulation
- Dynamic, ability to manage and control the work;
- Knowledge of Viet Nam law;
- Experience in development field and project financial activities;
- Knowledge and experience on the government structure and procedure will be an advantage;
- Good IT skills, especially the MS Office Package (MS Word, MS Excel, etc), etc.
- Fluent spoken and written English
- Female is encouraged to apply for the post.

Annex 3: Ministry of Foreign Affairs Concept Note

CONCEPT NOTE

This note describes a new policy analysis and dialogue mechanism for Vietnam. Although organized and administered by the Economic Affairs Department of the Ministry of Foreign Affairs, the initiative will have a broad mandate to analyze key policy problems confronting the country and will involve a range of counterpart institutions within Government. A consortium of Vietnamese and international institutions including the Fulbright School, Harvard University, the University of Cambridge, the United Nations in Vietnam, and the American International Group, Inc. (AIG) will participate in the initiative. The cornerstone of the programme is a high-level policy-oriented research program. The analysis generated by this research will inform policy briefs and a series of policy roundtables and leadership training activities for the benefit of high-level Government policymakers. These activities will provide an opportunity for Vietnamese leaders to exchange views with experts from the academy and executives from leading Vietnamese and international firms. The flagship policy dialogue event will be an annual Viet Nam Policy Forum, to be sponsored by AIG. The overarching objective of the activities proposed below is to enhance the Vietnamese government's ability to formulate and implement forward looking policies to advance Vietnam's development goals. It will also connect a cohort of leading Vietnamese officials to international debates about globalization and the world economy.

I. Overview

The Vietnamese government recognizes that a sophisticated understanding of the opportunities and challenges of globalization and economic integration is a prerequisite for informed decision-making.¹ It is for this reason that the Government is placing new emphasis on strategic policy studies and has mandated the Ministry of Foreign Affairs to expand its economic diplomacy activities and strengthen its policy analysis capacity.² Although a strong institutional framework will be necessary to structure the proposed activities, the initiative's goal is not to establish a new think-tank, but instead to capitalize on existing capacity and international links to create a *knowledge network* connecting high quality research with opportunities for an enhanced policy dialogue involving Government

¹ In an article on the occasion of Vietnam's accession to the World Trade Organization (WTO), Prime Minister Nguyen Tan Dung cited the importance of policy analysis capacity for overcoming the challenges the country confronts. See Nguyen Tan Dung, "WTO Accession: Opportunities, Challenges, and Our Actions." ["Gia nhập WTO: cơ hội, thách thức và hành động của chúng ta," 7/11/06.]

² Deputy Prime Minister and Foreign Minister Pham Gia Khiem has proclaimed 2007 the Year of Economic Diplomacy. There are also on-going efforts to strengthen the Foreign Ministry's strategic studies and research capacity.

officials, Vietnamese and international experts, and business leaders. In one sense it is an effort to facilitate Davos-type exchanges tailored to Vietnamese conditions and concerns; however, whereas Davos is primarily an opportunity for Viet Nam to introduce itself to the world, the activities proposed here are designed to expose Vietnamese leaders and policymakers to new perspectives on the key policy issues they confront. Indeed, this initiative is intended to advance the Vietnamese government's goal of elevating Vietnam's profile on international stages like the World Economic Forum. Over time it is envisioned that the proposed activities will become an important component of the Vietnamese government's policy advisory apparatus. At the heart of the initiative is a research effort to be conducted by Vietnamese policy analysts and experts inside and outside of government, in collaboration with Vietnamese and international partners. This multi-agency, network-driven approach is necessary to produce the multi-sectoral perspectives that are critical to effective policymaking. One of the initiative's fundamental premises is that policy analysis can no longer be segmented by sector or administrative jurisdiction.

