

# Private Sector Development (PSD) in Vietnam

Overview of Dutch efforts 2005-2011

Draft



Policy and Operations Evaluation Department (IOB)

Ministry of Foreign Affairs

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## Abbreviations

|       |   |
|-------|---|
| AEF   | Access to Energy Fund   |
| BSOD  | Business Support Organization Development program   |
| BZ    | <i>Ministerie van Buitenlandse Zaken</i> - Ministry of Foreign Affairs  |
| CBI   | <i>Centrum voor Bevordering van Import uit Ontwikkelingslanden</i> - Centre for the Promotion of Imports from developing countries                            |
| CPRGS | Comprehensive Poverty Reduction and Growth Strategy   |
| CSR   | Corporate Social responsibility   |
| DAO   | Departement Asia and Oceania  |
| DDE   | <i>Departement Duurzame Economische Ontwikkeling</i> - Department of Sustainable Economic Development (part of the Dutch Ministry of Foreign Affairs)         |
| DECP  | Dutch Employers Cooperation Program   |
| ECP   | Export Coaching Program   |
| EU    | European Union  |
| FMO   | <i>Financieringsmaatschappij ontwikkelingslanden</i> - Entrepreneurial Development Bank   |
| GDP   | Gross Domestic Product  |
| GNP   | Gross National Product  |
| IDF   | Infrastructure Development Fund   |
| IOB   | <i>Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie</i> - Policy and operations evaluations department (part of the Dutch Ministry of Foreign Affairs) |
| LDC   | Low Developed Country   |
| MASP  | Multi Annual Strategic Plan   |
| MDG   | Millenium development goal  |
| NGO   | Non-governmental organization   |
| NIO   | <i>Nederlandse Investeringsbank Ontwikkelingslanden</i> – Dutch Investment Bank for developing countries  |
| OD    | <i>Operationele Doelstelling</i> – Operational goal   |
| ODA   | Official Development Assistance   |
| ORET  | <i>Ontwikkelingsrelevante Export Transacties</i> - Developmental relevant Export transactions   |
| ORIO  | <i>Ontwikkelingsrelevante Infrastructuur Ontwikkeling</i> – Developmental relevant Infrastructure development   |
| PPP   | Public Private Partnership  |
| PSD   | Private Sector Development  |
| PSI   | Private Sector Investeringsprogramma  |
| PSOM  | <i>Programma Samenwerking Opkomende Markten</i> - Program Cooperation in emerging markets   |
| PUM   | <i>Programma Uitzending Managers</i> – Program for the sending out of Dutch senior experts  |
| UNDP  | United Nations Development Program  |
| VRF   | Vietnam Relay Facility  |

## Introduction

This document is written in the context of the policy review on Private Sector Development of IOB. Four country studies on the policies and effects of PSD policies are part of this policy review. Vietnam is one of these four, together with Bangladesh, Burundi and Ethiopia. This document provides a general overview of Dutch efforts on PSD financed by the Ministry of Foreign Affairs in Vietnam in the period 2005-2011.<sup>1</sup> As such, this preliminary study functions as a starting point for the elaborate country study that will be carried out in 2012. The central questions for this elaborate country study are:

- 1. To what extent was the Dutch PSD policy aligned with (1) the national policy of Vietnam and (2) internally coherent?*
- 2. To what extent has the Dutch PSD program in Vietnam been driven by the demand from actors in Vietnam?*
- 3. What (possible) effects of the Dutch PSD program can be established at enterprise level and if possible, beyond this level?*

The Terms of Reference of the policy review and the country studies can be found at [www.minbuza.nl/iob/psd](http://www.minbuza.nl/iob/psd).

This report starts with a short introduction on Vietnam's political and economic context. In the second chapter, the Dutch PSD involvement in Vietnam in general will be discussed. In the following chapters the activities of the Dutch embassy in Vietnam, the different departments of the Ministry of Foreign Affairs and the various Dutch organizations that contributed to PSD during the period 2005-2011 will be outlined. The last chapter will contain recommendations and points of attention for the study and mission that will take place.

All information in this report is based on interviews (see annex for a full list), literature and official records (see reference list). All used sources and reports of interviews are available at IOB. Although IOB tried to collect all the available information, it could be that some information is still missing. IOB is fully responsible for the information presented in this document. IOB would like to thank all respondents for the cooperation in this preliminary study.

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<sup>1</sup> Activities are primarily financed by the budget of operational goal 4.3 of the budget of the Ministry of Foreign Affairs. In some cases, the objectives of the activity are strongly PSD related; these activities are also included when not financed under this specific operational goal.

# 1. History and economic context of Vietnam

## 1.1. Introduction

Vietnam (officially Socialist Republic of Vietnam) is located in South East Asia and borders to Cambodia, Laos and China in the north and the west. It is also bordering to the Gulf of Thailand, the Gulf of Tonkin, and the South China Sea in the south and the east. The most important river is the Mekong delta in the south. Ho Chi Minh City, the biggest city of the country is located near to this delta. Other big cities are Hanoi (capital) and Haiphong in the north and Da Nang in the middle of the country. Currently, the estimated population is 91,5 million people.<sup>2</sup>

In history, China had been the emperor of Vietnam for a long period. Still, China is an important factor in the government policies of Vietnam (see e.g. the paper of Vuving).<sup>3</sup> Vietnam had been a French colony from 1887 until the Second World War, after which Vietnam declared independence under the leadership of Ho Chi Minh. The following First Indochina War ended with the Geneva Accords of 1954 which divided the country into the Communist North and anti-Communist South. The involvement of the Americans grew in the 1960s and led to the Second Indochina War. In 1976 the war was definitely ended with the merging of North and South to one Socialist Vietnam. Since then the communist regime created a centrally planned economy. An important political development is the enactment of the so-called 'doi moi' (renovation) policy in 1986. This policy started economic liberalization, although still 40 percent of the GDP is produced by state-owned enterprises.<sup>4</sup>

In the last twenty years, poverty in Vietnam declined from 60% to 10%, according to Vietnamese standard of earning less than 11,5 dollar a day. According to international standards, based on the poverty line of 1.25 dollar, in 2008 13.1% of the population lives below the poverty line.<sup>5</sup> Vietnam ranks 128 out of 187 on the UNDP Human Development Index of 2011. This is lower than the average of the region East-Asia Pacific. Vietnam scores better on their health indicators compared to their scores on education and income indicators. Average life expectancy at birth is 75.2 years.<sup>6</sup>



Figure 1: Map of Vietnam

<sup>2</sup> Central Intelligence Agency, 'The World Fact book: Vietnam' (version 10-05-2012), <https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html> (25-5-2012)

<sup>3</sup> Vuving, A.L. (2006) Strategy And Evolution Of Vietnam's China Policy: A Changing Mixture of Pathways. *ASIAN SURVEY, VOL. XLVI, NO. 6.*

<sup>4</sup> Central Intelligence Agency, 'The World Fact book: Vietnam' (version 10-05-2012), <https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html> (25-5-2012)

<sup>5</sup> UNDP, 'International Human Development Indicators: country profile Vietnam'. <http://hdrstats.undp.org/en/countries/profiles/VNM.html> (05-06-2012)

<sup>6</sup> UNDP, 'International Human Development Indicators: country profile Vietnam'. <http://hdrstats.undp.org/en/countries/profiles/VNM.html> (13-4-2012)

Vietnam is on track with the Millennium Development Goals. According to recent expectation, all MDG's will be reached, except two (stopping HIV/Aids and halving the percentage of people without access to sanitation).<sup>7</sup>

## 1.2. Economic situation

The yearly economic growth (GDP) in Vietnam has been more than 7.8 per cent on average in the period from 1995-2008. The economic structure of Vietnam has changed significantly in these years, with agriculture declining in importance from 40.8 per cent of GDP in 1989 to 27.1 per cent in 1999, and to 20.1 per cent in 2006. Industry has gained more importance, growing from a percentage contribution of GDP in 1989 of 22.9 per cent to 36.7 per cent in 1999, and to 40.1 per cent in 2006. During this period, the contribution of the services sector remained virtually unchanged at 36–38 per cent of GDP.<sup>8</sup>

In 2008 and 2009, the global recession and loose monetary and fiscal policies caused the economic growth to decline. From 2010 onwards, Vietnam is labeled as a lower-middle income country, with an average yearly income of 1160 US dollar. Transition from the status of a low income country to a (lower) middle income country was mainly caused by export led growth, combined with government policy aimed at enlargement of stability by enhancement of welfare for everybody.<sup>9</sup> In 2006, the WTO approved Vietnam's membership after a preparation period of eleven years. In this period many economic reforms were established by the earlier mentioned 'doi moi'. Vietnam committed by the accession documents for many goods to a list of tariffs, quotas and ceilings on agricultural subsidies. Also, a commitment is made on access for foreign service providers.<sup>10</sup>

A growing part of the production in Vietnam is produced in the industry. Currently this sector accounts for 40 percent of the economy. The agriculture sector is declining and produces currently 20 percent of the GNP. The service sector produces 40 percent of the GNP.<sup>11</sup>

The main export products of Vietnam are clothes, shoes, marine products, crude oil, electronics, wooden products, rice and machinery. The main export partners are the United States, China and Japan. The main import products are machinery and equipment, petroleum products, steel products, raw materials for the clothing and shoe industries, electronics, plastics and automobiles of which China delivers the biggest share together with other mainly Asian countries.<sup>12</sup> Table 1 shows the main economic indicators over the last years. More information on economic indicators can be found in Annex 1. Analysis of the changes in ODA and the ease of doing business can be found in respectively paragraph 1.4 and 1.5.

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<sup>7</sup> Ministerie van Economische Zaken en Landbouw, 'Officieel bezoek van ZKH de Prins van Oranje en HKH Prinses Máxima en Economische missie van Staatssecretaris Bleker met een bedrijfslevendelegatie aan de Socialistische Republiek Vietnam', Background study - maart 2011

<sup>8</sup> Voeten, J., Haan, J. de, Groot, G. de (2009), Is that Innovation? Assessing Examples of Revitalized Economic Dynamics among Clusters of Small Producers in Northern Vietnam, UNU-Wider, research paper 2009/53.

<sup>9</sup> Ministerie van Economische Zaken en Landbouw, 'Officieel bezoek van ZKH de Prins van Oranje en HKH Prinses Máxima en Economische missie van Staatssecretaris Bleker met een bedrijfslevendelegatie aan de Socialistische Republiek Vietnam', background study - maart 2011

<sup>10</sup> WTO, 'General Council approves Viet Nam's membership' (version 6-11-2006)  
[http://www.wto.org/english/news\\_e/pres06\\_e/pr455\\_e.htm](http://www.wto.org/english/news_e/pres06_e/pr455_e.htm) (5-7-2012)

<sup>11</sup> World Bank, 'Bangladesh at a Glance' (version 25-2-2011) [http://devdata.worldbank.org/AAG/vnm\\_aag.pdf](http://devdata.worldbank.org/AAG/vnm_aag.pdf) (13-04-2012)

<sup>12</sup> Central Intelligence Agency, 'The World Fact book: Vietnam' (version 10-05-2012),  
<https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html> (25-5-2012)

| Indicator   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   |
|---|--------|--------|--------|--------|--------|--------|
| GDP per capita PPP (current int. USD)                           | 2161,3 | 2388,5 | 2638,0 | 2835,2 | 3008,7 | 3205,1 |
| GDP growth (annual %)   | 8,4    | 8,2    | 8,5    | 6,3    | 5,3    | 6,8    |
| Foreign direct investment, net inflows (% of GDP)               | 3,7    | 3,9    | 9,4    | 10,5   | 7,8    | 7,5    |
| Inflation, consumer prices (annual %)                           | 8,3    | 7,4    | 8,3    | 23,1   | 7,1    | 8,9    |
| Import of goods and services (% of GDP)                         | 73,5   | 78,2   | 92,7   | 93,1   | 78,7   | 87,8   |
| Export of goods and services (% of GDP)                         | 69,4   | 73,6   | 76,9   | 77,9   | 68,3   | 77,5   |
| Net ODA received per capita (current US\$)                      | 23,2   | 22,1   | 29,8   | 30,0   | 43,4   | 33,9   |
| Ease of doing Business (total number of countries in 2010: 183) | -      | 98     | 104    | 87     | 91     | 88     |

Table 1: Main economic indicators of Vietnam in the period 2005-2010 (source: World Bank and IFC's Doing Business reports)<sup>13</sup>

This short overview provides a first impression of the Vietnamese history and economy. More information on both topics is available at IOB.

