

**DETAILED PROJECT OUTLINE
TECHNICAL ASSISTANCE PROJECT SUPPORTED BY
THE UNITED NATIONS**

**CAPACITY ENHANCEMENT FOR INTENSIVE INTERNATIONAL INTEGRATION
OF VIET NAM TOWARDS 2020**

Ministry of Foreign Affairs

PART A: GENERAL INFORMATION ABOUT THE PROJECT

1. **Project title and code:** Capacity Enhancement for Intensive International Integration of Viet Nam towards 2020
2. **Sectoral code¹:**
3. **Name of the UN Agency supporting the project:** UNDP
4. **Name of the Line Agency – National Partner:** Ministry of Foreign Affairs of Viet Nam
 - a) Contact address: 8 Khuc Hao, Ba Dinh, Ha Noi
 - b) Phone/Fax number: (84-4) 3799 3619/ 3799 3618
5. **Name of the Agency proposing the project:** Ministry of Foreign Affairs of Viet Nam
 - a) Contact address: 8 Khuc Hao, Ba Dinh, Ha Noi
 - b) Phone/Fax number: (84-4) 3799 3619/ 3799 3618
6. **National Implementing Partner:** Ministry of Foreign Affairs of Viet Nam
 - a) Contact address: 8 Khuc Hao, Ba Dinh, Ha Noi
 - b) Phone/Fax number: (84-4) 3799 3619/ 3799 3618
7. **Name of the Co-Implementing Partner(s):**
 - a) Contact address:
 - b) Phone/Fax number:
8. **Estimated Project duration²:** 3 years
9. **Project location** (identify down to the district level, if applicable):
10. **Total project budget: 2,800,000 USD, including:**
 - 10.1 Total grant ODA: 2,750,000 USD
 - a. Total ODA amount already committed: 1,950,000 USD
 - a.1. Regular source of funding: 1,950,000 USD
 - a.2. Co-financing source(s): USD (identify the donor government or agency, if possible)
 - b. Total ODA amount to be mobilized: 800,000 USD
 - 10.2 Counterpart funding: 1,040,000,000 VND or equivalent to 50,000 USD
 - a. In-cash: 520,000,000 VND or equivalent to 25,000 USD
 - b. In-kind: 520,000,000 VND or equivalent to 25,000 USD
11. **ODA provision modalities:** UNDP Grant ODA.

¹ This is the national code for the sector in line with the List of Viet Nam's National Economic Sectors issued by the Prime

I. Project context and justification

1. Discuss briefly those components of the master plan, development plan of the beneficiary institution (agency, sector, field, and locality) that are of direct relevance to the contents of and needs for the proposed project as well as the role the proposed project is expected to play in the master plan, development plan

Viet Nam has been carrying out the international economic integration policy since the late 1990s. The Vietnamese Government's commitment to international economic integration is evident in its policies and at the institutional level. Viet Nam joined the ASEAN Free Trade Agreement in 1996 and WTO in 2007, signed EPA with Japan in 2008 and FTA with Chile in 2011. Apart from the country's vigorous efforts to fulfill its regional and international economic commitments, Viet Nam has been actively taking part in ASEAN, APEC, ASEM and many other regional and international institutions, and engaging in the TPP negotiations since 2010.

The 11th Viet Nam's National Party Congress in January 2011 set forth new key orientations for Viet Nam's foreign policy, in which priority is given to "*active and proactive engagement in international integration*". This means that Viet Nam's integration into the world will no longer be limited to economic issues, but also open to social, cultural, science and technology areas etc. In this new process, economic integration continues to play a pivotal role as it constitutes the foundation for Viet Nam's more comprehensive and deeper regional and international integration. This also means that after joining regional and international institutions, Viet Nam now aims at deepening its engagements with these organizations by participating pro-actively in its activities, taking initiatives to find solutions to issues of common interests of the regional and global community such as global climate change, sustainable development, food security, disaster mitigation, human development....In the five years to come, in addition to the tasks of accomplishing its regional and international commitments, Viet Nam will also continue its efforts to accelerate economic integration by conducting FTA negotiations with many important partners, such as the TPP Agreement, bilateral FTAs with the EU, with Russia..., just to name a few.

The commitment of the Vietnamese Government to a higher level of international integration has also been clearly reflected in its Socio-Economic Development Strategy (SEDS) 2011-2020, which emphasizes the importance of international integration by making every effort in "*broadening external relations, engaging proactively in international integration, and raising Viet Nam's international profile*". These represent a critical change in Viet Nam's foreign policy and mark a new milestone in the country's comprehensive and active international integration process.

The Ministry of Foreign Affairs (MOFA) has been tasked by the Government of Viet Nam to shepherd the new international integration process. For this daunting task to be fulfilled, MOFA will have to address numerous challenges:

First, MOFA will have the responsibility to recapitulate and assess the achievements as well as shortcomings of international integration and cooperation activities carried out by different Government agencies and ministries over the last ten years. This is a very challenging process as institutional capacities of Vietnamese ministries and agencies, at both the central and local levels, in the areas of reporting, analyzing, collecting and monitoring data on international economic integration and international cooperation remain limited and unsystematic.

Second, MOFA will have to bear the main responsibility of drafting major national policies and strategies on international integration (*Resolution No. 01/NQ-CP dated January 03, 2012 on key solutions for the realization of the National socio-economic development plan and State budget estimates for 2012*) including, among others, the drafting of the Resolution of the

Politburo on international integration toward 2020 and **engage in designing** Viet Nam's comprehensive Strategy on international economic integration to 2020... This is a difficult and complex task because: (i) consensus-building among government ministries and agencies on the urge of incorporating new trade and economic issues (environment protection, global supply chain, technological products, internet...) into current national policies and laws is time-consuming; (ii) a mechanism for coordinating government ministries and agencies in drafting and perfecting the international integration's legal frameworks remains unclear; (iii) capacity of Viet Nam's officials in policy-making and policy execution remains limited. **Further research** is needed to identify the areas in which there is a lack of cohesion or need for updating laws and regulations on international integration and cooperation. Regular reviews are also needed to avoid the shortcomings of the previous international economic integration policies, which were often non-evidence-based, and sometimes incoherent with Viet Nam's socio-economic policies.