II. Rationale

Viet Nam's policy analysis apparatus urgently needs to build expertise and construct international knowledge networks to keep pace with the country's rapid economic integration and the transformation of world economic and business systems associated with the acceleration of globalization. Economic globalization has crucial implications for the ways in which policy-relevant knowledge is produced and used. Several features characterize this systems change. One is *speed*. Today, individuals tasked with analyzing the continuously shifting terrain of the global economy must continuously refresh their knowledge and expand their network of connections. A second feature is the essentially *multidisciplinary nature* of the analysis leaders in the era of globalisation require. Without a holistic appreciation for the ways in which policies interact, decision-makers will be unable to accurately anticipate policy outcomes. Third, the *sources of knowledge* have expanded exponentially. Today valuable insights into the workings of the global economy are possessed by a range of institutions including universities, but especially the multinational firms and financial institutions which drive global trade. The relevancy of Vietnamese policy analysis will to a significant degree be determined by the ability of Vietnamese analysts to forge links with these international players.

Faced with this new reality, governments around the world have increasingly come to rely on *knowledge networks*. For example, China taps the expertise of its elite state research bodies, as well as university-based centres in China and abroad. The Chinese leadership regularly consults with business leaders, both in public fora like the AIG-sponsored CEO forum and in intimate, closed-door exchanges. In developed countries, a constellation of government and non-government think-

tanks, universities, and corporate-supported programs contribute perspectives to the policy-making process. Just as globalization has transformed the way knowledge is generated, so too has it redefined the role of policymakers and analysts, especially in developing countries that depend on the global trading system for much of their growth. It is not possible—if indeed it ever was—to retain a sophisticated understanding of the world through the traditional combination of academic research situated within government think-tanks and donor-sponsored conferences. Governments require a leading corps of policymakers who are active participants in the trans-national knowledge generation process.³

III. Features of a Knowledge Network for Viet Nam

Human capital is the most essential component of a high-quality policy analysis mechanism. Accordingly, this initiative will mobilize top minds inside and outside government and provide them with opportunities to connect to global knowledge. There are several key features of this knowledge network.

An Internationally Networked Cohort of Vietnamese Policymakers and Analysts

One of the initiative's core objectives is to support the development of a top cohort of Vietnamese analysts and policymakers who occupy senior positions in government and business. These individuals will be recruited from Vietnamese government agencies as well as from strategic economic sectors. Timely, topical research will enable them to stay abreast of key issues in the Vietnamese and global economies. Through policy dialogue and executive education they will establish relationships with leading thinkers on globalization and influential business leaders.

Analysis for Decision-making

Building high-quality research capacity is a primary focus of the initiative. Research will be coordinated by the Economic Affairs Department, Ministry of Foreign Affairs in consultation with Vietnamese and international scholars. It is vital that donors are not in a position to set the research agenda, although the United Nations Policy Team will provide access to international views including donor organizations, UN agencies and other international interlocutors. Research

³Prime Minister Nguyen Tan Dung, Deputy Prime Minister Pham Gia Khiem, and other high ranking Vietnamese leaders value regular meetings and exchanges of views with members of the Vietnamese and international academic and business communities, both in Viet Nam and at events abroad. Prime Minister Nguyen Tan Dung's recent participation in the APEC Hanoi CEO Forum and the World Economic Forum's Business Interactive Group in Davos, and Deputy Prime Minister Pham Gia Khiem's meeting with members of Amcham in Hanoi were considered highly productive and beneficial.

will be conducted by multidisciplinary teams composed of experts from inside and outside the Vietnamese government. A diversity of backgrounds and institutional affiliations will be a defining feature of the program. Only a broad portfolio of expertise can ensure that policy issues are evaluated rigorously from a range of perspectives. The participation of independent research institutes like the Fulbright School will ensure that policies are subject to rigorous, constructively critical, and objective review and analysis including action-oriented policy recommendations.