#### *Economic relations with the Netherlands*

In 2010 the total export of Vietnam to the Netherlands was 900 million euro. Export to Vietnam from the Netherlands in the same year was 466,9 million euro.<sup>14</sup>

### **1.3. The PSD policy of the Vietnamese government**

There is not one single policy document that describes the PSD policy of Vietnam; however there are some poverty related policy documents that contain PSD elements. An important policy document is the Vietnamese version of a Poverty Reduction Strategy Paper (PRSP): Comprehensive Poverty Reduction and Growth Strategy (CPRGS). This document exists of a 10-Year Socio-Economic Development Strategy (SEDS) and a 5-Year and annual Socio-Economic Development Plan (SEDP).<sup>15</sup> Another policy document that can be mentioned is the Small and Medium Enterprises (SME) Development Plan for the period 2006-2010 and its predecessor.<sup>16</sup> These documents are available at IOB. However, more information on the PSD policy of the Vietnamese government needs to be collected during the country study.

### **1.4. Donors on PSD in Vietnam**

Donors in Vietnam are organized in the Consultative Group. One of the relevant sub groups is the SME Promotion and Private Sector Development Partnership Group (SMEPG). The

<sup>13</sup> World Bank, 'Databank'. [http://api.worldbank.org/datafiles/VNM\\_Country\\_MetaData\\_en\\_EXCEL.xls](http://api.worldbank.org/datafiles/VNM_Country_MetaData_en_EXCEL.xls) (18-04-2012) & World Bank, 'Doing Business Reports' <http://www.doingbusiness.org/reports/global-reports/> (18-04-2012)

<sup>14</sup> CBS 'stateline' <http://statline.cbs.nl/StatWeb/publication/?DM=SLNL&PA=81266NED&D1=0-1&D2=a&D3=243&D4=12,25,38,1&HDR=G2,T&STB=G1,G3&VW=T> (29-05-2012)

<sup>15</sup> CPRGS (2003)

[http://siteresources.worldbank.org/INTVIETNAM/Overview/20270134/cprgs\\_finalreport\\_Nov03.pdf](http://siteresources.worldbank.org/INTVIETNAM/Overview/20270134/cprgs_finalreport_Nov03.pdf)

<sup>16</sup> SME Development Plan (2006) <http://www.business.gov.vn/uploadedFiles/Decision%20236-2006.pdf>

SMEPG is a joint initiative of donors and the government which provides a platform of exchange between the Vietnamese Government and the donor community, aimed at strengthening the effectiveness of ODA in the field of SME promotion and private sector development. After each meeting, the proceedings of the SME Partnership Group are consolidated into the World Bank’s Vietnam Partnership Report to be discussed at the Consultative Group Meeting. As part of the Vietnamese government, the Commission for Economic Relations with Foreign Countries acts as a coordinating body for foreign aid.<sup>17</sup>

**1.5. Binding constraints**

One of the main documents which list the mayor challenges of the private sector is IFC’s Doing Business Report. Figure 2 gives an impression of the different categories and the relative score of Vietnam. In 2011 the main challenges for launching a business in Vietnam were<sup>18</sup>: protecting investors, paying taxes, resolving insolvency and getting electricity. Out of 183 countries, Vietnam ranked 98 in 2011 on the total index of the Doing Business report. In 2010, Vietnam was slightly higher on the list with a ranking of 90.<sup>19</sup>

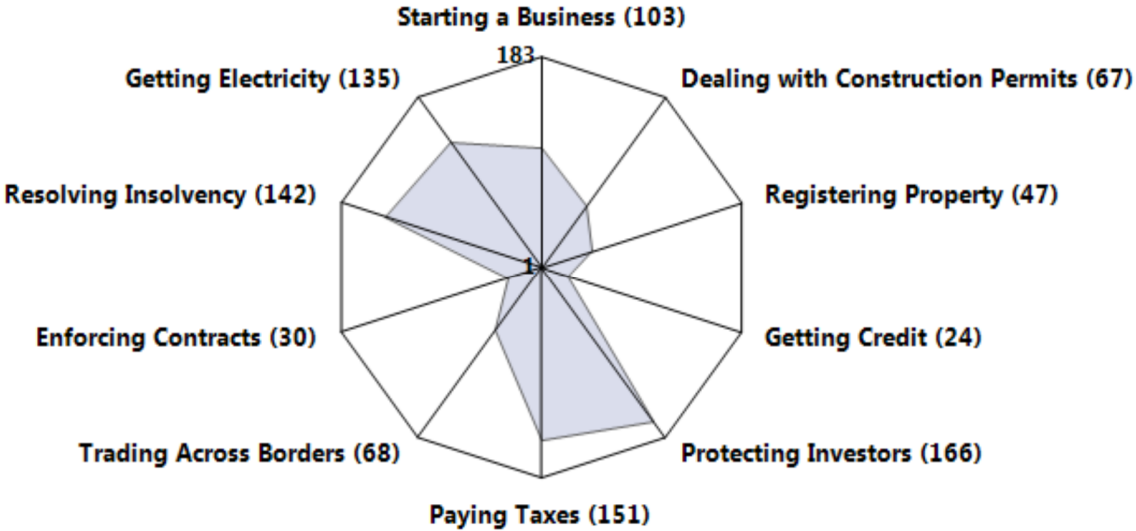


Figure 2: Binding constraints for doing business in Vietnam (IFC’s Doing Business Report 2012)

<sup>17</sup> International Business Publications, ‘Vietnam Diplomatic Handbook’ 2008 & Asmed Business Portal, ‘SME Promotion and Private Sector Development Partnership Group’ <http://www.business.gov.vn/asmed.aspx?id=2766&LangType=1033> (9-7-2012) & DCED ‘Viet Nam’ <http://www.enterprise-development.org/page/viet-nam> (9-7-2012).

<sup>18</sup> World Bank, ‘Doing Business Reports’ <http://www.doingbusiness.org/reports/global-reports/> (29-05-2012)

<sup>19</sup> World Bank, ‘Doing Business Reports’ <http://www.doingbusiness.org/data/exploreeconomies/vietnam> (05-06-2012)



## 2. Overview of Dutch policies on PSD in Vietnam

In this chapter, the broad lines of Dutch policy on PSD will be sketched. These lines will be worked out in detail in the following chapters.

On 3 April 1973, The Netherlands started diplomatic relations with North Vietnam, which were extended to whole Vietnam after the reunion of north and south. In 1976, the Embassy of the Kingdom of the Netherlands in Hanoi opened. The Netherlands supported mainly in activities in the sectors water, biodiversity and health care. In 1988, this embassy was closed because of cut backs and the Vietnamese invasion on Cambodia. The diplomatic relation maintained and the embassy reopened in 1993. In 1997, a consulate was opened in Ho Chi Minh City and one year later Vietnam opened an embassy in The Hague.<sup>20</sup> In 2008, the focus of the cooperation shifted gradually from development cooperation to economic cooperation with mutual interests. The Ministry of Economic Affairs, Agriculture and Innovation labeled Vietnam as one of its three priority countries for international business in Asia. All development assistance programs were to be phased out by the end of the MASP-period, 2011. Emphasis was put on support to the two MDGs which will not be reached in 2015, drinking water and sanitation and HIV/AIDS.

Vietnam views The Netherlands mainly as a provider of knowledge in the field of water and agriculture.<sup>21</sup> From 2011 onwards, Vietnam is marked as a transition country in Dutch foreign policy and no longer as a classical partner for development cooperation. Support will be part of the transition facility, aimed at development and support of the local enabling environment, trade and investment promotion and support of Dutch businesses and knowledge institutes in key economic opportunity sectors: water, agriculture, maritime, energy, transport/logistics, finance. The aim is that both Vietnam and the Netherlands will profit from the fast growth in the Vietnamese market.<sup>22</sup> Expenditures in Vietnam of the Ministry of Foreign Affairs from 2005 to 2011 can be found in figure 3 and 4.

Several ministers and state secretaries visited Vietnam between 2005 and 2011. Reports of the visits since 2008 can be found in the back ground document which was prepared for the visit of the H.R.H. Prince of Orange Willem-Alexander and H.R.M. Princess Máxima in March 2011.<sup>23</sup> In November 2011, Premier Dung of Vietnam visited The Netherlands. This visit, mostly focused on contacts with Dutch businesses, could be seen as a stepping stone in the transition from the traditional development relation to a broad economic cooperation. In this transition period, The Netherlands benefits from the contacts of the longitudinal programs for development cooperation.<sup>24</sup>

In the remainder of this document, the various levels of the PSD program are described. The third chapter elaborates on the 'decentral level', e.g. the programs executed by the Dutch embassy in Hanoi. Chapter four describes the involvement of various departments of the Ministry of Foreign Affairs in The Hague, also called the 'central level'. This description is followed by an overview of the involvement of the central programs, among which

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<sup>20</sup> Ministerie van Economische Zaken en Landbouw, 'Officieel bezoek van ZKH de Prins van Oranje en HKH Prinses Máxima en Economische missie van Staatssecretaris Bleker met een bedrijfslevendelegatie aan de Socialistische Republiek Vietnam', background study - maart 2011

<sup>21</sup> Idem

<sup>22</sup> Focusbrief, TK 23605 2010-2011 nr. 2

<sup>23</sup> Ministerie van Economische Zaken en Landbouw, 'Officieel bezoek van ZKH de Prins van Oranje en HKH Prinses Máxima en Economische missie van Staatssecretaris Bleker met een bedrijfslevendelegatie aan de Socialistische Republiek Vietnam', background study - maart 2011

<sup>24</sup> Verslag 'Nederland in Vietnam sterker op de kaart na bezoek premier Dung' - 7 november 2011

PSOM/PSI, PUM, FMO and CBI are the main programs. Besides these programs, other organizations are also active on PSD in Vietnam. A short inventory of the organizations which obtained support of the Ministry of Foreign Affairs can be found in chapter seven. This overview and preliminary analysis of the PSD program leads to some general observations and recommendations in the final chapters, to feed the mission which will study the program in depth.