Third, MOFA will also be in charge of coordinating government ministries and agencies in the implementation of their respective policies and guidelines on international integration (Directive No. 01/CT-TTg dated 09/01/2012 of the Prime Minister on measures to further implement guideline on active international integration). This is again a challenge as Viet Nam's government ministries and agencies have limited capacity to implement laws and policies in international integration. The institutional limitation is particularly obvious in the area of networking and sharing of information, data, research and experiences on issues of international integration. Also, it is necessary to reduce the duplication of tasks among ministries and agencies in order to better streamline the resources allocated to international integration activities. There is an urgent need as well to encourage Vietnamese government bodies and civil society to work together to improve their capacity to implement, monitor, evaluate and report on the implementation of laws, regulations and policies of international economic cooperation.

Finally, being a focal point of Viet Nam in most regional and international fora, MOFA is **assigned to consolidate Viet Nam's identity on the regional and world's stage**, particularly Viet Nam's position on regional institutions. However, Vietnamese officials' and government agencies' capacity are limited due to many reasons such as: (i) insufficient understanding on and unfamiliarity with the principles, functioning, culture... of regional and international organizations; (ii) limited skills of negotiations, mediation, trade dispute settlement, cross-cultural communication... Enhancing capacity building in these areas will provide an opportunity for the Viet Nam's Government to forge its relationship with regional and international organizations. This is consistent with the targets of National Strategy of Socio- Economic Development of Viet Nam 2011 - 2020 and the Socio-Economic Development Plan of Viet Nam 2011-2015.

In summary, the coming five years is a critical period for Viet Nam, as the more country opens to the world economy, the more vulnerable it will likely become to global shocks. Moreover, the next five years is also fundamental for Viet Nam in its transition towards a modern industrialized country in 2020. Viet Nam needs support to get access to the most advanced development thinking and most updated information and knowledge of the changing nature of international political economy, to be able to undertake high quality research and analyses (especially on impact of integration policies/strategies or of specific bilateral agreements) and identify policy options to maximize the benefits and minimize the risks of each integration step it takes. This explains why this Project is of strategic importance.

2. Summarize other completed or ongoing programs/ projects, that have been financed from various sources of funding, to address problems/ issues being experienced by the line agency and implementing partners (this section is intended to avoid overlaps as well as to ensure proper coordination, share results and maximize synergies between the relevant programmes/ projects.)

The Ministry of Foreign Affairs is undertaking two Projects relating to economic and

Integration” funded by UNDP with the budget of around 5 million USD for the 2008–2012 period. The Project aims at: (i) commissioning research on obstacles to women achieving their potential in the Vietnamese public sector, based on which an action plan and policy recommendations will be formulated; (ii) supporting women working in the public sector on graduate courses at the University of Cambridge and other leading institutions; (iii) offering grants for small scale targeted research by women on topics related to this project or to Government of Viet Nam/ UN One Plan for Viet Nam strategic priorities; (iv) organizing conferences and workshops to showcase relevant research and provide access to relevant international expertise; and (v) promoting networking amongst women in the public sector. This project will be closed by December 2012.

- Project “*Capacity Development for Economic Diplomacy and Business–Government Policy Dialogue*” funded by UNDP with the budget of around 4.2 million USD for the 2008-2012 period. The Project aims at: (i) creating a master plan for economic diplomacy, bringing together the various strands of existing initiatives and plans under one strategic framework; (ii) a policy leadership programme for senior Government, Party and business leaders on the strategy and implications of international economic integration; (iii) training for Government officials in support of economic diplomacy initiatives, including the planning, organization and implementation of Government-business policy dialogue events. This project will be closed by June 2012.

The proposed Project is planned to come into operation in mid 2012. It will continue to develop national capacity in policy making and implementation in the international integration context by following up several important components of the two above-mentioned projects, such as the executive leadership programme. However, the Project will also bring about some new aspects:

- General research and analyses on opportunities, challenges, and threats of international integration, providing inputs and evidences to decision making process.
- Specific research on impact of previous international economic integration policies/strategies and potential impact of specific policies or bilateral agreements under discussion, helping to avoid weaknesses and shortcomings.
- Policy dialogues and debates on international integration, providing strategic inputs to decision making process.
- International exchange and South-South collaboration in international integration, including the development of a network of researchers with other developing institutions and think-tanks on international relations and development.

3. Discuss briefly the major relevant lessons (if any) drawn from the previous Country Programme(s) of the UN Agency supporting the proposed project

A number of key lessons have been drawn from the previous UNDP’s Country Programme in general and from the implementation of two mentioned-above projects with MOFA in particular:

- At the programme level, there needs to be a shift towards high-quality policy work to support the government in addressing and managing the challenges associated with middle-income country status, and towards high-quality technical assistance, capacity development at national and subnational levels, and the UN role in convening stakeholders and expanding partnerships. At the project level, the process of developing a new project should be participatory. It should involve key stakeholders from identifying focus areas, outcomes, outputs, indicators with a view to designing most effective measures for each group of beneficiaries.
- There should be adequate clarity on priorities and focus right in the beginning. Identification of priorities and a reasonable sequencing is of importance.
- There should be an overall plan together with annual workplan to facilitate the implementation. The plan for the next year should be based on the outcomes of that of this year with specific lessons learned.

- The outcomes of research within the framework of the Project should be disseminated to relevant Ministries/agencies and beneficiaries.
- Leadership commitment, readiness for change and capacity of those who take part in project implementation are preconditions to make the project a success.
- Management capacity of PMUs can influence project progress and project implementation results significantly. Project management proficiency both technical and financial, especially in project planning stages (in particular TOR development), reporting, usually during the inception period and the first year may largely impact on project implementation progress and quality.