Research findings will be shared with the Vietnamese government through regular policy briefs, tailored to the needs of the intended audience. Targeted research will also provide an intellectual framework for policy dialogue activities. Detailed, quantitative studies will be produced for those tasked with advising the senior leadership. These officials require sophisticated sectoral analysis as well as comparative perspectives from other countries. Senior leaders would benefit most from analysis that draws on international experience to inform perspectives sensitive to the complexities of the local context. Research will provide an intellectual framework for policy dialogue activities.

Dialogue: Davos in Hanoi

In January 2007, Prime Minister Nguyen Tan Dung became the most senior Vietnamese official ever to attend the World Economic Forum at Davos. The Economic Affairs Department of the Ministry of Foreign Affairs played a key role in facilitating the Prime Minister's successful participation. It is envisioned that the policy research and dialogue activities described here will also support the Economic Affairs Department's ongoing work as the Vietnamese government's principal liaison to the World Economic Forum and other regional and international economic fora. The research program will help the Department compile the sophisticated analysis of the Vietnamese economy that Davos participants expect and provide an opportunity to "road-test" this analysis with leading international experts before presenting it publicly. The AIG-sponsored Viet Nam Policy Forum will provide Vietnamese leaders with valuable experience interacting with leading international experts in an intimate, private setting, as well as create opportunities for an open dialogue that complement higher profile events. In the short term, this initiative will strengthen Vietnam's bid to host an upcoming regional meeting of the World Economic Forum.

The Viet Nam Policy Forum will replicate key features of the Davos approach. It will enable Vietnamese leaders, from the central and provincial levels as well as from Vietnamese Growth Companies, to exchange views with top executives from the world's most important firms moderated by leading experts from the academy. The importance of research to the success of this type of venture cannot be overstated. Davos lasts only few days, but its intellectual framework is the product

of a massive, year-round research program. The initiative's policy research will provide Vietnamese and international participants with the analysis needed to ensure substantive, focused dialogue.

Ensuring that the dialogue is substantive and beneficial will require that advisors to Vietnam's leaders possess a thorough grasp of defining features and emerging trends in the global economy. This knowledge can only be acquired through structured consultations with the international business community and leading scholars on specific aspects of globalization. Integral to the activities described in this concept note is a proposed Viet Nam Executive Leadership Program (VELP), held annually at the University of Cambridge, to provide in-depth and intensive training for top policymakers in Government and business.

IV. Participants

The initiative will be pursued by a consortium of Vietnamese and international institutions. At the hub of the proposed architecture is the Economic Affairs Department of the Ministry of Foreign Affairs. The Department has been instructed to play a larger role in economic policy formulation and economic diplomacy and hence will coordinate the participation of Vietnamese policymakers. This group will not be limited to Foreign Ministry officials and will include representatives of other key ministries, regulatory agencies, and key industrial sectors. It is expected that the Department will coordinate closely with relevant departments of the Office of the Government.

The John F. Kennedy School of Government at Harvard University has pursued a policy dialogue with the Vietnamese government since the late 1980s. Since 1994, Harvard has been the principal international partner in the Fulbright School in Ho Chi Minh City, Vietnam's leading independent centre of economic policy analysis. The Fulbright School's permanent faculty is composed of foreign educated Vietnamese economists and policy experts who work closely with the government. Because of its autonomy, the Fulbright School is often able to provide more constructively critical analysis of government policy. Harvard contributes a deep knowledge of the Vietnamese reform process and valuable comparative perspectives.

The University of Cambridge's China Executive Leadership Program (CELP) is a unique executive education program for senior business and government leaders. Now in its fourth year, the CELP is now integral to the process of policy training and development in China. Cambridge's experience with CELP will inform the Viet Nam Executive Leadership Program that will be held at Cambridge (UK) on an annual basis.

The United Nations Policy Team will make use of the comparative advantage of the UN to deliver impartial policy support with an emphasis on Government ownership and capacity development. This initiative responds to a request from the Vietnamese government for UN facilitation of an expanded policy dialogue for the senior leadership.

