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This action is funded by the European Union

**ANNEX 4**

of the Commission Implementing Decision on the Annual Action Programme 2017 Part II and 2018 Part I in favour of the Asia region to be financed from the general budget of the Union

**Action Document for ASEAN Regional Integration Support – Viet Nam Trade-Related Assistance (ARISE Plus Viet Nam)**

**INFORMATION FOR POTENTIAL GRANT APPLICANTS**

**WORK PROGRAMME FOR GRANTS**

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.3.1.

<b>1. Title/basic act/ CRIS number</b>	ASEAN Regional Integration Support – Viet Nam Trade-Related Assistance (ARISE Plus Viet Nam)- CRIS number: ACA/2017/039-897 financed under Development Cooperation Instrument	
<b>2. Zone benefiting from the action/location</b>	Viet Nam The action shall be carried out at the following location: Socialist Republic of Viet Nam. The project team will be based in Hanoi.	
<b>3. Programming document</b>	Regional Multiannual Indicative Programme ASIA 2014-2020	
<b>4. Sector of concentration/ thematic area</b>	Focal sector 1 (ASEAN): Connectivity through Sustainable and Inclusive Economic Integration and Trade	DEV. Aid: YES <sup>1</sup>
<b>5. Amounts concerned</b>	Total estimated cost: EUR 6 400 000 Total amount of EU budget contribution EUR 6 000 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 400 000.	
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project modality Direct management – Procurement of services Direct management – Grants – Call for proposals	
<b>7. a) DAC code(s)</b>	33110 Trade policy and administrative management 33120 Trade Facilitation 33130 Regional Trade Agreement 32130 SME Development	

<sup>1</sup> Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective

<b>b) Main Delivery Channel</b>	10000 Public Sector Institutions			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>9. SDGs</b>	SDG Goal 8 “Decent Work and Economic Growth” SDG Goal 1 “No Poverty” SDG Goal 12 “Responsible Consumption and Production”		
<p><b>Summary</b></p> <p>The ARISE Plus Viet Nam programme is a five-year programme (2018-2023) with a total budget of EUR 6.4 million that contributes to the integration of Viet Nam's economy into the global production chain through targeted support to both the public and private sectors. It will support the Government of Viet Nam to reap the benefits of new regional and bilateral trade commitments, with a focus on the implementation of the EU-Viet Nam Free Trade Agreement (EVFTA). It is the national Viet Nam component of the ARISE Plus programme supporting regional economic integration under focal sector 1 of the 2014-2020 Multiannual Indicative Programme for Asia.</p> <p>The <b>Overall Objective</b> of the programme is inclusive economic growth and poverty reduction in Viet Nam.</p> <p>The <b>Specific Objective</b> is to maximise Viet Nam's benefits from preferential trade regimes, with a focus on regional agreements and the EU-Viet Nam FTA.</p> <p>Expected Results include:</p> <ol style="list-style-type: none"> <li>1. Enhanced compliance with Sanitary and Phytosanitary Standards (SPS) to improve the safety of Viet Nam agro-food products and facilitate exports to the EU</li> <li>2. A national quality infrastructure is in place that boosts competitiveness and addresses technical barriers to trade</li> <li>3. High quality products and services from Viet Nam are exported to the EU, with a focus on SME internationalisation and sustainable business practices</li> <li>4. Comprehensive implementation of the EU-Viet Nam Free Trade Agreement, through a rapid response facility</li> </ol>				

## 1. CONTEXT

### 1.1 Country context

Viet Nam is a lower-middle-income country with over 90 million inhabitants. Viet Nam's economy grew at an average annual rate of 6.5% between 1991 and 2015. Gross Domestic Product (GDP) per capita almost tripled over the same period to reach USD 2,109 in 2015. The poverty rate, based on USD 1.90 per day, dropped from 49% in 1993 to 3% in 2012 according to the Asian Development Bank. Viet Nam has attained 5 of its 10 Millennium Development Goals. Inequality is comparatively low and did not increase during the country's recent economic accelerated growth<sup>2</sup>.