4. Identify the major issues that will be addressed by the proposed project

Following issues have been identified and will be addressed by the Project:

- The lack of evidence-based government policies and strategies in support of international integration, especially international economic integration and economic diplomacy.
- Insufficient understanding of issues and trends in international integration, its implications for Viet Nam's socio-economic development, as well as insufficient understanding on the functioning of regional and international organizations are impeding Viet Nam's participation in regional and international organizations and have adverse impacts on Vietnam's socio-economic development.
- Limited capacity of Viet Nam's officials in terms of leadership and skills required to engage actively in international cooperation and to effectively address newly emerging regional and global issues.
- Weak coordination among Viet Nam's ministries, agencies at different levels on international integration issues.
- Little engagement of local officials and businesses in the international integration process; and weak implementation capacity of local officials and businesses.
- Weak networking among Viet Nam's think-tanks and research centers with development research hubs of developing countries and ASEAN.

5. Identify the target group(s) that will benefit from the proposed project

The direct beneficiaries are government agencies and other organizations to be involved in project activities. Their staff will be able to access to the global thinking, the most updated knowledge and to improve their leadership skills and policy research and analytical capacities. These include:

- Leaders and senior officials from Government ministries, agencies both at central and local levels
- Officers from Ministries/agencies and local administration dealing with international cooperation and international integration
- Representatives from State-owned enterprises, corporations
- Research institutes and academia

Indirect beneficiaries are Vietnamese people who will benefit from improved international integration policies, as benefits of international integration will be more equitably distributed.

II. Rationale for the selection of the supporting UN Agency

1. Relevance of the project contents and objectives to the mandate and programme

priorities of the supporting UN Agency

Outcome 3.3: "By 2016, improved performance of the public sector institutions at national and sub-national levels, through enhanced coordination, accountability, transparency and anti-corruption efforts, will reduce disparities and ensure access to public services for the most vulnerable and disadvantaged groups".

Output 3.3.2: "The public administration systems at national level and in selected provinces have enhanced human resource management systems, a customer-oriented approach, and strengthened mechanisms for accountability and transparency".

2. Reasons for the selection and comparative advantages of the supporting UN Agency, in terms of technology, managerial experience, policy advice, etc... in the sector/ field

UNDP-MOFA cooperation through the two projects on "*Empowerment of Women in Public Sector in the Context of International Economic Integration*" and "*Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue*" has proven to be very successful. UNDP also has extensive experience in assisting the Viet Nam's government on the elaboration of strategic policies. As a result, the Government of Viet Nam has requested the UNDP to take the lead among international organizations in supporting high-level policy dialogue activities. Besides, UNDP's neutrality and objectivity on political issues is a "plus" in the process of assisting countries such as Viet Nam.

Vietnam Government (represented by MOFA)-UNDP-Harvard University cooperation through Viet Nam Executive Leadership Programme (VELP), a component under the Project "*Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue*" has proven to be a successful framework. With excellent expertise and intensive knowledge on the Vietnam's context, Harvard University has received very positive response from the high-level government policy makers and senior officials who have participated in VELP. They appreciate that under Harvard's planning, curriculum development and policy recommendation: (i) VELP provided fresh and original perspectives on the global economy and on the economies of most importance to Viet Nam including the US, China, and the EU; (ii) VELP was an opportunity to learn and reflect in a relaxed atmosphere on the campus of the top world-class university - John F. Kennedy School of Government, The Harvard Kennedy School, (iii) at VELP participants could listen to and question world-class experts; and (iv) VELP invited them to reconsider their assumptions about the Vietnamese economy and its prospects for maintaining rapid growth. Given the success of the previous VELP programs, the continued cooperation framework among UNDP, MOFA and Harvard Kennedy School in the new Project is an aspiration shared by all relevant parties.

3. Conditions as required by the supporting UN Agency's policy guidelines (if any) and the Vietnamese side's capacity to meet them

UNDP does not require any specific conditions.

III. Objectives and major indicators of the proposed project

1. Long-term objective(s) and main success indicators (if available)

The long-term objective of the Project is to develop national capacity for formulating and implementing international integration policies that best serve Viet Nam's development needs and the targets of the SEDS 2011-2020.

2. Immediate objective(s) and main success indicators (if available)

Immediate objectives of the Project are:

- To enhance capacity of Vietnamese leaders and officials for defining development strategies and policy options in international integration

- To make international integration policies more evidence-based through researches and dialogues on policy impact, challenges, opportunities and threats of international integration
- To promote international exchange and South-South collaboration in international integration for a more robust representation of Viet Nam in regional and international organizations and better position of Viet Nam in international arena.

IV. Main expected results by components or major groups of activities and estimated budget allocations

(Describe briefly the project contents and expected results, implementation arrangements and coordination mechanisms, proposed budget allocations to the components or major groups of activities.)

The Project has three key components:

1. Viet Nam Executive Leadership Program with Harvard Kennedy School - a senior leader dialogue forum

The Viet Nam Executive Leadership Programme (VELP) has been implemented annually under the NIM project "*Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue*" with MOFA since 2008 and will be finished by June 2012. VELP is a unique initiative between UNDP, the government of Viet Nam and the Harvard Kennedy School. The programme provides an elite cohort of senior Vietnamese policymakers and business leaders with intensive training sessions and an opportunity to engage in a structured, research based dialogue with leading scholars, practitioners and multinational firms about key policy challenges confronting Viet Nam and the world.

The new executive leadership programme will be implemented at two levels: (i) For senior leaders (most of them are vice-minister level up); and (ii) For provincial leaders (the venue can be in Viet Nam or another country in the region).

Activities may include:

- Delegates, who are high-level government leaders, senior officials from ministries and business leaders, will go to the Harvard Kennedy School for annual training and exchange of dialogues and views on global/regional economic and development issues of their concerns. Provincial leaders will be sent to regional universities under the policy update programme. This is a platform among policy makers, academia and experts to debate and discuss their views for better governance and economic performance.
- Harvard Kennedy School will be in charge of planning and curriculum development in close consultation with government and UNDP. At the same time, UNDP and MOFA will have to remain substantively involved in agenda-setting, content and messaging of the programme.
- Further study may be undertaken on how other (developing) countries develop their executive leadership to acquire international experience, and adapt them to the Vietnamese context, and explore opportunities for South-South collaboration.
- The curriculum that includes policy papers are developed and disseminated to high-level decision makers, academia and entrepreneurs.
- VELP debriefings, where participants share what they learn from the VELP with relevant stakeholders, will also be organized after each VELP event.
- Programme follow-up activities (alumni sharing workshops, networking, newsletters, impact assessment etc.) will be organized upon the completion of each year's program.