AIG, the world's largest insurer, has expressed interest in sponsoring the annual policy roundtable and CEO forum. AIG founded the most successful international business forum in China and supports the Kennedy School's flagship training program for senior Chinese officials. Participation of other leading international and national firms will take various forms, including contributing to the policy dialogue process, attendance at VELP and sponsorship of policy research initiatives.

V. Outputs

The initiative will consist of three inter-related principal activities.

- **Policy Analysis.** The initiative will develop policy research projects that bring together researchers from Government, Vietnamese scholars, the Fulbright School, and other top-flight international experts to examine practical policy issues of central importance to Vietnam's development. The research agenda will be coordinated by the Economic Affairs Department of the Ministry of Foreign Affairs as the implementing agency, in consultation with national and international scholars and the United Nations Policy Team. The research program will generate a range of specific products, including regular economic reports and thematic studies as requested by the government and in particular in preparation for WEF events. Likely Government participants will include in the first instance the Office of the Government, the Ministry of Agriculture and Rural Development, the Ministry of Industry, the Ministry of Planning and Investment, the Ministry of Finance and the State Bank of Vietnam, among others.
- **Policy Dialogue.** Insights produced by the research effort will be disseminated through regular policy dialogue activities. These activities will be held on a regular basis and address specific issues as required by Government. The Economic Affairs Department of the Ministry of Foreign Affairs will form the secretariat for these events, in some cases in tandem with other partners. The annual Viet Nam Policy Forum, sponsored by AIG, will be the flagship event of the dialogue program. The objective is to ensure that Vietnamese leaders have access to the expertise and perspectives of the global business elite; it is *not* a venue for corporate advocacy or investment promotion. AIG will work with Harvard and the

Economic Affairs Department, Ministry of Foreign Affairs, to design the Forum.

- **Viet Nam Executive Leadership Program (VELP).** This program will bring a group of senior Vietnamese policymakers and business leaders to an annual executive education program at the University of Cambridge. The program will be taught by a combination of scholars from Cambridge, Harvard, and other leading research universities side-by-side with and leaders of the world's top corporations. The objective of the program is to address specific key issues facing Viet Nam during the process of international economic integration in an in-depth and rigorous manner. Participants will not only listen and learn, they will produce written reports on the issues discussed as input into the policymaking process. In addition to exposing key individuals to new knowledge and perspectives, the programs will create opportunities for Vietnamese to expand their international networks. VELP will also greatly expand knowledge and policy networks of Viet Nam's Government and business leaders.⁴

⁴ VELP is described in more detail in a separate concept note prepared by the UNDP, Cambridge, and Harvard.

Annex 4: Results framework

No.	Level	Indicators	Related UNDAF outcome	Related Decree 131 priority area	Risks and assumptions
1.	The Development of Government capacity to conduct economic diplomacy in support of international economic integration and growth that is more equitable, inclusive and sustainable.				
1.1	Support the formulation of a comprehensive and inclusive strategy for economic diplomacy in the context of rapid international economic integration	Strategy produced and approved by Government leadership	Outcome 1: Government economic policies support growth that is more equitable, inclusive and sustainable	Institutional capacity strengthening and human resource development	Insufficient coordination among various stakeholders involved in economic diplomacy.
1.1.1	Policy research and other advice to inform Government of Viet Nam's economic diplomacy strategy.				
1.1.2	Workshops and other forms of consultation to collect input for the strategy and canvass stakeholder for views and input.				
1.2	Design and implementation of a programme of high level leadership training for top leaders in collaboration with the University of Cambridge and Harvard University	Programme designed, approved by Government and three annual training programmes implemented	Outcome 1: Government economic policies support growth that is	Institutional capacity strengthening and human resource development	Insufficient collaboration with research institutions and agencies outside of the Ministry of