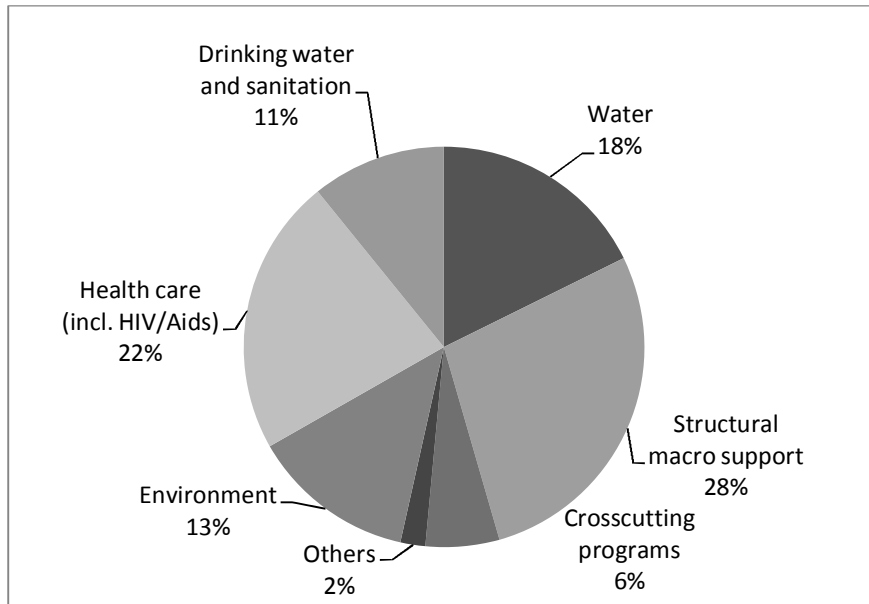


Figure 3: Overview of total expenditures in Vietnam per sector by the Ministry of Foreign Affairs according to Piramide in the period 2005-2011 (excluding central programs and NGOs)

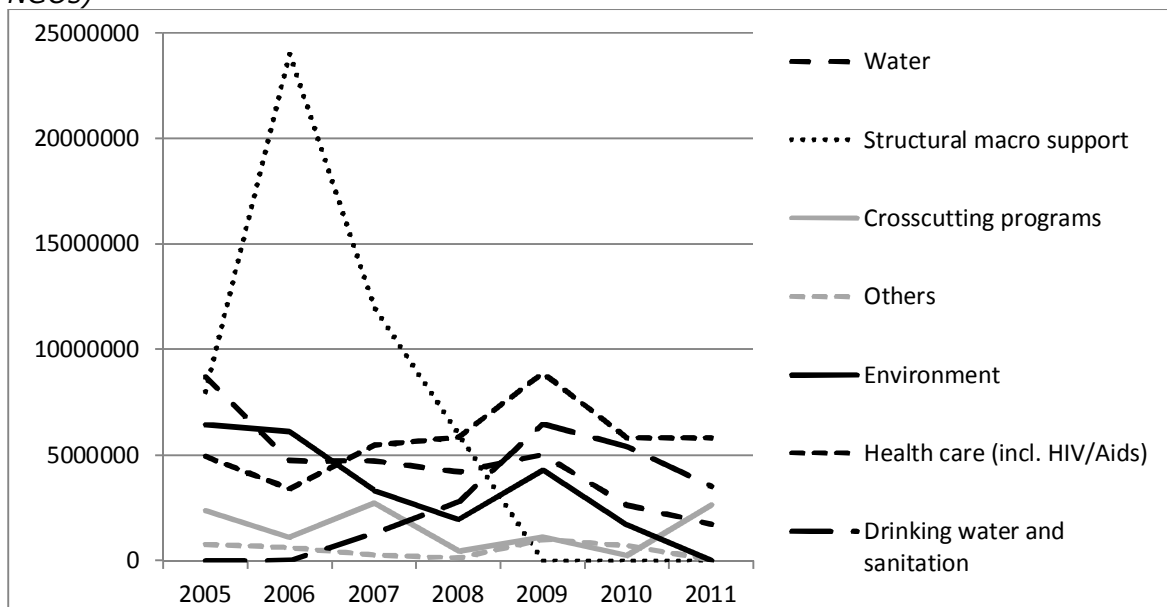


Figure 4: Expenditures in Vietnam per sector and per year by the Ministry of Foreign Affairs according to Piramide in the period 2005-2011 (excluding central programs and NGOs)

### 3. Dutch Embassy in Vietnam: decentral programs

#### 3.1. MASPs

From 2007 onwards, PSD and related instruments play a role in the annual plans of the Embassy and in the Multi Annual Strategic Plan (MASP) of 2008. In 2007, the Embassy appointed a policy officer responsible for amongst others PSD en PPP's. In practice this focus has been joint with a focus on Dutch business promotion, as they were considered by the embassy to be mutually reinforcing. The MASP of 2008 mentions alignment of various Dutch actors and instruments in private sector development as a point of attention. The same document mentions some special issues for PSD, e.g. reforming the private sector, strengthening the regulatory framework, PPP's and corporate social responsibility. For executing these activities and further promotion of the business climate, the Embassy relies on the existing ODA and non-ODA instruments (PSOM/PSI, ORET/ORIO and FMO).<sup>25</sup> The objectives, means and results of PSD in this MASP can be found in figure 5.

In the following years, instruments for PSD become more and more instruments for the promotion of Dutch business in Vietnam. This relates partly to the membership of Vietnam to the WTO and positive economic development of the country. The annual plan of 2010 states for example: "Financial instruments such as PSI, VRF<sup>26</sup> and also FMO, CBI, DECP and PUM continue to be needed as they provide good inroads for Holland promotion, while at the same time contributing to the local business environment and to CSR."<sup>27</sup>

#### 3.2. Overview of programs and results

According to the financial system of the Ministry of Foreign Affairs, the embassy spent hardly any budget on instruments in the area of Private Sector Development. This doesn't mean that no activities were conducted in this period. It could be that some activities were financed with other resources outside operational goal 4.3 or that activities were provided directly by the staff of the embassy without spending of money of this OD (for

Objective of PSD in Vietnam: *Strengthening and promoting an enabling environment for the private sector.*

##### Means

- Contribution to next phase of IFC Mekong Private Sector Development Facility with focus on cleaner production and better work agenda (CSR of Vietnamese businesses) through DVF-budget.
- Schokland agreement on meso-financing. Other options to implement Schokland initiatives will be explored. The activity is coordinated in The Hague and the Embassy is mainly a broker.
- Support to joint VCCI-IUCN initiative to establish Vietnam Business Council for Sustainable Development.
- Capacity building (PSI/PSOM) through EVD: support follow up of the visit of the Vietnam Competition and Administration Department (VCAD) to The Netherlands.
- Support follow up Export Credit mission.

##### Results

- Sustainable and 'CSR proof' private sector development, business climate improvement and capacity building delivered. Support to national sustainability and CSR-agenda delivered through IUCN/VCCI, with visible Dutch non-governmental involvement.
- Schokland agreement implemented. Initiative on meso-financing put into practice in Vietnam, based on niche assessment for complementary financial sector development support
- Other Schokland options explored.
- Demand driven capacity building (e.g. VCAD) successfully implemented.
- Effective support to national CSR agenda.

*Resource: MASP 2008-2012, p. 17*

*Figure 5: Objective, means and results for PSD in Vietnam*

<sup>25</sup> MASP 2008-2012, p. 2-3

<sup>26</sup> Vietnam Relay Facility – see paragraph 3.2

<sup>27</sup> Annual plan 2010, p. 5

example advice to entrepreneurs). The MASP mentioned explicit that not all PSD-activities are financed with ODA.<sup>28</sup> The lack of data directly linked to OD 4.3 makes it impossible to present an overview of programs and results of the activities for PSD of the Embassy in this preliminary study.

One of the central programs closely related to PSD, but not executed with money of OD 4.3, is the Vietnam Relay Facility (VRF). The VRF "intends to support activities which contribute to sustainable development in Vietnam and at the same time broaden the bilateral relations by engaging partners. [...] The VRF focusses on the priority areas of the MASP and thus complies with both Dutch and Vietnamese priorities and taps into existing networks and expertise [...] All in all, the VRF is not to be seen as a single activity, but rather as a facility, including a number of instruments to facilitate different Vietnamese and Dutch public and private sector actors to cooperate for sustainable development of Vietnam and at the same time broaden bilateral relations."<sup>29</sup> The VRF started in 2009 and runs until 2013 with a total budget of 13 million euro. The VRF is split up in two parts: one managed by NL Agency and one by the Embassy. Under the latter, one of the aims is to establish 20 partnerships between Vietnamese and Dutch public and private sector organisations, contributing to sustainable development in Vietnam. As can be seen in these objectives, the VRF is not solely aimed at developing the private sector in Vietnam, and for that reason one could argue that the VRF is not a PSD instrument. However, the VRF contains many elements closely related to PSD and this could be a reason to label this facility as a PSD-instrument. The parts of the VRF which contain PSD-elements need to be selected during the study based upon the list provided in the annual report of 2010 (available at IOB).

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<sup>28</sup> MASP 2008-2012, p. 17

<sup>29</sup> BEMO VRF 2009

## 4. The involvement of 'The Hague': coordination and expertise

### 4.1. DAO

The Ministry of Foreign Affairs consists of several different regional departments and the Asia and Oceania Department (DAO) is one of them. DAO consists of two different divisions:

- East-Asia and Mekong (DAO/OA), of which Vietnam is part
- South-Asia en Oceania (DAO/ZO)

The goal of DAO is to develop, disseminate and monitor coherent foreign policy. Therefore, amongst others, it maintains contacts with relevant actors (NGO's, business etc), gathers knowledge, functions as contact point for the Embassies and also supports them.<sup>30</sup> DAO cooperates with DDE and the Embassy to implement their goals in Vietnam.

### 4.2. DDE

The Sustainable Economic Development Department (DDE) is a policy theme department of the Ministry of Foreign Affairs. DDE comprises 3 different divisions<sup>31</sup>:

- International Markets Division (DDE/IM)
- National Policy Environment Division (DDE/NB)
- Entrepreneurship and Business Development Division (DDE/OB)

One of the goals of DDE is to stimulate growth and development of the private sector and through that to improve income and employment opportunities in developing countries. DDE tries to achieve the development of the private sector by identifying and tackling the problems in the business climate in developing countries. Other activities include the developing of the financial sector, improving trade opportunities and using trade and investment instruments to stimulate business. The latter is outsourced to organizations such as for example the Agency for International Business and Cooperation (AgentschapNL, mentioned in this report with their English name NL Agency).<sup>32</sup>

DDE commissioned a study about the development of mesofinance in Vietnam. This study contains a detailed description of the SME sector in Vietnam, combined with a roadmap and advice to the embassy about the development of interventions for SMEs regarding mesofinance.<sup>33</sup>

Besides these departments of the Ministry of Foreign Affairs, one could state that the Ministry of Economic Affairs, Agriculture and Innovation is involved in Private Sector Development in Vietnam. However, their activities are not financed by the Ministry of Foreign Affairs. For this reason, these activities are left aside in this preliminary study.

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<sup>30</sup> Rijksportal BZ, 'Over DAO' (version 21-12-2012)

[http://portal.rp.rijksweb.nl/irj/portal/?NavigationTarget=HLPFS://cisrijksportaal/cisorganisatie/cisbz\\_2/cisdirectoraatgeneraalpolitiekezakendgppz/cisdirectieazienoceanidao/cisoverdao](http://portal.rp.rijksweb.nl/irj/portal/?NavigationTarget=HLPFS://cisrijksportaal/cisorganisatie/cisbz_2/cisdirectoraatgeneraalpolitiekezakendgppz/cisdirectieazienoceanidao/cisoverdao) (25-04-2012)

<sup>31</sup> These divisions changed over the years.

<sup>32</sup> Rijksportal BZ, 'Organisatiestructuur' (version 07-10-2011),

[http://portal.rp.rijksweb.nl/irj/portal/http://portal.rp.rijksweb.nl/irj/portal/?NavigationTarget=HLPFS://cisrijksportaal/cisorganisatie/cisbz\\_2/cisdirectoraatgeneraalinternationalesamenwerkingdgis/cisdirectieduurzameeconomischeontwikkelingdde/cisclusters](http://portal.rp.rijksweb.nl/irj/portal/http://portal.rp.rijksweb.nl/irj/portal/?NavigationTarget=HLPFS://cisrijksportaal/cisorganisatie/cisbz_2/cisdirectoraatgeneraalinternationalesamenwerkingdgis/cisdirectieduurzameeconomischeontwikkelingdde/cisclusters) (25-04-2012).