More attention will be paid to securing much stronger commitment by the Government to gender targets, as the proportion of female participants in the last VELPs was less than 10%. A 30% target for female participation will be applied to the VELP and the provincial

2. Policy research and dialogues

As mentioned in Section I, Viet Nam is developing, at this critical juncture, important strategies and policies (e.g. the Resolution of the Politburo on international integration to 2020, the National Strategy on International Integration to 2020) to direct the international integration process in the coming time. This component is therefore proposed to provide timely and high quality inputs to decision making process, and to avoid the shortcomings of previous international integration policies, which were often made without relying on evidences, such as analyses on impact of integration policies/strategies or of specific bilateral agreements.

Following kinds of policy research and dialogue are proposed under this Project:

- Research on possible impact and implications of joining economic-trade agreements. The recent studies on Viet Nam's participation in trade negotiations under the Trans-Pacific Strategic Economic Partnership (TPP) agreement and on global and regional FTA trends and their implications for Viet Nam³ are examples of the kind of research to be included in this component, as it illustrates advantages/disadvantages and possible contributions of the agreements to the achievement of development goals of Viet Nam.
- Another important aspect of this component is to assist Vietnam in preparing for the realization of the ASEAN Community by 2015. Indeed, many ministries/agencies, local authorities, businesses and citizens in Vietnam are not fully aware of how the coming event would affect their daily lives as well as the country in general. Given the time constraints, it is an urgent demand to raise the awareness and knowledge of all Vietnamese Government's officers and citizens on ASEAN Community as well as its impacts on the country in general. In this connection, the Ministry of Foreign Affairs is planning various training programs with a view to providing all officers with better knowledge of ASEAN's procedures, structure, abundant cultures, etc and tools to contribute more effectively to the ASEAN family. For this to be possible, the policy research and dialogue is expected to propose concrete measures to facilitate the ministries, agencies and authorities at all level, entrepreneurs and ordinary citizens to operate effectively in the new environment.
- Research and dialogues aimed at promoting exchanges of lessons-learned and experiences among developing nations on ways to improve the professionalism of young diplomats who work in the area of international integration. Enhancing their capacity and skills would greatly facilitate the country's contributions to the global community and heighten the national image, thus making Vietnam a desirable destination for international organizations to establish their representative offices in Asia.
- More and regular research on emerging issues of the global economy and their implications for Viet Nam are of paramount importance, especially when the country's comprehensive international integration is underway. The World Economic Bulletin will be published on month basis, providing policy makers with regular and updated information on the world economies.
- Policy dialogues/debates that bring together top leaders, policy makers, business leaders, scholars and international experts (especially those who are interested in Viet Nam and keen on building political partnerships with the Government of Viet Nam). Leaders who are beneficiaries of the executive leadership programme can also be resource persons for these events. These dialogues/debates will be driven by the national needs and demand from top leaders. Findings of policy research will also be used as inputs for these events.

³ These researches were done by the Overseas Development Institute (ODI) under the NIM project "Capacity Development for Economic Diplomacy and Business-Government Policy Dialogue" managed by MOFA.

- Fora/dialogues between businesses and central/local Government agencies are deemed necessary as they provide the Government with an opportunity to disseminate its economic and trade related guidelines and policies, and to receive fruitful feedback from businesses during the implementation process. At the same time, such fora/dialogues can promote more frequent exchanges of views on how best the Government can assist businesses to develop their potential in the international market.

3. Other capacity building activities for international and regional integration

Other capacity building activities, including international exchange and South-South collaboration will be conducted to improve capacity of Vietnamese leaders and officials to formulate and implement international integration policies, to bring into the play the role of economic diplomacy in dealing with new and emerging issues of the international integration process, and to promote Viet Nam's image in the new integration context. These activities may include:

- Training courses on various skills necessary for Vietnamese officials to operate efficiently in regional/international organization settings and to deal with new issues of the international integration process
- Training course/workshops on thematic issues relating to international integration, including the implementation of ISO 9001:2008 standards and inspection of administrative procedure control in a number of key Vietnamese diplomatic and consular missions abroad
- On-the-job training on negotiation skills for Vietnamese officials who are or will be engaging in bilateral or multilateral negotiations, such as TPP and FTAs with the EU, the Custom Unions, EFTA, the Republic of Korea, etc. They will participate in and assist the national negotiation team in various areas of negotiations.
- Large-scale training courses in Ha Noi on international economic integration. Guest speakers would include high-level officials and experts from leading academic institutions and international organizations in the region and worldwide.
- Training courses for Vietnamese local officials in different provinces of Viet Nam on international economic integration and ways to promote substantial consultation between the Government and business sector on FTAs.
- Programs to support stronger and more active engagement of Viet Nam in regional cooperation mechanisms (ASEAN, APEC, ASEM, etc.) and international organizations (WTO, IMF, WB, etc.). Such programs may include internships, on-the-job training courses and staff exchange projects which aim to support government policy and strategy towards achieving these goals.
- Support for South-South collaboration and exchanges of views and experience of international integration in support of achieving socio-economic development objectives, etc.
- Support for Viet Nam's national capacity development in the sub-regional integration through hiring experts, organizing field trips and training courses/workshops for local staff on sub-regional cooperation matters in the framework of GMS, economic corridors...
- Support for capacity development in economic diplomacy for the Strategy of Industrialization, Modernization and Active International Integration. This may require skills expertise to compose and update guidelines on economic diplomacy implementation and to organize workshops for experience sharing and exchange of views on economic diplomacy implementation among diplomatic corps, relevant organizations and the local and business throughout Viet Nam.
- Support for a program on National Image Promotion which is designed to facilitate the assessment of current implementation of national image promotion and to make recommendations for the upcoming national image boosting activities in the new integration context. For such program to operate, there is a need to hire experts to carry out surveys and evaluation on national image promotion activities...

Nam's capacity to derive maximum benefits and minimize risks from international integration process.