1.2.1	Practical policy research involving national and international scholars to identify appropriate themes for leadership training		more equitable, inclusive and sustainable		Foreign Affairs.
1.2.2	Curriculum development activities including workshops of relevant stakeholders				
1.2.3	Participation of Government officials in the training programme.				
1.3	Capacity development for economic diplomacy and in particular Government-business dialogue events.	Successful implementation of Government-business dialogue events in Viet Nam in 2008	Outcome 1: Government economic policies support growth that is more equitable, inclusive and sustainable	Institutional capacity strengthening and human resource development	Insufficient Government commitment to expanding the range of economic diplomacy instruments in Viet Nam.
1.3.1	Training of Government officials in the objectives, strategy and methods of economic diplomacy including Government-business dialogues and similar events.				
1.3.2	Direct participation of regional Government-business forums and other events to gain experience in planning and implementing similar events in Viet Nam				
1.3.3	NEX training and other support to Economic Affairs Department				

Annex 5: Comments from related Ministries/agencies

No	Agency	Comments	Explanation/Feedback of project management agency
1	Ministry of Finance	+ Project equipments: 6 computers (including 3 laptops) are more than enough for a project office. It is better to reduce the number of computers in order to have financial resource for other categories.	+ Agree to reduce the number of computers to have fund for other categories. In the detail project proposal, the number of laptops has been reduced from 3 to 2 (for project manager and project assistant).
		+ Project funds should be broken into sponsor's contribution in cash and government's contribution in kind.	+ Agree with the suggestion. In the detail project proposal, project funds have been separated into sponsor's contribution in cash and government's contribution in kind.
		+ Project's personnel: project manager can hardly play concurrently the role of accountant, an accountant is needed.	+ Agree with the suggestion; terms of reference for project manager have been adjusted and terms for reference for accountant have been added into the project proposal.
		+ Content and participants of the high level training course should be determined soon to submit to the Prime Minister	+ Content and participants of the training course will be elaborated in project documents. The project proposal has pointed out some main contents and made it clear that participants will be Vietnamese business leaders and economic managers from related government agencies.
2	Ministry of Planning and	+ Training activities to build capacity for diplomats should be elaborated; the project proposal mentions training activities for leaders in general only.	+ Concrete training activities for diplomats will be elaborated in project documents. At the moment, this project proposal mentions some activities, such as training courses, study tours, workshops and policy study.

	Investment	+ Elaborate and diversify activities which help enterprises create regional and global network as aspired by project management agency	+ The project proposal points out a crucial activity: to organize annual high level training courses at Cambridge University for Vietnamese enterprises' leaders and economic managers of related government agencies. During these courses, Vietnamese business leaders will have a chance to meet up and build up relations with regional and global top business leaders. Other activities supporting enterprises to create network will be elaborate in project documents.
		+ With regard to training activities for enterprises' leaders, particularly state-owned enterprises, as the project title is "capacity building for economic diplomacy and policy dialogue between Government and enterprises", the training for state-owned enterprises' leaders should not be conducted within the framework of this project (this content is out of MOFA's responsibilities - universities or other relevant ministries may take charge). Project management agency also needs to create more information channels to benefit SMEs, which currently account for 97% Vietnamese enterprises.	+ Agree that beneficiaries should not be limited to state-owned enterprises. The word "state-owned" has been removed to reflect Viet Nam's enterprise reform policy. Training activities for enterprises' leaders mentioned in this project are not in traditional forms, but by participating in high level training courses and creating relations with international business leaders, and by organizing seminars in Viet Nam.
3		+ Project's objectives are clear but its outputs are not (4 outputs according to numbering system (i-iv), meanwhile, only three outputs mentioned in text and appendix table). Some activities are limited (only 1 workshop during three years).	+ The number of outputs has been adjusted to make it unified. There are 3 main outputs throughout the project proposal. + The workshop section has been revised from "organize at least one workshop" to "organize workshops".

	<p>+ In activity (iv) mentioned in the project summary, the word “state” preceding “enterprises” should be deleted to correctly reflect State’s enterprises’ reform policy as well as the meaning of this project.</p>	<p>+ Agree with the suggestion and the project proposal has been revised accordingly.</p>
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