<sup>33</sup> DDE, Formulating a Road Map for Vietnam with Concrete Recommendations to Stimulate Mesofinance, april 2008

## 5. Overview of the Central Programs

Under supervision of DDE, several central programs were active in Vietnam. One of the characteristics of these programs is their demand driven approach: formally, they become active when a clear demand from a government or enterprise in a developing country arises. For this reason, in most cases no specific country strategy is available. In this paragraph the five active programs in Vietnam are described: CBI, PSOM/PSI, ORET/ORIO, FMO and PUM. IDH, the Initiative for Sustainable Trade, is also active in Vietnam in the sectors tea, aquaculture, spices and coffee. Since they have only been active for a short period, no results can be expected yet. For that reason, this program is not described in the current chapter. All programs are financed by the Ministry of Foreign Affairs.

### 5.1. CBI

CBI is the 'Centre for the Promotion of Imports from developing countries - an Agency of the Netherlands Ministry of Foreign Affairs. Established in 1971 in order to support producers / exporters to get a foothold in the Netherlands market, support to Business Support Organizations in improving their capabilities and to act as a Matchmaker between suppliers and buyers.' The mission of CBI is to 'contribute to sustainable economic development in developing countries through the expansion of exports from these countries.' CBI works with 5 main services: Export coaching programs (ECP), Business Support Organization Development Programmes (BSOD), training programmes on exporting to the EU, market intelligence information and a company database of companies coached by CBI. CBI uses a programmatic approach to integrate the different services.<sup>34</sup>

The nature of the services of CBI creates an impossibility to disaggregate exact data at country level. However, for the ECP, the BSOD and the training program some data are available for Vietnam. The first expenditures for the ECP started in 2008. In the period 2008-2011 in total 0,9 million euro was spent. An overview of the expenditures of the active programs per sector in the period 2008-2011 can be found in table 4.<sup>35</sup> In the years 2007-2009 and 2011 four BSOD programs are booked for in total 1,8 million euro. For training the expenditure was 0,25 million euro for 169 participants in 2010. In 2011, 0,32 million euro was spent for 156 participants. The total CBI expenditures for the period 2005-2011 are 3,3 million euro, as far as these could be traced for Vietnam.

| <b>ECP-sector</b>          | <b>Expenditures in euro (year)</b> |
|----------------------------|------------------------------------|
| Stationary Items           | 573.813 (2008)                     |
| Gifts and decorative items | 158.812 (2008)                     |
| Office and School Supplies | 11.775 (2010)                      |
| Fresh fruit and vegetables | 15.279 (2010)                      |
| Home textiles              | 38.519 (2010)                      |
| Automotive parts           | 21.171 (2010)                      |
| Subcontracting             | 22.567 (2010)                      |
| Outerwear                  | 23.106 (2010)                      |
|                            | 1.172 (2011)                       |
| ITO Services               | 11.952 (2011)                      |
| Tourism                    | 29.659 (2011)                      |
| <b>Total</b>               | 907.825 (total euros)              |

*Table 4: ECP expenditures in Vietnam (2008-2011)*

### 5.2. PSOM/PSI

The Program for Cooperation with Emerging Markets (PSOM) started in 1998, and was converted in 2008 to the Private Sector Investment program (PSI). The aim of these programs is to contribute to poverty reduction by stimulating sustainable investments in

<sup>34</sup> Website CBI, 'about CBI' [http://cbi.nl/5/about\\_cbi](http://cbi.nl/5/about_cbi)

<sup>35</sup> CBI documentation

innovative business in developing countries. This is done by encouraging Dutch and foreign entrepreneurs to start investment projects in a joint venture company with a local entrepreneur. The program provides subsidies of 50-60% of the project costs of investments with high risks which would otherwise not be carried out. In Vietnam this percentage is always 50%. PSOM/PSI was carried out by the EVD, which is nowadays part of NL Agency.

According to the project overview documents of PSOM and PSI projects in the period 2005-2011, 30 PSOM/PSI projects in Vietnam were approved with a total contribution of 16,5 million euro. Most projects are combined with trainings and some projects have the goal of getting ISO-certification.<sup>36</sup> 29 projects proposals were declined. An overview of the finished and ongoing PSOM/PSI projects can be found in annex 2.

Three projects in 2005 are mentioned in an evaluation report of Triodos Facet about the period 1999-2009 with a total contribution of PSOM of 1,5 million euro.<sup>37</sup> This evaluation also mentions two projects that were stopped (PSOM06/VN/23 and PSOM07/VN/02). The evaluation report states that the effectiveness of projects in Vietnam is high. Projects have significant employment effects in labor intensive sectors like garment manufacturing. The wages were found to be slightly above minimum wages. The innovativeness and risks (hence additionality) of some projects are limited. Most projects have more attention for CSR issues than typical 'local' businesses. Projects invest in training and knowledge transfer, whereby the majority of the trainees were informally trained on the job. Chain effect for local SMEs are limited.<sup>38</sup>

### 5.3. ORET/ORIO

The aim of the program Development Relevant Export Transactions (ORET) is described by the Minister of Development Cooperation van Ardenne-van der Hoeven in 2006 as follows. 'The aim of ORET is to enforce sustainable economic growth and the business climate in developing countries. This happens by facilitating investments in economic and social infrastructure. The program reduces the costs of a project by donations for the purchase of capital goods, services or works. ORET is a subsidy program of the Ministry of Foreign Affairs.'<sup>39</sup> The program was launched in 1979.<sup>40</sup> Since 2002, it was executed and managed by the NIO. In 2007, the mandate was changed to PricewaterhouseCoopers Advisory N.V. and Ecorys Nederland B.V.<sup>41</sup>

In 2009, ORET was changed to ORIO (Development Relevant Infrastructure Development) in order to increase the (development) relevance, sustainability and accessibility for SMEs both in the Netherlands and developing countries. The number of countries and sectors was decreased and the involvement during the whole process from preparations to operation

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<sup>36</sup> PSOM, project overviews of the various years – available at the website of NL Agency.

<sup>37</sup> Triodos Facet, 'Evaluation PSOM/PSI 1999-2009 And MMF'

[http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten\\_en\\_diensten/evaluatie/afgeronde\\_ondersoeken/2010/07/evaluatie\\_psom\\_psi\\_1999\\_2009\\_en\\_mmf/rapport](http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten_en_diensten/evaluatie/afgeronde_ondersoeken/2010/07/evaluatie_psom_psi_1999_2009_en_mmf/rapport) 23-05-2012. Appendixes are available at IOB.

<sup>38</sup> idem

<sup>39</sup> Staatscourant 18-05-2006, nr 97 p. 10, 'Vaststelling beleidsregels subsidiëring Subsidieregeling Ministerie van Buitenlandse Zaken 2006 (ORET)'

<sup>40</sup> Beerenschot, SEOR and Ecolas, 'ORET/Miliev Evaluation 1999-2004'

[http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten\\_en\\_diensten/evaluatie/afgeronde\\_ondersoeken/2006/11/oret\\_miliev\\_programmabreed\\_1999\\_2004/rapport](http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten_en_diensten/evaluatie/afgeronde_ondersoeken/2006/11/oret_miliev_programmabreed_1999_2004/rapport)

<sup>41</sup> Staatscourant 8 januari 2007, nr. 5 p. 24 'Verlening mandaat en wijziging beleidsregels subsidieplafond Subsidieregeling Ministerie van Buitenlandse Zaken 2006 (ORET)'

and maintenance was increased.<sup>42</sup> The ORIO program is commissioned to NL Agency. PricewaterhouseCoopers Advisory N.V. and Ecorys Nederland B.V are still managing the commitments of ORET that were started before the transformation of the program and that are not finished yet.

ORET contributes for 35 percent to the costs of a project. From 2005 onwards, Vietnam was part of the tied country list of ORET, which means that only Dutch companies could make an application for subsidy.<sup>44</sup> The ORET expenditures in Vietnam in the period 2006-2010 varied between EUR 0,3 million and EUR 4,0 million.<sup>45</sup> An overview of the grants in the ORET program can be found in table 5 (commitments per year, different from expenditures per year).

ORIO contributes 50 percent in the development phase of a project and 35 percent during the implementation, operation and maintenance phase. Applications for the program are allowed to have a maximum total project budget of EUR 60 million.<sup>46</sup> In the period 2009-2011, six ORIO projects are selected, all in the sector water.<sup>47</sup> An overview of the ORIO projects can be found in annex 3.

More information about ORET could be requested at PWC. More information about ORIO could be requested at NL Agency.

| Year <sup>43</sup> | Grant commitments in EUR |
|--------------------|--------------------------|
| 2008               | 25.547.950               |
| 2010               | 5.944.281                |
| 2011               | 26.050.183               |

*Table 5: ORET and ORIO grants in Vietnam (2005-2011)*

#### 5.4. FMO

The Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) is the Dutch development bank. It finances companies, projects and financial institutions from developing and emerging markets. The core belief is that entrepreneurship is key in creating sustainable economic growth and improving people's quality of life. FMO is specialized in the sectors: financial institutions, energy & housing and agribusiness, food & water.<sup>48</sup> The products and services of FMO can broadly be divided in two categories i.e. financial products and services, and capacity development.<sup>49</sup>

FMO manages several funds for the Dutch government in order to support higher risk projects with possible high development impact. The funds cover financial risks that FMO is not able to cover alone - allowing these higher risk projects to develop.<sup>50</sup> According to the letter with an explanation of the PSD-instruments of Minister of Development Cooperation

<sup>42</sup> Koenders, 'Ontwikkelingsrelevante Infrastructuurontwikkeling (ORIO) aanpassing van de ORET-regeling' bijlage bij Kamerstuk 31200-V nr. 116

<sup>43</sup> Only years when commitments were made are presented

<sup>44</sup> Staatscourant 18-05-2006, nr 97, p. 10, 'Vaststelling beleidsregels subsidiëring Subsidieregeling Ministerie van Buitenlandse Zaken 2006 (ORET)'

<sup>45</sup> Information provided by PWC

<sup>46</sup> Website agentschap NL, 'ORIO country specifics Vietnam' <http://www.agentschapnl.nl/en/onderwerp/orio-country-specifics-vietnam> 30-5-2011

<sup>47</sup> ORIO, 'world map' <http://www.google.com/maps/ms?ie=UTF8&hl=nl&msa=0&msid=205729987944284378261.000496fbb031978f9adca> 25-05-2012

<sup>48</sup> Website FMO, 'about us' <http://www.fmo.nl/about-us/profile> 8-5-2012

<sup>49</sup> Website FMO, 'products and services' <http://annualreport2011.fmo.nl/home/about-fmo/products-and-services> 8-5-2012

<sup>50</sup> Website FMO, 'government funds' <http://annualreport2011.fmo.nl/home/report-of-the-management-board/government-funds> 8-5-2012



Ben Knapen<sup>51</sup> the Infrastructure Development Fund (IDF), Access to Energy Fund (AEF) and MASSIF are part of the Dutch PSD-policy. The predecessor of IDF is the LDC infrastructure fund. In 2009, IOB evaluated this fund.<sup>52</sup>

In the period 2005-2011 two government funds were active in Vietnam: IDF for 8,9 million euro and Massif for 10 million euro.<sup>53</sup> The annual report 2011 describes the funds as follows: 'The IDF fund provides long-term financing for private sector infrastructure projects in developing countries'. 'MASSIF is a fund that provides financial institutions with equity and debt funding (high risk, also local currency) for the development of Micro, Small and Medium-sized Enterprises (MSMEs) in developing countries.'<sup>54</sup> More information about specific projects can be requested at FMO.