Estimated budget allocation is as follows:

No.	Component	UNDP	Government of Viet Nam
1	Executive Leadership Programme	1,500,000	
	1.1. for senior leaders (at Kennedy School, Harvard University)	1,100,000	
	1.2. for provincial leaders (at well-known regional universities)	400,000	
2	Policy Research & Dialogues	400,000	
	2.1. Carry out/hire research on impacts of international integration policies/strategies and special bilateral agreements in support of policy-makers.	150,000	
	2.2. Policy dialogues	250,000	
3	Other capacity building activities, including international exchange and South-South collaboration	600,000	
	3.1. Organizing training courses for officers from related agencies.	150,000	
	3.2. Supporting activities to enhance Viet Nam's capacity to engage regional and international organizations.	300,000	
	3.3. Providing consultations on ways to foster Viet Nam's participation in sub-regional co-operation.	50,000	
	3.4. Providing capacity building for economic diplomacy activities with a view to accelerating industrialization and modernization as well as active international integration.	50,000	
	3.5. National Image Program	50,000	
4	Project Management	250,000	50,000
	Project staff	160,000	25,000
	Office space	25,000	25,000
	Office equipment	30,000	
	Others	35,000	
	Total	2,750,000	50,000

V. Funding arrangements

1. ODA budget:

ODA budget: 2,750,000 USD

2. Counterpart funding:

2.1. Counterpart funding: 1,040,000,000 VND or equivalent to 50,000 USD, including:

- In-kind (salaries of 01 National Project Director and 02 Deputy National Project Directors): equivalent to 520,000,000 VND
- In-cash (office -renting): 520,000,000 VND

2.2. Modalities to mobilize counterpart funding:

- Allocation from the Government budget: 520,000,000 VND (50% of the counterpart funding)
- Mobilization from other sources: No

VI. Management and implementation arrangements

1. Organizational structure:

This Project will be implemented through the National Implementation Modality (NIM) with the Ministry of Foreign Affairs as National Implementing Partner (NIP). The reasons are: (i) MOFA has been tasked by the Government to shepherd the new international integration process, as mentioned in Section I; and (ii) MOFA has successfully implemented 2 projects (see PART B-I-2) under this modality during the past four years and proved itself having adequate project management capacity and experience.

MOFA will collaborate with Office of the Government, other ministries, research institutes and various national and international partners. As the NIP, MOFA will have the overall responsibility to coordinate the inputs of other partners and to ensure that the project meets the needs of the Government as the ultimate beneficiary of this project.

See Annex 2 for the Project Organizational Structure diagram.

2. Management and implementation arrangements:

The Project Management Unit (PMU) will be established and operate in accordance with the Circular No. 03/2007/TT-BKH dated July 7, 2007 of the Ministry for Planning and Investment on functions, tasks and organizational structure of ODA program or project management unit, Harmonized Programme and Project Management Guideline (HPPMG). The composition of the PMU includes:

- The National Project Director (NPD): to be selected among the Ministry's senior leaders (vice-minister level), part-time. The NPD is entirely accountable to MOFA and UNDP for: i) proper and efficient use of project resources; ii) the quality of project outputs; iii) timely implementation of activities as mutually agreed; and iv) coordination of project activities, and cooperation with stakeholders during the process of project implementation.
- Deputy National Project Directors (DNPDs): to support the NPD, part-time. As the Project will involve two departments (the Department for Multilateral Economic Cooperation and the Department for General Economic Affairs), there will be two DNPDs who come from these two departments so that it will be easier to mobilize technical expertise from these two departments.
- Project Manager: Under the direct supervision of the National Project Director and Deputy National Project Directors, the Project Manager is responsible for the operational management of the project, i.e. he/she assumes the day-to-day operational management of the project in line with the DPO as well as HPPMG. For this reason, he/she must be able to work full-time on the post.
- Project Accountant: to be in charge of the project's financial management and accounting aspects, full-time.
- Project Assistant: to provide necessary assistance for the implementation of the project, full-time.
- Part-time VELD Component Coordinator: to provide support to VELD component, as this is an important and a complicated component. He/she will work full-time 3 months per year for the project.

Ministry of Foreign Affairs will be achieved through the demonstrated commitment of top level leadership to the project and project outcomes.

UNDP will provide technical and other support at the request of the NIP and play the role of quality assurance during the project implementation.

The Project will follow guidelines on monitoring, evaluation and reporting requirements as specified in the HPPMG.

Applied Terms of Reference: The Project must be in line with HPPMG provisions and Circular No. 225/TT-BTC dated December 31, 2010 of Ministry of Finance on State financial management regulations with respect to the non-refundable aids granted by foreign countries which are considered as the state budget revenue.

The Project will be implemented for the duration of 3 years, starting from September 2012 to September 2015 since the endorsement of the Prime Minister.

VII. Preliminary analysis of project feasibility

The Project is highly feasible for following reasons:

- It stems from the urgent needs of the Government, fitting well to their demand, context and capacities.
- The project focuses on capacity-building for formulating and implementing policies/strategies of international integration in areas the NIP (MOFA) plays the coordinating role.
- The NIP (MOFA) is fully capable of and has adequate experience in managing projects under NIM modality.

VIII. Preliminary analysis of project benefits

1. Direct benefits for the Implementing Partner

- The capacity of MOFA leaders and officials in the formulation and implementation of international integration policies will be enhanced;
- A network of national officials working on the international integration will be established;
- Viet Nam's representation in regional and international organizations and its profile in the international arena will be increased;
- Viet Nam's ability to cope with non-traditional challenges/issues in the international integration process will be enhanced;

2. Economic, environmental and social implications for the sector, field, locality

Through the promotion of stakeholders' participation in the international integration policy-making process, the project will contribute to raising social awareness on policy impacts, challenges, opportunities and threats of international integration so that the population and stakeholders are better prepared to cope with the challenges and to better seize the opportunities created by the integration process.

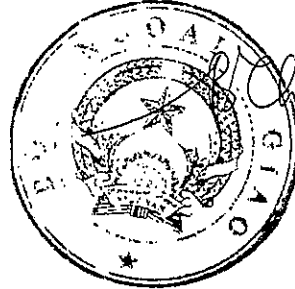
Besides, as the policy-making process will be based more on cost/benefit analysis, quantitative as well as qualitative assessments, policy makers and general public will be better informed of the costs and benefits of these policies, thus contributing to enhancing transparency, accountability and predictability of the Viet Nam's policy/decision-making process in the long-run.