Viet Nam's strong economic performance in recent years has been partly reliant on trade integration. Empirical studies point to a positive correlation between trade liberalisation, growth and poverty reduction in Viet Nam. The economy is indeed strongly outward oriented, with trade flows accounting for 179% of GDP as of 2015 according to the World Bank. Viet Nam ranks 7th in the world in terms of openness to trade<sup>3</sup>. The total value of exports increased from 46% of GDP in 2001 to 90% of GDP in 2015. The average most favoured nation tariff declined from 18.5% in 2007 to 10.4% in 2013 in the context of the country's World Trade Organisation (WTO) accession. Many export oriented sectors are labour intensive, which contributed to Viet Nam's success story in poverty reduction. The textile sector alone, Viet Nam's second largest export contributor after mobile phones, employs 1.3 million workers in directly related jobs and more than 2 million with auxiliary work included. Viet Nam's exports are still predominantly labour-intensive and low value-added but are well diversified both in terms of products and partners<sup>4</sup>. Services only account for a fraction of trade flows.

Labour productivity was Viet Nam's main strength in the early stages of its growth trajectory. Total factor productivity has slowed down dramatically in recent years and the accumulation of production factors – the labour force doubled between 1990 and 2013 – has become the new driver of growth.

Viet Nam joined ASEAN in 1995 and as such is committed to ASEAN integration with the ASEAN Economic Community (AEC) creating a single market of more than 600 million people in 2015. The economic and political priorities of the AEC were recently summed up in the AEC Blueprint 2025, adopted by ASEAN Leaders in November 2015.

Although the share of Vietnamese trade with ASEAN is increasing, the EU remains Viet Nam's second largest trading partner. Viet Nam's exports of commodities to the EU account for around 19% of its total exports. Exports of goods to the EU have seen double-digit growth for the past decade, reaching USD 31 billion in 2015. Telephone sets, footwear, textiles and electronics/computers are among the top exports from Viet Nam to the EU. Fisheries, processed wood and agricultural products jointly account for more than 10% of the total. Similarly, although at a slower pace, Viet Nam's imports of goods from the EU have been steadily growing over the past decade.

Negotiations for a free trade agreement (FTA) between the EU and Viet Nam were concluded in December 2015, after a three year negotiation process. This Agreement is part of Viet Nam's ambitious trade opening agenda which includes negotiations with Japan,

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<sup>2</sup> The Gini coefficient was 34.8 in 2014, practically unchanged since 1993.

<sup>3</sup> <http://data.worldbank.org>

<sup>4</sup> Viet Nam's Hirschman Herfindahl market concentration index was 0.06 in 2014 according to the World Bank. A country close to zero (on a 0 to 1 scale) has perfectly diversified exports.

Chile, the Eurasia Economic Union, South Korea and ASEAN. The accompanying press statement by the President of the European Commission, the President of the European Council and Viet Nam's Prime Minister announced the preparation of a "Joint Indicative Roadmap" and a "technical assistance package". Entry into force is foreseen in 2018. It is expected that the EU-Viet Nam Free Trade Agreement (EVFTA) will be high on the list of priorities of the Vietnamese Government.

The EU and Viet Nam share a long history of cooperation on trade. While previous generations of trade assistance programmes focused on supporting Viet Nam in its accession to the WTO and in implementing its WTO commitments, the current programme (European Trade Policy and Investment Support Project EU-MUTRAP, EUR 16 million, ending in mid-2017) has been providing capacity building to the Ministry of Industry and Trade (MOIT) during the negotiations of the EVFTA. EU-MUTRAP also includes a grant component used to extend support to six Viet Nam-based business organisations in export oriented sectors.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

ARISE Plus Viet Nam contributes to the implementation of the Regional Multiannual Indicative Programme Asia 2014-2020 which serves as the main framework for EU regional cooperation in Asia. The MIP Asia 2014-2020 includes an allocation to ASEAN regional economic integration with the ARISE Plus Programme as the main initiative of which this action is the national component for Viet Nam. ARISE Plus is closely aligned with the new 5 characteristics of the AEC Blueprint 2025 which provide a solid basis for trade related technical assistance in the region. ARISE Plus Viet Nam will follow this common regional approach and focus on several of the listed AEC Blueprint priorities identified under ARISE Plus.

At national level, a Comprehensive Partnership and Cooperation Agreement (PCA) between the EU and Viet Nam was signed in 2012 and entered into force on 1<sup>st</sup> October 2016. The contribution of trade and investment to development as well as the role of trade preferential agreements in promoting growth are acknowledged under Chapter 1 - Nature and Scope of the Agreement. Title IV of the PCA is reserved for cooperation on trade and investment issues.