Besides the government funds, FMO is active with their own FMO-A fund. This fund is not directly funded or controlled by the Dutch government, but the state has a majority share in FMO which makes the state indirectly involved in this fund. In the period 2005-2011, FMO paid 97 million euros to various banks, equity investment funds and other organizations in Vietnam.<sup>55</sup> More information about the portfolio and repayment of these expenditures could be requested at FMO.

### 5.5. PUM

'PUM Netherlands senior experts is a non-profit organization, which has been advising needy businesses in developing countries and emerging markets for over thirty years. To this end, PUM links these businesses, at their own request, to Dutch professionals who voluntarily devote their considerable experience to creating a better world. PUM therefore promotes entrepreneurship, self-sufficiency and the sustainable development of small and medium-sized enterprise locally.'<sup>56</sup> This quote presents PUM in a nutshell.

In the period from 2005-2011 PUM carried out 233 projects in Vietnam. The amount of projects increased from 23 in 2005 to 46 in 2011. A project list can be found in annex 4. Most projects were executed in the sector Business Support & Management as can be seen in the summary of project sectors in figure 6. In the country policy and action plans it is stated that PUM had two local representatives (one in Hue and Hanoi and one in Ho Chi Minh City and Danang City) in the beginning of the evaluation period. In the plan of 2009 three local representatives are mentioned in Ha Noi, Danang and Ho Chi Minh City. The plan of 2011 mentions the possibility to appoint a local representative in Dalat.

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<sup>51</sup> Knapen, 'Toelichting op het OS-bedrijfsleveninstrumentarium', TK 32605-56, 1-5-2012.

<sup>52</sup> IOB, 'Investing in infrastructure: evaluation of the LDC infrastructure fund' [http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten\\_en\\_diensten/evaluatie/afgeronde\\_onderzoeken/2009/07/iob\\_investing\\_in\\_infrastructure\\_evaluation\\_of\\_the\\_ldc\\_infrastructure\\_fund/rapport](http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten_en_diensten/evaluatie/afgeronde_onderzoeken/2009/07/iob_investing_in_infrastructure_evaluation_of_the_ldc_infrastructure_fund/rapport) 11-05-2012

<sup>53</sup> Documentation of FMO, available at IOB.

<sup>54</sup> Website FMO, 'government funds' <http://annualreport2011.fmo.nl/home/report-of-the-management-board/government-funds> 8-5-2012

<sup>55</sup> Documentation of FMO, available at IOB.

<sup>56</sup> Website PUM, 'About PUM' [https://www.pum.nl/content/About\\_PUM-EN](https://www.pum.nl/content/About_PUM-EN) 9-5-2012

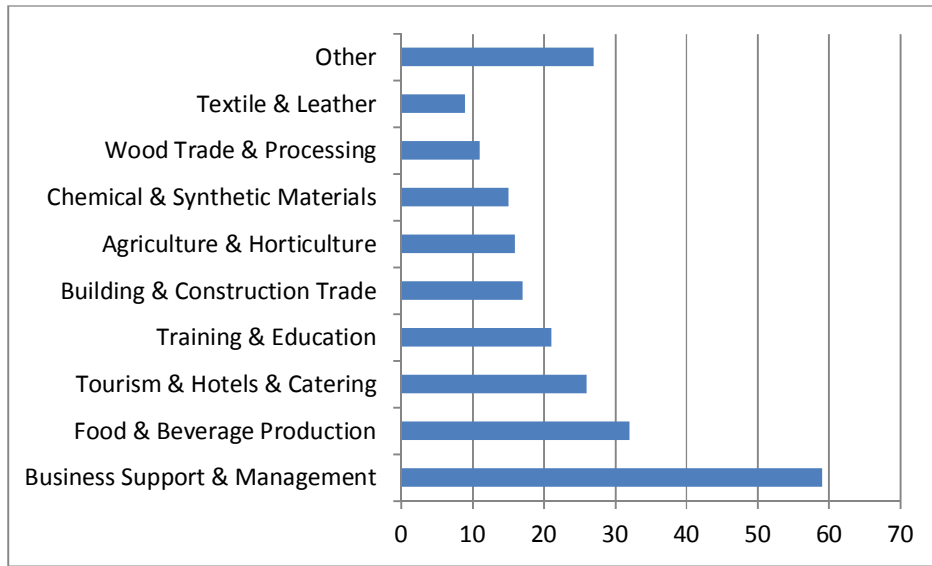


Figure 6: Amount of PUM projects per sector in the period 2005-2011

## **6. List of NGOs and multilateral organizations**

### **6.1. NGOs**

The field of NGOs and other civil society organizations in Vietnam is broad. Although not all these organizations are supported by the Dutch Ministry of Foreign Affairs, several obtained support to conduct their activities. PSD Activities of NGOs with this support is not always exactly registered for several reasons. Some NGOs get block grants and don't register what activities were financed in a certain country with money of the Ministry. Other NGOs use different definitions of PSD which complicates collection of data for this study.

A helpful way to gain some insight in the NGO-field in Vietnam is the use of the NGO Database. This database shows that in 2010, 16 Dutch NGOs spend around 13 million euro in Vietnam. Around 10% (i.e. 1,3 million euro) of this relates directly to private sector development.<sup>57</sup> When agriculture (8,2%) and food security (2,5%) are included the total PSD expenditures are 21,7% of the total (i.e. 2,7 million euro).

Most active NGOs in Vietnam for private sector development were (more than fifty thousand euros):

- Cordaid
- SNV Netherlands
- Oxfam NOVIB
- Agriterra
- Medisch Comite Nederland-Vietnam
- ICCO(Alliance)
- Solidaridad (partner in PSOM project PSOM08/VN/01).

Specific information about these organizations can be found at their websites. For SNV, information is available about the Biogas program, and this program is also part of the IOB evaluation on the SNV program in general. It should be noted that this overview is only an indication of supported organizations and not a complete overview.

### **6.2. Multilateral organizations**

Several multilateral organizations supported PSD (related) interventions financed with amongst others Dutch ODA. The World Bank, IFC, the Asian Development Bank, the Better Work program of ILO, UNIDO and UNDP activities (financed through regular funding and through a contribution to the One UN plan in Vietnam), and the EU (Mutrap) are amongst those programs.

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<sup>57</sup> IS academie NGO database, [www.ngo-database.nl](http://www.ngo-database.nl), CIDIN & Ministerie van Buitenlandse Zaken – selection: 'banking and financial services', 'business and other services', 'construction', 'trade policy and regulation', 'transport'

## 7. Observations and recommendations

In this chapter, some first observations and recommendations for the elaborate study on Dutch PSD policies, activities and effects in Vietnam can be found. As stated in the introduction of this report, three questions will be answered in this elaborate study:

1. *To what extent was the Dutch PSD policy aligned with (1) the national policy of Vietnam and (2) internally coherent?*
2. *To what extent has the Dutch PSD program in Vietnam been driven by the demand from actors in Vietnam?*
3. *What (possible) effects of the Dutch PSD program can be established at enterprise level and if possible, beyond this level?*

For each question several points of attention can be distracted from this study. These points of attentions need to be taken into account by the researchers who will study Vietnam.

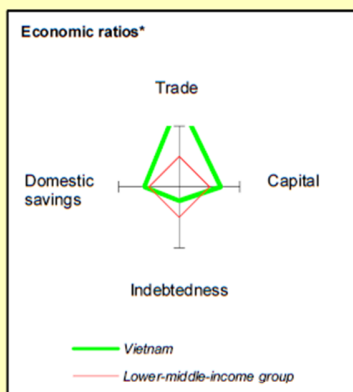
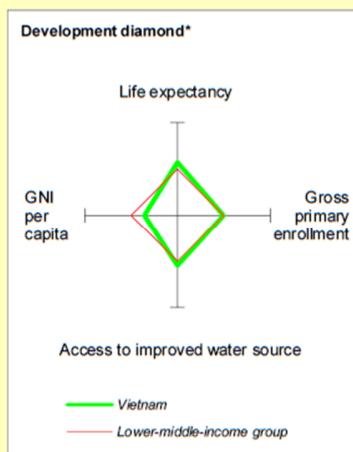
1. *On alignment with the national policy of Vietnam and internal coherence*
  - The only policy documents that are found seem to be quite broad (CPRGS) or specific only for SMEs. It can be interesting to reconstruct the Vietnamese PSD-policy and the perception of this policy that is used in the Dutch PSD policy.
  - According to the financial system of the Ministry of Foreign Affairs, the embassy spent hardly any budget on instruments in the area of Private Sector Development (as part of 4.3). For internal coherence, it is important to find out what other decentral activities could be labeled as PSD.
2. *On demand drivenness by actors in Vietnam*
  - According to some respondents for this study, interests of the public and private actors are not always in line on the direction of the private sector development. Which actor is driving the PSD program in Vietnam and what is the demand of both the socialist government and private sector for certain instruments?
  - Poverty in Vietnam is mainly rural poverty. To what extent does the demand of entrepreneurs and the supply of the Dutch instruments reflect a rural focus?
  - The Vietnamese in general show interest in the Dutch knowledge in the field of water and agriculture. One could suppose that this is reflected in the demand from Vietnamese actors.

## Annex 1: Vietnam at a glance (World Bank)

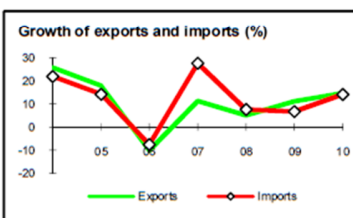
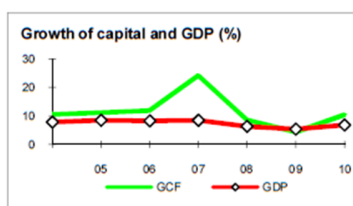
### Vietnam at a glance

3/29/12

| POVERTY and SOCIAL   | Vietnam | East Asia & Pacific | Lower-middle-income |       |
|--|---------|---------------------|---------------------|-------|
| <b>2010</b>  |         |                     |                     |       |
| Population, mid-year ( <i>millions</i> )                     | 86.9    | 1,962               | 2,519               |       |
| GNI per capita ( <i>Atlas method, US\$</i> )                 | 1,160   | 3,696               | 1,619               |       |
| GNI ( <i>Atlas method, US\$ billions</i> )                   | 101.1   | 7,249               | 4,078               |       |
| <b>Average annual growth, 2004-10</b>                        |         |                     |                     |       |
| Population (%)   | 1.1     | 0.7                 | 1.6                 |       |
| Labor force (%)  | 2.0     | 1.1                 | 1.4                 |       |
| <b>Most recent estimate (latest year available, 2004-10)</b> |         |                     |                     |       |
| Poverty (% of population below national poverty line)        | 15      | ..                  | ..                  |       |
| Urban population (% of total population)                     | 29      | 46                  | 39                  |       |
| Life expectancy at birth (years)                             | 75      | 72                  | 65                  |       |
| Infant mortality ( <i>per 1,000 live births</i> )            | 19      | 20                  | 50                  |       |
| Child malnutrition (% of children under 5)                   | 20      | 6                   | 25                  |       |
| Access to an improved water source (% of population)         | 95      | 90                  | 87                  |       |
| Literacy (% of population age 15+)                           | 93      | 94                  | 71                  |       |
| Gross primary enrollment (% of school-age population)        | 106     | 111                 | 107                 |       |
| Male   | 109     | 111                 | 110                 |       |
| Female   | 103     | 112                 | 104                 |       |
| <b>KEY ECONOMIC RATIOS and LONG-TERM TRENDS</b>              |         |                     |                     |       |
|  | 1990    | 2000                | 2009                | 2010  |
| GDP ( <i>US\$ billions</i> )                                 | 6.5     | 31.2                | 97.2                | 106.4 |
| Gross capital formation/GDP                                  | 12.6    | 29.6                | 38.1                | 38.9  |
| Exports of goods and services/GDP                            | 36.0    | 55.0                | 68.3                | 77.5  |
| Gross domestic savings/GDP                                   | 3.3     | 27.1                | 27.8                | 28.6  |
| Gross national savings/GDP                                   | ..      | 31.3                | 29.7                | 31.9  |
| Current account balance/GDP                                  | -5.4    | 3.6                 | -6.3                | -3.8  |
| Interest payments/GDP  | 1.1     | 1.1                 | 0.4                 | 0.5   |
| Total debt/GDP   | 359.6   | 41.1                | 29.6                | 33.0  |
| Total debt service/exports                                   | 8.9     | 7.5                 | 1.9                 | 1.9   |
| Present value of debt/GDP                                    | ..      | ..                  | ..                  | 25.0  |
| Present value of debt/exports                                | ..      | ..                  | ..                  | 36.4  |
| <b>(average annual growth)</b>                               |         |                     |                     |       |
| GDP  | 7.9     | 7.5                 | 5.3                 | 6.8   |
| GDP per capita   | 6.2     | 6.3                 | 4.2                 | 5.7   |
| Exports of goods and services                                | 19.2    | 11.2                | 11.1                | 14.7  |