3. Sustainability of the project following its completion

As earlier mentioned, the long-term benefits that this project brings to Viet Nam's decision and policy-making process are of great significance as the country is longing to fulfill its role as a "reliable partner and responsible member of the international community."

Ha Noi, 23 August 2012

**On behalf of the Ministry of Foreign Affairs of Viet Nam
VICE MINISTER**



Bùi Thanh Sơn
Bùi Thanh Sơn

Annexes:

Annex 1: Term of Reference

**I. NATIONAL PROJECT DIRECTOR
(Part-time)**

Duration of Services: 4 years

Location: Ha Noi

Requirement: Vice Minister of Foreign Affairs of Viet Nam

Duties and Responsibilities:

The National Project Director (NPD) will have the overall responsibility for the whole project to ensure the objectives, outputs and outcomes of the project are achieved through efficient and effective use of the project resources. Specifically,

- Supervising the operational management of the project;
- Being accountable on behalf of MOFA to the Government and UNDP for the effectiveness and efficiency of project resources to produce the project outputs and outcomes;
- Ensuring timely implementation of the project;
- Providing advices on methods and issues relating to the operation of the project;
- The NPD will be responsible for high – level coordination and cooperation with UNDP and other stakeholders of the project;
- Hold the ultimate authority to expend funds/disbursement from the project budget;
- Approving the disbursement of the project funds;
- Authorizing the Deputy National Project Director as his/her alternate to carry out all relevant matters in the scope of his/her duties and responsibility in case of his/her absence.

II. DEPUTY NATIONAL PROJECT DIRECTOR (Part-time)

Duration of Services: 4 years

Location: Ha Noi

Duties and Responsibilities:

The National Deputy Project Director (D-NPD), under the instruction of NPD and with delegated authority from the NPD will assist NPD in the following tasks:

- Ensures effective and efficient use of project resources/inputs to produce the project outputs and outcomes;
- Monitors the implementation of the project;
- Supports NPD in high level coordination and cooperation between the project and all relevant ministries, institutions and other stakeholders of the project to ensure that outputs are achieved and translated into outcomes;
- Supports NPD in coordination of regular meetings to assess the progress of the project and decide the overall workplans;
- Reviewing and approving regular reports and activities, and submitting the regular workplans to UNDP for approval;
- Reviewing the budget process and ensuring that appropriate financial procedures are established and strictly pursued;
- Carrying out all the authorized tasks (i.e. signed approval as NPD's alternate) under the authorization of NPD in his/her absence.

Qualifications

- Senior MOFA official
- A post-graduate university degree in related disciplines;
- Knowledge and experience in management of ODA projects;
- Experience with nationally executed UNDP projects preferred;
- Extensive work experience and established relationships with the relevant ministries and agencies.

III. PROJECT MANAGER (Full-time)

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 and ensure 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,
 - c) Accounting records and supporting documents are kept,
 - d) Required financial reports are prepared,
 - e) Financial operations are transparent and financial procedures/regulations for NEX projects are properly applied; and
 - f) 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 the 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

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

IV. PROJECT ASSISTANT (Full - time)

Duties and Responsibilities:

Under the supervision of the NPD, D-NPD, and PM, 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;
- Provide assistance in the supervision of 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.;
- Assist with supervision of logistical and administrative arrangements carried out by Admin staff;
- Monitor the preparation of background materials for discussion and briefing sessions on project matters, as well as ToRs and contracts for consultants/experts for project activities;

The Project Assistant will carry out other duties as may be required by the NPD, D-NPD and PM for the successful conclusion of the Project.

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

V. PROJECT ACCOUNTANT **(Full - time)**

Duties and Responsibilities:

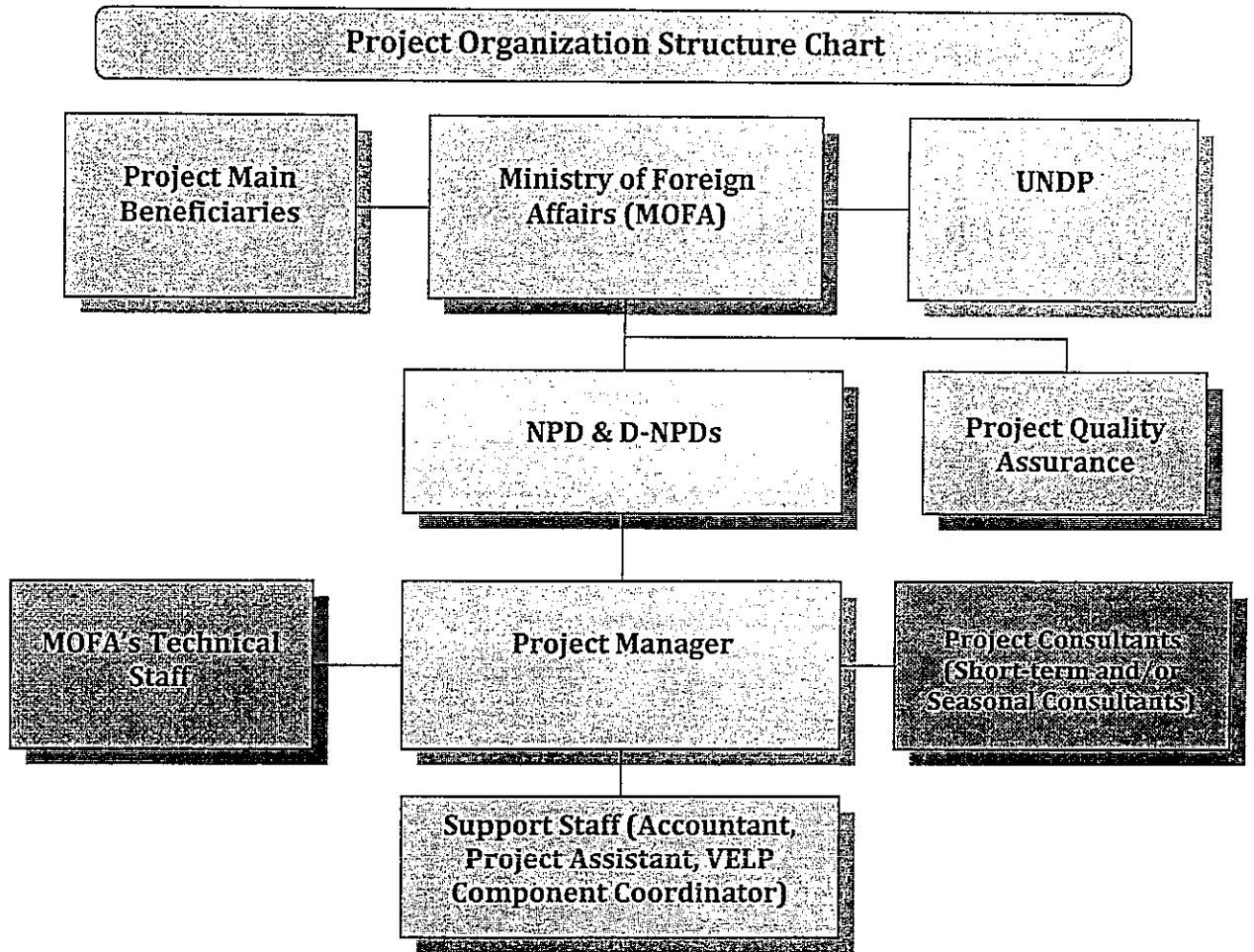
- Under the supervision of the NPD, D-NPD, the monitor of PM, the Project Accountant will:
- In charge of the project's financial management and accounting;
- Prepare financial statement on the quarterly (if required), annual basis and projects final financial statement;
- In charge of cash-in and cash-out in accordance with the regulation, assuring the availability of cash and legal disbursement;
- In charge of controlling and checking all the voices 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.