The priorities set in the PCA echo several of the main objectives of Viet Nam's national development strategy. The Socio-Economic Development Strategy (SEDS) 2011–2020 lays the foundation for Viet Nam to become a "*modern oriented industrial economy by 2020*". An average target GDP growth rate is set at 7-8% per year until 2020. Global economic integration remains a guiding principle under the SEDS. Domestic enterprises are encouraged to "*take [an] active role to adapt to changes*" and develop "*many strong brand names and high competitiveness to take control of the domestic market and [expand in] external markets*". The SEDS also emphasises the need for export promotion in the agricultural sector. "*Quickly increase output and export turn-over of agricultural products to improve income and living standards for farmers*". In more general terms, the need to boost productivity appears prominently with a firm, quantifiable objective to make aggregate factor productivity contribute at least 35% to growth by 2020. More importantly, economic development is expected to foster human development. Viet Nam plans to achieve a Human Development Index (HDI) within the "medium to high group" of the world by 2020.

The conclusion of the EVFTA is an important chapter in Viet Nam's ambitious trade liberalisation agenda. For the EU, it is one of the bilateral FTAs in ASEAN conceived as building blocks towards a future region-to-region agreement. The EVFTA will lead to

enhanced cooperation on trade and investment between the parties. A Trade Committee, plus specialised committees and working groups, will be responsible for ensuring the proper operation of the EVFTA. The different bodies provide an opportunity to address market access concerns and to engage in closer regulatory cooperation.

### *1.1.2 Stakeholder analysis*

Direct target groups under ARISE Plus Viet Nam will include officials from agencies dealing with trade, standards and quality control. The Ministry of Industry and Trade (MOIT) has the mandate to deal with all matters related to WTO and FTAs, as well as integration into the ASEAN. While MOIT has good management capacity, it needs support in particular to strengthen its ability to analyse policy options and obligations created by new trade commitments. The increasing number of FTAs recently concluded by Viet Nam reportedly puts severe strain on the limited resources of the MOIT to ensure effective monitoring and implementation. Within MOIT, the Multilateral Trade Department has been leading FTA negotiations with the EU until their conclusion in 2015. This Department will take a leading role in the implementation of ARISE Plus Viet Nam on behalf of MOIT. Several other ministries and agencies deal with trade-related matters (e.g. Ministry of Finance under which the Customs Authority falls). The National Committee for International Economic Co-operation serves as a coordinating body between the ministries and line agencies. It was created in 1998 and is chaired by a Deputy Prime Minister.

The national WTO enquiry point for SPS matters is the SPS Office within the Ministry of Agriculture and Rural Development. Several other government agencies are responsible for SPS and food safety related matters, including the Ministry of Health (which hosts the Viet Nam Food Administration), the Ministry of Industry and Trade and the Ministry of Science and Technology, on top of other agencies under the Ministry of Agriculture and Rural Development - a situation that generates coordination challenges. The existing legislative framework is reasonably comprehensive following Viet Nam's accession to the WTO. Inter-agency coordination on the other hand is reportedly difficult while surveillance activities are still at an infancy stage. Capacities at regional and provincial levels for implementing nationally determined SPS policies and for securing food safety are particularly weak.

Standards and technical regulations are drawn up by technical committees with support from the Directorate for Standards, Metrology and Quality (STAMEQ), under the Ministry of Science and Technology. Its subsidiary bodies are responsible for metrology, conformity assessment, quality assurance, and certification. Accreditation is the responsibility of the Bureau of Accreditation, also under the Ministry of Science and Technology.

Final beneficiaries are expected to be the Vietnamese private sector at large in particular SMEs in sectors with a strong export potential. Viet Nam's private sector is well organised and each industry normally has its own membership association, including for products where the majority of output is exported (e.g. Association of Seafood Exporters and Producers, Textile and Clothing Association, Coffee and Cocoa Association). The largest group is the Viet Nam Chamber of Commerce and Industry (VCCI). VCCI acts as an umbrella organisation with more than 3,000 members. It has a number of ongoing partnerships with both central and local governments. Business associations targeted under calls for proposals (as demonstrated under EU-MUTRAP) have good connections with their members. Ownership from final beneficiaries, most of whom are SMEs, is strong as a result. Their experience managing EU grants and dealing with the corresponding paperwork varies

as does their financial capacity. The European Chamber of Commerce in Viet Nam (EuroCham) is also a recognised interlocutor in Viet Nam. Representing more than 900 companies, its mission is to defend European business interests and to improve the business environment in Viet Nam. The Whitebook published annually by EuroCham identifies key issues inhibiting business in Viet Nam and offers recommendations to the relevant authorities.