| STRUCTURE of the ECONOMY                    | 1990 | 2000 | 2009 | 2010 |
|---|------|------|------|------|
| <b>(% of GDP)</b>                           |      |      |      |      |
| Agriculture                                 | 38.7 | 24.5 | 20.9 | 20.6 |
| Industry                                    | 22.7 | 36.7 | 40.2 | 41.1 |
| Manufacturing                               | 12.3 | 18.6 | 20.1 | 19.7 |
| Services                                    | 38.6 | 38.7 | 38.8 | 38.3 |
| Household final consumption expenditure     | 84.3 | 66.4 | 65.9 | 64.9 |
| General gov't final consumption expenditure | 12.3 | 6.4  | 6.3  | 6.5  |
| Imports of goods and services               | 45.3 | 57.5 | 78.7 | 87.8 |
| <b>(average annual growth)</b>              |      |      |      |      |
| Agriculture                                 | 4.3  | 3.7  | 1.8  | 2.8  |
| Industry                                    | 11.9 | 9.3  | 5.5  | 7.7  |
| Manufacturing                               | 11.2 | 10.9 | 2.8  | 8.4  |
| Services                                    | 7.5  | 7.5  | 6.6  | 7.5  |
| Household final consumption expenditure     | 5.1  | 7.7  | 1.7  | 5.3  |
| General gov't final consumption expenditure | 3.2  | 7.9  | 7.6  | 12.3 |
| Gross capital formation                     | 19.8 | 12.0 | 4.3  | 10.4 |
| Imports of goods and services               | 19.5 | 13.2 | 6.7  | 14.1 |



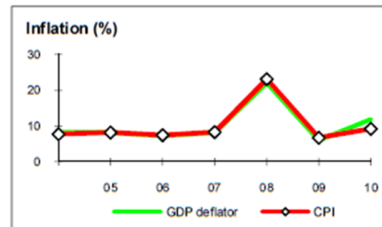
Note: 2010 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

\* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

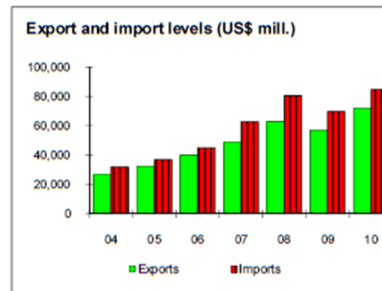
## PRICES and GOVERNMENT FINANCE

|                                     | 1990 | 2000 | 2009 | 2010 |
|-------------------------------------|------|------|------|------|
| <b>Domestic prices</b>              |      |      |      |      |
| (% change)                          |      |      |      |      |
| Consumer prices                     | 36.4 | -1.6 | 6.7  | 9.2  |
| Implicit GDP deflator               | 42.1 | 3.4  | 6.0  | 11.9 |
| <b>Government finance</b>           |      |      |      |      |
| (% of GDP, includes current grants) |      |      |      |      |
| Current revenue                     | 14.7 | 20.4 | 24.5 | 26.2 |
| Current budget balance              | -0.7 | 4.5  | 3.6  | 5.0  |
| Overall surplus/deficit             | -5.8 | -2.0 | -9.0 | -6.5 |



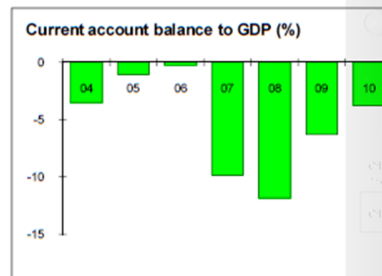
## TRADE

|                               | 1990  | 2000   | 2009   | 2010   |
|-------------------------------|-------|--------|--------|--------|
| (US\$ millions)               |       |        |        |        |
| Total exports (fob)           | 2,404 | 14,483 | 57,096 | 72,191 |
| Rice                          | 272   | 667    | 2,664  | 3,248  |
| Fuel                          | 390   | 3,503  | 6,195  | 4,958  |
| Manufactures                  | ..    | 6,397  | 32,116 | 42,199 |
| Total imports (cif)           | 2,752 | 15,637 | 69,949 | 84,801 |
| Food                          | 86    | 0      | 10     | 28     |
| Fuel and energy               | 356   | 2,058  | 6,255  | 5,742  |
| Capital goods                 | 561   | 4,781  | 23,934 | 25,278 |
| Export price index (2000=100) | ..    | 100    | 165    | 183    |
| Import price index (2000=100) | ..    | 100    | 137    | 144    |
| Terms of trade (2000=100)     | ..    | 100    | 121    | 127    |



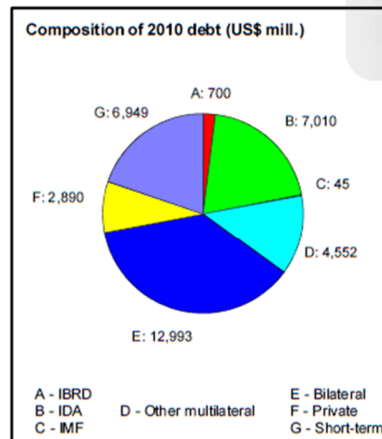
## BALANCE of PAYMENTS

|   | 1990    | 2000     | 2009     | 2010     |
|---|---------|----------|----------|----------|
| (US\$ millions)                         |         |          |          |          |
| Exports of goods and services           | 1,913   | 17,151   | 62,752   | 79,651   |
| Imports of goods and services           | 1,901   | 17,324   | 72,289   | 87,599   |
| Resource balance                        | 12      | -173     | -9,537   | -7,948   |
| Net income                              | -412    | -451     | -3,026   | -4,630   |
| Net current transfers                   | 49      | 1,732    | 6,450    | 8,579    |
| Current account balance                 | -351    | 1,108    | -6,113   | -3,999   |
| Financing items (net)                   | ..      | -993     | -2,053   | 180      |
| Changes in net reserves                 | ..      | -115     | 8,166    | 3,819    |
| <b>Memo:</b>                            |         |          |          |          |
| Reserves including gold (US\$ millions) | ..      | 3,030    | ..       | ..       |
| Conversion rate (DEC, local/US\$)       | 6,482.8 | 14,167.8 | 17,065.1 | 18,612.9 |



## EXTERNAL DEBT and RESOURCE FLOWS

|   | 1990   | 2000   | 2009   | 2010   |
|---|--------|--------|--------|--------|
| (US\$ millions)                         |        |        |        |        |
| Total debt outstanding and disbursed    | 23,270 | 12,822 | 28,718 | 35,139 |
| IBRD                                    | 0      | 0      | 0      | 700    |
| IDA                                     | 59     | 1,113  | 6,270  | 7,010  |
| Total debt service                      | 174    | 1,309  | 1,217  | 1,372  |
| IBRD                                    | 0      | 0      | 0      | 5      |
| IDA                                     | 1      | 9      | 87     | 99     |
| Composition of net resource flows       |        |        |        |        |
| Official grants                         | 96     | 236    | 646    | 656    |
| Official creditors                      | -86    | 1,041  | 3,112  | 2,513  |
| Private creditors                       | 0      | -707   | 36     | 1,110  |
| Foreign direct investment (net inflows) | 180    | 1,298  | 7,600  | 8,000  |
| Portfolio equity (net inflows)          | 0      | 0      | 128    | 2,383  |
| World Bank program                      |        |        |        |        |
| Commitments                             | 0      | 286    | 2,004  | 1,264  |
| Disbursements                           | 0      | 174    | 1,206  | 1,553  |
| Principal repayments                    | 1      | 2      | 47     | 52     |
| Net flows                               | -1     | 173    | 1,159  | 1,501  |
| Interest payments                       | 0      | 7      | 40     | 52     |
| Net transfers                           | -1     | 165    | 1,119  | 1,449  |



Note: This table was produced from the Development Economics LDB database.

3/29/12

## Annex 2: Overview of PSOM/PSI projects

| <b>Projectcode</b> | <b>Project title</b>   | <b>PSOM Grant</b> |
|--------------------|--|-------------------|
| PSI09VN01          | Pilot production of high value added chocolate decorations for export  | 748.010           |
| PSI09VN02          | BRC certified rice vermicelli production with outgrowers in Southern Vietnam   | 749.395           |
| PSI09VN21          | Saigon Port Training Centre  | 697.500           |
| PSI10VN21          | Adding value to Vietnamese Pomelo: Creating superior export quality and innovative fresh cut                                   | 745.925           |
| PSI10VN22          | From feed to food: guaranteed consumer-safe feed production of dairy feed by means of a fully controlled feed production chain | 501.743           |
| PSI11VN03          | Creating Added Value to the Mekong Coconut Waste Streams   | 578.750           |
| PSI11VN06          | Pilot production of high sheet metal products for export   | 744.268           |
| PSI11VN07          | FAST RSQ VIETNAM   | 701.565           |
| PSI11VN25          | Excellent products goes Asia   | 549.992           |
| PSOM03VN4          | Piloting contract growing of hybrid seed in North Vietnam to initiate export activities.                                       | 499.200           |
| PSOM04VN10         | Quality Improvement and Diversification Cashew Nut Processing in Vietnam   | 12.573            |
| PSOM04VN3          | Establishing a Quality Chain for Vietnamese Cocoa.   | 250.269           |
| PSOM04VN8          | EXROSE   | 7.500             |
| PSOM04VN11         | 3D WINNERS   | 532.361           |
| PSOM04VN4          | Preparing Song Cam Shipyard to build Standard Damen ships in series production in Vietnam.                                     | 7.500             |
| PSOM04VN9          | 'Piloting computer aided design and sample production in high quality clothes manufacturing'                                   | 498.191           |
| PSOM03VN3          | High Quality Tailor-made Industrial Clothing in Vietnam  | 560.806           |
| PSOM05VN3          | Establishing a green export chain for premium Vietnamese agroproducts  | 465.544           |
| PSOM05VN4          | Production of high quality survival systems and deck   | 625.000           |

|            |   |         |
|------------|---|---------|
|            | equipment in Vietnam for the shipbuilding industry.   |         |
| PSOM05VN21 | Redesigning the calla bulbs supply chain in Vietnam   | 407.325 |
| PSOM05VN23 | Dairy development in Vietnam  | 602.836 |
| PSOM06VN22 | Integrating vegetable small holders into modern retail markets                                  | 646.178 |
| PSOM06VN26 | Cable harness: 'made in Vietnam'  | 627.420 |
| PSOM06VN24 | Pilot production Medical Devices and its subassemblies for export, Vietnam                      | 671.935 |
| PSOM06VN01 | Life Resort Halong Bay  | 748.656 |
| PSOM07VN01 | Production of Value added super frozen Tuna   | 738.625 |
| PSOM07VN23 | Pilot production of high-quality marine electronic components & installations Hai Phong Vietnam | 741.648 |
| PSOM07VN21 | Flexible CPP packaging solutions made in Vietnam  | 408.592 |
| PSOM08VN01 | Best practice on CSR and the introduction of FOB sustainable garments productions in Vietnam    | 743.736 |
| PSOM07VN03 | Building Model Shipyard to build Coaster for European Market.                                   | 749.755 |