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

Qualifications:

- University degree in accounting/finance
- At least five 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's 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 2: Project Organization Structure Chart



Annex 3 – Results and Resources Framework

Intended Outcome as stated in the Country Programme Results and Resource Framework:

Outcome 3.3: “By 2016, improved performance of the public sector institutions at national and sub-national levels, through enhanced coordination, accountability, transparency and anti-corruption efforts, will reduce disparities and ensure access to public services for the most vulnerable and disadvantaged groups”.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

OP3 Outcome 3.3 indicators

Indicator 1: Percentage of citizens who say the quality of public social services and public administration services has improved
Baseline (2011): To be determined based on findings from Viet Nam Provincial Governance and Public Administration Performance Index
Target (2016): Increased percentage of citizens satisfied with the quality of public social services and public administration services
MoV: Viet Nam Provincial Governance and Public Administration Performance Index

Indicator 2: Percentage of the population from the poorest quintile that has access to public services (disaggregated by sex, ethnicity, urban/rural, province)

Baseline (2010): 54% (poorest households benefiting from assistance, policy and projects – household beneficiary rate)

Target (2016): 59% (poorest households benefiting from assistance, policy and projects – household beneficiary rate)

MoV: Viet Nam Households Living Standards Survey (VHLSS)

Indicator 3: Percentage of citizens using public services who experienced an act of corruption in the last 12 months

Baseline (2011): 28% in public service delivery

Target (2016): Decreased percentage of citizens reporting cases of corruption when using public services

MoV: Viet Nam Provincial Governance and Public Administration Performance Index

Indicator 4: Extent to which the provisions of the UN Convention Against Corruption are nationalized into the national laws

Baseline (2011): Government reports on the ongoing process of reviewing compliance with UNCAC

Target (2016): Increased compliance of UNCAC in the national anti-corruption legislation as per the first self-assessment checklist produced under the review mechanism of the Conference of State Parties to UNCAC

MoV: Review Reports and self-assessment checklist under the UNCAC, Government Inspectorate

Applicable Key Result Area (from 2008-11 Strategic Plan): Democratic Governance

Partnership Strategy: UNDP will build on its existing partnership with MOFA and develop relationship with the Government Office and other ministries through their engagement in different project activities. MOFA will be fully responsible to UNDP for coordinating the inputs of other partners and ensure that the project meets the needs of the government as the ultimate beneficiary.

Project title and ID (ATLAS Award ID): Project title: Capacity Enhancement for Intensive International Integration of Viet Nam towards 2020 Project ID:				RESPONSIBLE PARTIES	INPUTS
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES			
<p>OP 3 Output 3.3.2: The public administration systems at national level and in selected provinces have enhanced human resource management systems, a customer-oriented approach, and strengthened mechanisms for accountability and transparency</p> <p>Indicator 1: Number of provinces that monitor service provision and performance through the use of social audit tools.</p> <p>Baseline (2011): 4 provinces pilot social audit tools.</p> <p>Target (2016): Institutionalization of use of social audit tools in these 4 provinces.</p> <p>MoV: Reports from provincial authorities.</p>	<p>Project specific Output 1: Enhanced capacity of Vietnamese leaders and officials for defining development strategies and policy options in international integration</p> <p><u>Indicator 1.1:</u> Access of senior officers (from government, party and business leaders) to the executive leadership programme</p> <p><u>Baseline 1.1 (2011):</u> By the end of 2011, about 100 senior leaders have participated in the VELD</p> <p><u>Target 1.1 (2014):</u> A new executive leadership programme is developed and implemented for senior leaders</p> <p><u>Indicator 1.2:</u> Access of provincial leaders to the policy update programme</p> <p><u>Baseline 1.2 (2011):</u> Provincial leaders (esp. female leaders) have limited access to high-level policy dialogues</p> <p><u>Target 1.2 (2014):</u> A policy update programme is developed and implemented for provincial leaders</p>	<p>1 Activity Result 1.1: Viet Nam Executive Leadership Programme for senior leaders with Harvard Kennedy School</p> <p>Actions:</p> <ul style="list-style-type: none"> Detailed study on international experiences in developing leadership programmes Curriculum development Implementation of the programme Programme follow-up activities (alumni sharing workshops, networking, newsletters, impact assessment etc.) <p>2. Activity Result 1.2: Executive leadership programme for provincial leaders with Harvard Kennedy School and/or regional universities</p> <p>Actions:</p> <ul style="list-style-type: none"> Partner analysis and identification Curriculum development Implementation of the programme Programme follow-up activities 	<p>MOFA UNDP Harvard Kennedy School</p>	<p>USD 1,500,000</p>	