Civil society groups such as the academic community and NGOs on the other hand are typically underrepresented in economic fora and public discussions on trade agreements. Their capacity to impact trade policy decisions meaningfully is limited as a result. The EU is already engaged in supporting capacity of these actors, notably under the EIDHR. Additional actions can be foreseen under TRTA/ARISE Plus, with a specific focus on their participation in activities related to trade/FTA/TSD chapter.

### ***1.1.3 Priority areas for support/problem analysis***

The phasing-in of the ASEAN Economic Community and bilateral FTAs (including with the EU) means that Viet Nam is facing two closely intertwined challenges: 1) improve exporters' production processes and 2) adjust the regulatory framework.

1. The growth of exports from Viet Nam following the entry into force of new trade agreements calls for major improvements in exporters' production processes, in order to meet international quality standards and improve productivity.

Viet Nam's growth model has been heavily reliant on low-cost labour accumulation. As a result, productivity in local firms is very low compared to foreign owned enterprises. In 2016, the Asian Development Bank noted that "*low productivity and a lack of skilled labor among local firms [have] limited value chain linkages, and the lack of businesses supporting the export sector has reduced spillover benefits to Viet Nam's domestic economy.*" This situation is compounded by poor quality records and a focus on low added value products among Vietnamese exporters (Viet Nam imports about 90% of the value of its manufacturing exports).

Turning this situation around can be achieved through a gradual shift towards higher quality and higher added value products, relying on locally available services for standards definition, certification and conformity assessment. Viet Nam's quality infrastructure must expand together with trade and offer services to exporters that match the requirements of international buyers (see result 2).

Sanitary and Phytosanitary Standards are another important pillar of quality and a potential market access barrier for Vietnamese exporters. Although Viet Nam's regulations are partially in line with international best practices (e.g. World Organisation for Animal Health, Codex Alimentarius), enforcement of SPS measures can pose challenges due to the fragmentation of the production base and uneven capacities of local authorities which often leads to different interpretations. As an example, Viet Nam's list of chemicals authorised for agricultural use is more permissive than the corresponding list in the EU. This, combined with inappropriate agricultural practices and the difficulty to enforce controls on multiple small scale farms, mean that alerts related to exceedances of minimum residue limits for pesticides contained in fruits and vegetables from Viet Nam are frequent. Rejections at the border are common, as is the case for fisheries products. Improvements in quality management systems and surveillance along the production chain are still needed to support a significant increase in trade in agricultural produce (see result 1).

ARISE Plus Viet Nam will take advantage of Viet Nam's access to the EU market and ASEAN to integrate local export-oriented firms further into global value chains, through an improvement in the competitiveness and productivity of selected export industries (e.g. high quality agro-food products). Better quality will be promoted through better enforcement of technical regulations but also through the promotion of certification and international quality standards for exporters (see result 3).

The corresponding activities will address AEC’s priorities on quality infrastructure (AEC Blueprint “key element” A.1) as well as food quality and consumer protection (AEC Blueprint “key element” C.5). Support to the private sector will contribute to the AEC Blueprint Characteristic 4 – more precisely “Strengthening the Role of Micro, Medium and Small Enterprises (MSMEs)” and “Strengthening the Role of the Private Sector”. On the latter, ARISE Plus Viet Nam will build upon the achievements of previous export promotion programmes, including grant projects funded under EU-MUTRAP which supported the export strategies of six product associations in Viet Nam.

2. Viet Nam's regulatory framework needs to be adjusted to meet the requirements of new trade agreements. In 2013, the WTO noted that *"the effects of the FTAs on the institutional framework in Viet Nam have so far been more limited"*. A number of legislative areas are in need of harmonisation both within Viet Nam and with the rest of ASEAN. To improve the existing framework and the quality of enforcement, ARISE Plus Viet Nam will build on previous assessments, including a series of sector analyses launched in 2016 under EU-MUTRAP to assess the existing policy framework and the need for regulatory and institutional reform in anticipation of the entry into force of the EVFTA. This exercise will lead to the drafting of the EU-Viet Nam Joint Indicative Roadmap. Together with ASEAN trade agreements such as the ASEAN Trade in Goods Agreement (ATIGA), the Joint Indicative Roadmap will shape ARISE Plus Viet Nam future actions in support of EVFTA implementation. This includes training central and local authorities on new international investment commitments, the management of investment disputes and the preparation of the corresponding legal framework.