### Annex 3: Overview of ORIO projects

| Code             | Project title   | Sector | ORIO Grant (EUR) | ORIO disbursements (EUR) |
|------------------|---|--------|------------------|--------------------------|
| ORIO09/<br>VN/04 | Realization of two Water Supply plants for rural areas in Ba Ria Vung Tau province  | Water  | 5.136.930        | 328.621                  |
| ORIO09/<br>VN/21 | The Construction of a Wastewater Collection, Treatment and Drainage System for Phu My New Urban Area, Tan Tanh District             | Water  | 7.820.442        | 86.223                   |
| ORIO09/<br>VN/22 | Clean Water distribution system for rural areas at North and South Mo Cay district - Ben Tre Province                               | Water  | 2.145.857        | 113.936                  |
| ORIO11/<br>VN/01 | Construction of system for Wastewater Collection, Treatment and Re-use for Phan Rang - Thap Cham city, Ninh Thuan Province, Vietnam | Water  | 6.838.993        | 0                        |
| ORIO11/<br>VN/21 | Construction of Water Supply System for Rural Districts Gia Loc and Tu Ky, Hai Duong Province, Vietnam                              | Water  | 2.096.366        | 0                        |
| ORIO11/<br>VN/22 | Construction of Hau River Water Supply System in Chau Thanh district, Hau Giang province, Vietnam                                   | Water  | 3.726.402        | 0                        |

#### Annex 4: Overview of PUM projects

| <b>Year project start</b> | <b>CITY</b>                                | <b>CLUSTERDESCRIPTION</b>      | <b>MAINSECTORDESCRIPTION</b>                   |
|---------------------------|--|--------------------------------|--|
| 2005                      | Bac Giang Town                             | Agriculture & Horticulture     | Horticulture - Flowers & Ornamental Plants     |
| 2005                      | Dalat City, Lam Dong Province              | Agriculture & Horticulture     | Horticulture - Flowers & Ornamental Plants     |
| 2005                      | Dalat City, Lam Dong Province              | Agriculture & Horticulture     | Horticulture - Flowers & Ornamental Plants     |
| 2005                      | Danang City                                | Business Support & Management  | Consultancy & Interim Management               |
| 2005                      | Danang City                                | Training & Education           | Vocational education                           |
| 2005                      | Ha Noi                                     | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2005                      | Ha Noi                                     | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2005                      | Hanoi                                      | Wood Trade & Processing        | Timber Processing                              |
| 2005                      | Hanoi                                      | Wood Trade & Processing        | Timber Processing                              |
| 2005                      | Hanoi                                      | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2005                      | Hanoi                                      | Food & Beverages Production    | Food Processing                                |
| 2005                      | Hanoi                                      | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2005                      | Ho Chi Minh City                           | Business Support & Management  | Consultancy & Interim Management               |
| 2005                      | Ho Chi Minh City                           | Building & Construction Trade  | Building Materials, Suppliers & Systems        |
| 2005                      | Ho Chi Minh City                           | Textile & Leather              | Textile Industry                               |
| 2005                      | Ho Chi Minh City                           | Business Support & Management  | Human Resources & Organisation                 |
| 2005                      | Ho Chi Minh City                           | Chemical & Synthetic Materials | Polymers, Composites and MMF (man made fibres) |
| 2005                      | Ho Chi Minh City                           | Textile & Leather              | Textile Industry                               |
| 2005                      | Ho Chi Minh City, Vietnam                  | Wood Trade & Processing        | Furniture Manufacture                          |
| 2005                      | Hochiminh                                  | Business Support & Management  | Financial Management                           |
| 2005                      | Hochiminh                                  | Wood Trade & Processing        | Furniture Manufacture                          |
| 2005                      | Hochiminh City                             | Transport & Logistics          | Logistics                                      |
| 2005                      | Tan Phuoc Khanh Town – Binh Duong Province | Wood Trade & Processing        | Furniture Manufacture                          |
| 2006                      | Chu Town, Lucngan Distr. Bac Giang Prov.   | Food & Beverages Production    | Food Processing                                |
| 2006                      | Chu Town, Lucngan Distr. Bac Giang Prov.   | Food & Beverages Production    | Food Processing                                |
| 2006                      | Chu Town, Lucngan Distr. Bac Giang Prov.   | Food & Beverages Production    | Food Processing                                |
| 2006                      | Ha Long City                               | Training & Education           | Vocational education                           |
| 2006                      | Ha Tay                                     | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2006                      | Hanoi                                      | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2006                      | Hanoi                                      | Food & Beverages Production    | Bakery & Bread Factory                         |
| 2006                      | Hanoi                                      | Business Support &             | Financial Management                           |

|      |   |                                |  |
|------|---|--------------------------------|--|
|      |   | Management                     |  |
| 2006 | Hanoi   | Chemical & Synthetic Materials | Glass & Ceramics (Fine)                                    |
| 2006 | Hcmc  | Textile & Leather              | Leather Consumer Products                                  |
| 2006 | Ho Chi Minh                                   | Agriculture & Horticulture     | Horticulture Vegetables and Fruits                         |
| 2006 | Ho Chi Minh                                   | Transport & Logistics          | Logistics  |
| 2006 | Ho Chi Minh                                   | Business Support & Management  | Financial Management                                       |
| 2006 | Ho Chi Minh City                              | Agriculture & Horticulture     | Tropical Products & Plantations                            |
| 2006 | Ho Chi Minh City                              | Metal Industry                 | Machine Engineering & Construction                         |
| 2006 | Ho Chi Minh City                              | Publishing & Printing          | Printing   |
| 2006 | Ho Chi Minh City                              | Publishing & Printing          | Printing   |
| 2006 | Ho Chi Minh City                              | Business Support & Management  | Consultancy & Interim Management                           |
| 2006 | Hochiminh                                     | Building & Construction Trade  | Building Development, Architecture, Design & Engineering   |
| 2006 | Hochiminh                                     | Wood Trade & Processing        | Furniture Manufacture                                      |
| 2006 | Hochiminh City                                | Business Support & Management  | Financial Management                                       |
| 2006 | Hue   | Training & Education           | Vocational education                                       |
| 2006 | Hue   | Metal Industry                 | Metal Construction   |
| 2006 | Hue City                                      | Textile & Leather              | Textile Industry   |
| 2006 | Hue City                                      | Training & Education           | Vocational education                                       |
| 2006 | Long An Province                              | Energy & Water & Environment   | Water Supply and waste water                               |
| 2006 | Long An Province                              | Energy & Water & Environment   | Water Supply and waste water                               |
| 2006 | Thua Thien Hue Province                       | Wood Trade & Processing        | Furniture Manufacture                                      |
| 2007 | Binh Duong Province                           | Chemical & Synthetic Materials | Paints & Lacquer   |
| 2007 | Danang  | Business Support & Management  | ICT  |
| 2007 | Danang  | Tourism & Hotels & Catering    | Tourism  |
| 2007 | Danang City                                   | Training & Education           | Vocational education                                       |
| 2007 | Danang City                                   | Financial Institutes           | Banking & Finance  |
| 2007 | Ha Noi  | Building & Construction Trade  | Building Management, Contracting, Execution & Installation |
| 2007 | Hanoi   | Financial Institutes           | Banking & Finance  |
| 2007 | Hanoi   | Food & Beverages Production    | Pastry & Confectionery                                     |
| 2007 | Ho Chi Minh                                   | Stockbreeding & Fisheries      | Fisheries & Fish Processing                                |
| 2007 | Ho Chi Minh City                              | Textile & Leather              | Textile Industry   |
| 2007 | Ho Chi Minh City                              | Business Support & Management  | Human Resources & Organisation                             |
| 2007 | Ho Chi Minh City                              | Chemical & Synthetic Materials | Chemical Technology & Fine Chemicals                       |
| 2007 | Hochiminh                                     | Chemical & Synthetic Materials | Polymers, Composites and MMF (man made fibres)             |
| 2007 | Hue City                                      | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                    |
| 2007 | Hue City                                      | Business Support & Management  | ICT  |
| 2007 | Huong Thuy District - Thua Thien Hue Province | Chemical & Synthetic Materials | Paints & Lacquer   |

|      |   |                                |  |
|------|---|--------------------------------|--|
| 2007 | Huong Thuy District - Thua Thien Hue Province | Chemical & Synthetic Materials | Paints & Lacquer   |
| 2007 | Long An City                                  | Chemical & Synthetic Materials | Polymers, Composites and MMF (man made fibres)           |
| 2007 | Thua Thien Hue Province                       | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                  |
| 2007 | VIET NAM                                      | Agriculture & Horticulture     | Horticulture Vegetables and Fruits                       |
| 2007 | Vietnam                                       | Business Support & Management  | ICT  |
| 2008 | Bao Loc, Lam Dong                             | Agriculture & Horticulture     | Tropical Products & Plantations                          |
| 2008 | Da Nang                                       | Business Support & Management  | Human Resources & Organisation                           |
| 2008 | Danang  | Financial Institutes           | Banking & Finance  |
| 2008 | Danang  | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                  |
| 2008 | Danang  | Training & Education           | Vocational education                                     |
| 2008 | Danang  | Financial Institutes           | Banking & Finance  |
| 2008 | Danang City                                   | Business Support & Management  | Financial Management                                     |
| 2008 | Halong City                                   | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                  |
| 2008 | Hanoi   | Stockbreeding & Fisheries      | Dairy Processing & Products                              |
| 2008 | Hanoi   | Textile & Leather              | Textile Consumer Products                                |
| 2008 | Hanoi   | Stockbreeding & Fisheries      | Pig Farming  |
| 2008 | HCMC.   | Food & Beverages Production    | Bakery & Bread Factory                                   |
| 2008 | Ho Chi Minh                                   | Transport & Logistics          | Logistics  |
| 2008 | Ho Chi Minh                                   | Business Support & Management  | Financial Management                                     |
| 2008 | Ho Chi Minh                                   | Food & Beverages Production    | Bakery & Bread Factory                                   |
| 2008 | Ho Chi Minh City                              | Financial Institutes           | Banking & Finance  |
| 2008 | Ho Chi Minh City                              | Food & Beverages Production    | Food Processing  |
| 2008 | Hochiminh City                                | Business Support & Management  | Communications, Advertising & PR                         |
| 2008 | Hue City                                      | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                  |
| 2008 | Hung Yen                                      | Food & Beverages Production    | Meat Processing  |
| 2008 | Hungyen                                       | Stockbreeding & Fisheries      | Cattle Breeding  |
| 2008 | Long An.                                      | Chemical & Synthetic Materials | Polymers, Composites and MMF (man made fibres)           |
| 2008 | Quang Ngai City                               | Building & Construction Trade  | Building Development, Architecture, Design & Engineering |
| 2008 | Sonla   | Agriculture & Horticulture     | Horticulture - Vegetables & Fruits Green & Glasshouses   |
| 2008 | Tay Ninh                                      | Tourism & Hotels & Catering    | Tourism  |
| 2008 | Vinh Phuc                                     | Stockbreeding & Fisheries      | Dairy Processing & Products                              |
| 2008 | Vung Tau City                                 | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                  |
| 2009 | Bien Hoa City,                                | Wood Trade & Processing        | Furniture Manufacture                                    |