<p>Indicator 2: Number of public administrative agencies with transparent and accountable human resource development procedures supported by UN agencies as per new Law on Public Officials and Civil Servants (LPOCS).</p> <p>Baseline (2011): Early stages of implementation of the LPOCS.</p> <p>Target (2016): Central-level administrative agencies implement transparent and accountable human resources development procedures.</p> <p>MoV: Annual Government reports on law implementation.</p>	<p>Project specific Output 2: International integration policies are more evidence-based through researches and dialogues on policy impact, challenges, opportunities and threats of international integration</p> <p><u>Indicator 2.1:</u> Number of international integration policies made based on findings of policy research/analyses</p> <p><u>Baseline 2.1 (2011):</u> There are only few researches on international integration policy impact, challenges, opportunities and threats</p> <p><u>Target 2.1 (2014):</u> All international integration policies are made based on findings of policy research/analyses</p> <p><u>Indicator 2.2:</u> Number of policy dialogues/debates organized</p> <p><u>Baseline 2.2 (2011):</u> There were no policy dialogues/debates discussing international integration policies</p> <p><u>Target 2.2 (2014):</u> All important international integration policies/issues are discussed in high-level policy dialogues</p>	<p>1 Activity Result 2.1: Researches and analyses on impact of integration policies/strategies or of specific bilateral agreements done and distributed to policy makers</p> <p>Actions:</p> <ul style="list-style-type: none"> • Conduct regular research on global economic situations and critical emerging issues and implications for Viet Nam • Conduct research and dialogue relating to ASEAN Community to propose concrete measures for facilitating the effective operation of all stakeholders in the new environment • Provide timely and high quality inputs to decision making process, such as analyses on impact of integration policies/ strategies or of specific bilateral agreements • Publish monthly World Economic Bulletin <p>2. Activity Result 2.2: Policy dialogues/debates organised</p> <p>Actions:</p> <ul style="list-style-type: none"> • Organize fora/dialogues between businesses and the central/local government agencies to disseminate government economic policies and to provide the government with feedback during the implementation process • Organize policy exchange dialogues to discuss and disseminate findings on global economic situation and critical emerging issues and implications for Viet Nam 	<p>MOFA</p>	<p>USD 400,000</p>
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	<p>Project specific Output 3: Other capacity building initiatives, including international exchange and South-South collaboration in international integration are promoted for a greater representation of Viet Nam in regional and international organizations and better position of Viet Nam in international arena</p>	<p>1. Activity Result 3.1: Training provided to government officers at technical levels</p> <p>Actions:</p> <ul style="list-style-type: none"> • Training courses on various skills necessary for Vietnamese officials to operate efficiently in regional/international organization settings and to deal with new issues of the international integration process • Training course/workshops on thematic issues relating to international integration, including the implementation of ISO 9001:2008 standards and inspection of administrative procedure control in a number of key Vietnamese diplomatic and consular missions abroad • On-the-job training on negotiation skills for Vietnamese officials. • Large-scale training courses in Ha Noi on international economic integration with the participation of world-class guest speakers • Training courses for provincial officials on international economic integration and ways to strengthen the consultation mechanism between the government and business sector on FTAs 	MOFA	USD 600,000
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		<p>2. Activity Result 3.2: Support to Vietnamese representation in regional cooperation mechanisms and international organisations</p> <p>Actions:</p> <ul style="list-style-type: none"> • Development of government policies and strategies towards achieving this goal. • Practical support to the participation of government staff in these organizations (e.g. through internships, on-the-job training and staff exchange programs). • South-South collaboration and exchanges of views and experience in international integration. <p>3. Activity Result 3.3: Support to consultation for Viet Nam's capacity development in sub-regional integration activities.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Hiring experts to provide consultancy services for international integration in the framework of GMS, economic corridors, cooperation with partners and development triangle .. • Organizing workshops and training courses for local people on sub-regional integration matters. • Organizing field trips. <p>4. Activity Result 3.4: Support to capacity development in economic diplomacy for the Strategy of Industrialization,</p>		
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		<p>Modernization and Active International Integration</p> <p>Actions:</p> <ul style="list-style-type: none"> • Hiring experts to map out and update guidelines on economic diplomacy implementation. • Organizing workshops on how best to implement economic diplomacy with the participation of the diplomatic corps and other related organizations. • Exchange of views between the diplomatic corps and local businesses in Viet Nam <p>5. Activity Result 3.5: Support to national image promotion</p> <p>Actions:</p> <ul style="list-style-type: none"> • Carry out surveys and evaluation on national image promotion activities, • Organizing workshops/roundtables on the fundamentals and legal frameworks of the National Image Promotion • Study regional/international experience in carrying out national image promotion activities. 		
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Annex 4: List of equipment pieces, particularly those that will be imported:

- 4 desktop computers conforming to the following minimum specifications:
 - Minimum 4GB, DDR2, 1 GHz
 - DVD-RW
 - 500 GB HDD
 - Modern and Wireless key
 - 6 x USB 2.0 ports
 - Flat screen
 - Keyboard + Mouse
- 2 laptop computers conforming to the following minimum specifications:
 - Minimum 4GB, DDR2, 1 GHz
 - Modem, Wireless Key
 - DVD-RW
 - 250 GB HDD
 - Modern and Wireless key
 - 2 x USB 2.0 ports
- 1 photocopier/printer/scanner/fax
- 1 portable b/w printer
- 1 Overhead projector and screen
- 1 safety box
- Office furniture of the following approximate configuration:
 - 4 desk with computer tables and chairs
 - 10 office chairs with a long meeting table
 - 4 handset phones
 - 4 bookshelves
 - 4 desk lamps
 - Filing cabinets
 - 10 4GB USBs