Importantly, the scope of the EVFTA does not limit itself to trade and investment disciplines and provisions. It also includes commitments to pursue sustainable development objectives through the implementation of provisions contained in the EVFTA. ARISE Plus Viet Nam will support this dialogue in areas of common interest where technical expertise is needed to ensure a holistic implementation of the EVFTA (e.g. fight against Illegal, Unregulated and Unreported (IUU) fishing, implementation of the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (FLEGT)) (see result 4).

**2. RISKS AND ASSUMPTIONS**

Risks	Risk level (H/M/L)	Mitigating measures
Unexpected economic shocks in the region and/or Viet Nam	L	A policy dialogue on the macro economic situation of Viet Nam is taking place in the context of the EU budget support to the energy sector, with an emphasis on measures likely to mitigate shocks (e.g. broadening the tax base and reducing tax evasion). The upcoming EU-funded Economic Governance programme will also promote stronger public finance management practices and reinforce economic stability.

Conflicting interests and/or conflict of authority between MOIT and other agencies	M	All relevant stakeholders will be members of the Steering Committee. EU audit recommendations with clear designation of agencies in charge will serve as a single reference document to harmonise efforts.
Capacity of local organisations to implement large contracts	M	Adapt the size of grant contracts to local capacities. Ensure proper financial training and monitoring by the EU Delegation when needed.
Late ratification and implementation of the EVFTA	L	Most project activities also support regional integration in the context of the ATIGA Agreement. Activities under Results 1, 2 and 3 were drafted with enough flexibility to allow implementation in the absence of the EVFTA.
<b>Assumptions</b>		
<p>It is assumed that Viet Nam will continue its policy of global and regional integration and will implement its commitments as member of ASEAN and party to the EVFTA. The programme's success will depend on the quality of the dialogue between both parties during implementation of the FTA expected to enter into force in 2018. More generally, the effectiveness of EU support will rely on Viet Nam's good governance and a continuation of reform policies.</p> <p>A large number of studies to date found a positive empirical correlation between trade liberalisation, growth and poverty reduction in Viet Nam, with limited negative impact on inequality - the latter being less straightforward when applied to cross-country studies. The programme will be implemented under the assumption that trade openness still contributes to poverty reduction in Viet Nam, bearing in mind that more time is needed to assess the full impact of openness to trade on the various dimensions of poverty and inequality (e.g. intra-household inequality).</p>		

### 3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

Working with one leading agency such as MOIT under EU MUTRAP generated more impact and led to stronger ownership. MOIT should remain in the lead while the need to focus on more FTA-related issues under the new programme should guide the selection of MOIT staff involved in the management of ARISE Plus .

The MUTRAP mid-term evaluation recommended streamlining activities (by reducing the number of components) and focusing efforts on a smaller number of themes - a recommendation reflected in the careful selection of priorities under ARISE Plus .

The MUTRAP mid-term evaluation also identified weaknesses in the way the programme's impact and achievements were being monitored. Furthermore, recommendations from previous evaluations were insufficiently taken into account. To remedy this situation, a more systematic monitoring of recommendations will be included in progress reports. An impact assessment specialist will also be recruited as non-key expert under ARISE Plus Viet Nam. His/her work and findings will be reported at all Steering Committee meetings.

The involvement of private sector organisations in EU-MUTRAP activities can still be improved. More inclusive selection criteria for beneficiaries are needed. The selection of grant beneficiaries must also give priority to sectors with a potential for export growth as opposed to enterprise development as an end in itself.

Finally some of the conclusions of the last ROM mission under EU-MUTRAP should be born in mind for ARISE Plus, in particular: i) implement follow-up recommendations for each completed activity so that training sessions do lead to concrete outcomes. ii) project activities to be attached where possible to programmes of the Ministry/government or stakeholder involved to ensure ownership and follow up.

### **3.2 Complementarity, synergy and donor coordination**

#### EU Projects:

ARISE Plus Viet Nam is part of the ARISE Plus programme, the regional component of which will be implemented roughly during the same period. Identified activities under the regional component which will directly involve Viet Nam include the development of an ASEAN Rapid Alert System for Food and Feed as well as harmonisation of standards for food products and pharmaceuticals in ASEAN. Importantly, the regional ARISE Plus component covers a wide spectrum of activities in support of trade facilitation and customs procedure harmonisation in ASEAN, such as strengthening the ASEAN self-certification scheme, the ASEAN single window and the implementation of the ASEAN Trade Facilitation Framework. The European Intellectual Property Office also provides technical assistance to ASEAN to upgrade systems for intellectual property rights (IPR) protection and enforcement, in line with the ASEAN IPR Action Plan 2016-2025. It is important that ARISE Plus Viet Nam allocates resources in a way that complements rather than overlaps with these priorities. The annual regional steering committee is the most appropriate platform to ensure coordination.