|      |                    |                                |   |
|------|--------------------|--------------------------------|---|
|      | Dong Nai Province. |                                |   |
| 2009 | Binh Duong Prov.   | Business Support & Management  | General Management  |
| 2009 | Da Nang            | Business Support & Management  | Human Resources & Organisation  |
| 2009 | Da Nang            | Building & Construction Trade  | Building Management, Contracting, Execution & Installation                    |
| 2009 | Da Nang            | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2009 | Da Nang            | Business Support & Management  | General Management  |
| 2009 | Danang             | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2009 | Danang             | Business Support & Management  | Consultancy & Interim Management  |
| 2009 | Danang             | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2009 | Danang             | Business Support & Management  | Consultancy & Interim Management  |
| 2009 | Danang City        | Business Support & Management  | Consultancy & Interim Management  |
| 2009 | Hanoi              | Tourism & Hotels & Catering    | Tourism   |
| 2009 | Hanoi              | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2009 | Hanoi              | Textile & Leather              | Textile Consumer Products   |
| 2009 | Hanoi              | Agriculture & Horticulture     | Horticulture Vegetables and Fruits  |
| 2009 | Hanoi              | Chemical & Synthetic Materials | Inorganic materials and precious metals                                       |
| 2009 | Hanoi              | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2009 | Hanoi              | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2009 | Hanoi              | Food & Beverages Production    | Bakery & Bread Factory  |
| 2009 | Hanoi              | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2009 | Ho Chi Minh        | Business Support & Management  | Human Resources & Organisation  |
| 2009 | Ho Chi Minh        | Agriculture & Horticulture     | Horticulture - Flowers & Ornamental Plants                                    |
| 2009 | Ho Chi Minh        | Business Support & Management  | Marketing   |
| 2009 | Ho Chi Minh        | Food & Beverages Production    | Bakery & Bread Factory  |
| 2009 | Ho Chi Minh        | Publishing & Printing          | Printing  |
| 2009 | Ho Chi Minh        | Paper & Cardboard & Packaging  | Paper & Cardboard & Packaging   |
| 2009 | Ho Chi Minh        | Food & Beverages Production    | Bakery & Bread Factory  |
| 2009 | Ho Chi Minh        | Business Support & Management  | Consultancy & Interim Management  |
| 2009 | Ho Chi Minh        | Business Support & Management  | Marketing   |
| 2009 | Ho Chi Minh        | Business Support & Management  | Marketing   |
| 2009 | Hochiminh          | Chemical & Synthetic Materials | Polymers, Composites and MMF (man   |

|      |                         |                                |   |
|------|-------------------------|--------------------------------|---|
|      |                         |                                | made fibres)  |
| 2009 | Hochiminh.              | Food & Beverages Production    | Pastry & Confectionery  |
| 2009 | Hue                     | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2009 | Hung Yen                | Food & Beverages Production    | Meat Processing   |
| 2009 | Phan Thiet, Binh Thuan. | Business Support & Management  | Financial Management  |
| 2009 | Quang Nam               | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2010 | Bien Hoa City           | Wood Trade & Processing        | Furniture Manufacture   |
| 2010 | Binh Duong Province.    | Chemical & Synthetic Materials | Chemical Technology & Fine Chemicals  |
| 2010 | Binhduong Province      | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2010 | Da Nang                 | Business Support & Management  | Human Resources & Organisation  |
| 2010 | Da Nang                 | Training & Education           | Vocational education  |
| 2010 | Da Nang                 | Business Support & Management  | General Management  |
| 2010 | Da Nang                 | Building & Construction Trade  | Building Management, Contracting, Execution & Installation                    |
| 2010 | Da Nang                 | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2010 | Da Nang                 | Business Support & Management  | Consultancy & Interim Management  |
| 2010 | Da Nang                 | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2010 | Da Nang City            | Business Support & Management  | General Management  |
| 2010 | Dalat                   | Agriculture & Horticulture     | Horticulture - Flowers & Ornamental Plants                                    |
| 2010 | Danang                  | Building & Construction Trade  | Building Materials, Suppliers & Systems                                       |
| 2010 | Danang                  | Tourism & Hotels & Catering    | Tourism   |
| 2010 | Danang                  | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2010 | Ha Noi                  | Food & Beverages Production    | Pastry & Confectionery  |
| 2010 | Hanoi                   | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2010 | Hanoi                   | Tourism & Hotels & Catering    | Catering, Restaurants and Events  |
| 2010 | Hanoi                   | Business Support & Management  | Human Resources & Organisation  |
| 2010 | Hanoi                   | Food & Beverages Production    | Pastry & Confectionery  |
| 2010 | Hanoi                   | Textile & Leather              | Textile Consumer Products   |
| 2010 | Hanoi                   | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2010 | Hanoi                   | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2010 | Hanoi                   | Business Support & Management  | Marketing   |
| 2010 | Hanoi                   | Food & Beverages Production    | Pastry & Confectionery  |
| 2010 | Ho Chi Minh             | Agriculture & Horticulture     | Horticulture - Flowers & Ornamental   |

|      |                         |                                |   |
|------|-------------------------|--------------------------------|---|
|      |                         |                                | Plants  |
| 2010 | Ho Chi Minh             | Wood Trade & Processing        | Furniture Manufacture   |
| 2010 | Ho Chi Minh             | Business Support & Management  | General Management  |
| 2010 | Ho Chi Minh             | Energy & Water & Environment   | Waste   |
| 2010 | Ho Chi Minh             | Business Support & Management  | Financial Management  |
| 2010 | Ho Chi Minh             | Chemical & Synthetic Materials | Inorganic materials and precious metals                                       |
| 2010 | Ho Chi Minh             | Business Support & Management  | General Management  |
| 2010 | Ho Chi Minh             | Food & Beverages Production    | Bakery & Bread Factory  |
| 2010 | Ho Chi Minh             | Business Support & Management  | Marketing   |
| 2010 | Ho Chi Minh             | Agriculture & Horticulture     | Arable Farming  |
| 2010 | Ho Chi Minh             | Tourism & Hotels & Catering    | Tourism   |
| 2010 | Ho Chi Minh City        | Business Support & Management  | Marketing   |
| 2010 | Ho Chi Minh City        | Business Support & Management  | Marketing   |
| 2010 | Hochiminh               | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |
| 2010 | Hochiminh               | Business Support & Management  | General Management  |
| 2010 | Hochiminh               | Food & Beverages Production    | Pastry & Confectionery  |
| 2010 | Hochiminh               | Business Support & Management  | Financial Management  |
| 2010 | Hochiminh               | Business Support & Management  | Consultancy & Interim Management  |
| 2010 | Hochiminh               | Textile & Leather              | Textile Industry  |
| 2010 | Hochiminh               | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2010 | Hochiminh               | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2010 | Hochiminh               | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2010 | Hochiminh City          | Food & Beverages Production    | Pastry & Confectionery  |
| 2010 | Hochiminh,              | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2010 | Hoi An, Quang Nam       | Tourism & Hotels & Catering    | Tourism   |
| 2010 | Hoi An, Quang Nam       | Business Support & Management  | Marketing   |
| 2010 | Thua Thien Hue Province | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2011 | Binh Duong Province     | Chemical & Synthetic Materials | Inorganic materials and precious metals                                       |
| 2011 | Cao Bang                | Food & Beverages Production    | Meat Processing   |
| 2011 | Da Nang                 | Building & Construction Trade  | Building Development, Architecture, Design & Engineering                      |

|      |                                     |                               |  |
|------|-------------------------------------|-------------------------------|--|
| 2011 | Da Nang                             | Business Support & Management | General Management                                       |
| 2011 | Da Nang                             | Tourism & Hotels & Catering   | Catering, Restaurants and Events                         |
| 2011 | Da Nang                             | Training & Education          | Vocational education                                     |
| 2011 | Da Nang City                        | Business Support & Management | General Management                                       |
| 2011 | Da Nang City                        | Business Support & Management | Marketing  |
| 2011 | Da Nang City                        | Tourism & Hotels & Catering   | Tourism  |
| 2011 | Da Nang City                        | Training & Education          | Vocational education                                     |
| 2011 | Dalat                               | Agriculture & Horticulture    | Horticulture - Flowers & Ornamental Plants               |
| 2011 | Dalat, Lam Dong                     | Agriculture & Horticulture    | Arable Farming   |
| 2011 | Danang                              | Agriculture & Horticulture    | Horticulture Vegetables and Fruits                       |
| 2011 | Danang                              | Building & Construction Trade | Building Materials, Suppliers & Systems                  |
| 2011 | Danang                              | Tourism & Hotels & Catering   | Catering, Restaurants and Events                         |
| 2011 | Danang                              | Training & Education          | General Education  |
| 2011 | Donduong District, Lamdong Province | Stockbreeding & Fisheries     | Dairy Processing & Products                              |
| 2011 | Hanoi                               | Building & Construction Trade | Building Development, Architecture, Design & Engineering |
| 2011 | Hanoi                               | Business Support & Management | Financial Management                                     |
| 2011 | Hanoi                               | Business Support & Management | General Management                                       |
| 2011 | Hanoi                               | Business Support & Management | Marketing  |
| 2011 | Hanoi                               | Training & Education          | Vocational education                                     |
| 2011 | Hanoi                               | Training & Education          | Vocational education                                     |
| 2011 | Ho Chi Minh                         | Business Support & Management | Consultancy & Interim Management                         |
| 2011 | Ho Chi Minh                         | Business Support & Management | General Management                                       |
| 2011 | Ho Chi Minh                         | Business Support & Management | Human Resources & Organisation                           |
| 2011 | Ho Chi Minh                         | Business Support & Management | Human Resources & Organisation                           |
| 2011 | Ho Chi Minh                         | Business Support & Management | Marketing  |
| 2011 | Ho Chi Minh                         | Business Support & Management | Marketing  |
| 2011 | Ho Chi Minh                         | Energy & Water & Environment  | Environmental Matters                                    |
| 2011 | Ho Chi Minh                         | Food & Beverages Production   | Pastry & Confectionery                                   |
| 2011 | Ho Chi Minh                         | Food & Beverages Production   | Bakery & Bread Factory                                   |
| 2011 | Ho Chi Minh                         | Metal Industry                | Metal Processing   |
| 2011 | Ho Chi Minh                         | Wood Trade & Processing       | Furniture Manufacture                                    |
| 2011 | Ho Chi Minh City                    | Business Support & Management | Financial Management                                     |
| 2011 | Ho Chi Minh City                    | Business Support & Management | General Management                                       |
| 2011 | Ho Chi Minh City                    | Business Support & Management | General Management                                       |
| 2011 | Ho Chi Minh City                    | Food & Beverages Production   | Pastry & Confectionery                                   |



|      |                |                                |   |
|------|----------------|--------------------------------|---|
| 2011 | Hochiminh      | Chemical & Synthetic Materials | Polymers, Composites and MMF (man made fibres)                                |
| 2011 | Hochiminh      | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2011 | Hochiminh      | Training & Education           | Vocational education (Vehicle Latin America, Asia & Middle East-Central Asia) |
| 2011 | Hochiminh City | Food & Beverages Production    | Pastry & Confectionery  |
| 2011 | Hochiminh City | Stockbreeding & Fisheries      | Beekeeping  |
| 2011 | Hue            | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2011 | Hue            | Tourism & Hotels & Catering    | Hotels Large and Medium Size Operations                                       |
| 2011 | Hung Yen       | Stockbreeding & Fisheries      | Poultry Farming   |

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- Steven Collet Deputy head of EKN
- Karin Vlug Medisch Comite Nederland-Vietnam (not yet contacted)

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