Other regional programmes addressing cross-cutting aspects of the EVFTA include the *Responsible Supply Chains* project promoting Corporate Social Responsibility in 6 Asian countries under the Partnership Instrument (EU contribution: EUR 9 million, 2017-2022). The project will complement ARISE Plus Viet Nam result 3 through the promotion of higher social and environmental standards in Vietnamese enterprises. An EU-funded, ILO-implemented action on *Promoting Fundamental Conventions of the ILO and action to eliminate discrimination and forced labour in Viet Nam* will also support part of the sustainable development chapter of the EVFTA (EU contribution: EUR 0.45 million, 2016-2018) and complement result 4.

The Viet Nam MIP for the period 2014-2020 foresees a EUR 50 million allocation to the Governance and Rule of Law sector. The first Economic Governance Programme (EUR 20 million) is currently being formulated. It will strengthen fiscal sustainability by enhancing public financial management systems, broadening the tax base and creating a more conducive environment for doing business in Viet Nam. Several areas of work under this programme will be of interest in the context of the EVFTA and will complement the work of ARISE Plus Viet Nam (e.g. public procurement, corporate governance, doing business environment).

#### Non-EU projects:

Overseas Development Aid to Viet Nam is being gradually scaled down as a result of the country's graduation from several bilateral development programmes. Trade related assistance is also affected but several key programmes are still under implementation. USAID has been providing technical assistance for about half of the Trans Pacific Partnership (TPP) 30 chapters since 2014. The future of this programme is now unclear

following the US withdrawal from the TPP. USAID is also a key donor behind the newly formed Global Alliance for Trade Facilitation – a multi-donor initiative based in Geneva which provides support towards the implementation of the WTO Trade Facilitation Agreement and may eventually take the lead on customs reform in Viet Nam.

In September 2016, the Asian Development Bank released its Country Partnership Strategy for the period 2016-2020. Pillar 1 on "Promoting job creation and competitiveness" includes priorities on private sector development with a view to reverse productivity growth decline. A budget of USD 200 million in loans is foreseen in 2018 to finance a private sector development programme. It is expected to facilitate access to finance for SMEs (financial inclusion) and introduce improvements to the business climate in order to reduce Viet Nam's dependence on state owned enterprises.

The ongoing *Decentralized Trade Support Services for Strengthening the International Competitiveness of Vietnamese SMEs* Programme is financed by the Government of Switzerland (USD 3.3 million over the period 2013 – 2017) and is managed by the Viet Nam Trade Promotion Agency (VIETRADE). It strengthens the capacity of provincial authorities and product associations to access foreign markets, including in the context of the EVFTA. The complementarity of this approach is evident as the project funded by the Swiss State Secretariat for Economic Affairs (SECO) focuses on decentralised business support services led by local authorities – an important mechanism for enterprises receiving direct support under ARISE Plus Viet Nam. Beneficiaries of this project will be included in the target groups of ARISE Plus Viet Nam (result 3) when possible, with a specific coordination mechanism between the two projects if SECO extends this assistance beyond 2017.

#### Coordination:

The MUTRAP mid-term evaluation noted that avoiding overlaps was not sufficient and that no formal platform existed to ensure donor-funded projects pushed in the same direction. The US decision to pull out of the Trans Pacific Partnership will likely have a negative impact on USAID's trade programme in Viet Nam. This development puts the EU in a natural position to lead, in consultation with its Member States, a donors' coordination group on trade related assistance. ARISE Plus Viet Nam will facilitate periodic meetings chaired by the EU which will take place at the Delegation. The meeting will promote exchanges of information as well as the coordination of work programmes. Each member will be invited to present activities in the pipeline and identify the main target groups and objectives. Follow-up meetings with Ministries concerned by possible overlaps will be organised with a view to promote an efficient division of labour.

### **3.3 Cross-cutting issues**

Environmental mainstreaming will be particularly relevant in the field of SPS and agriculture. International and European best practices in this area shall promote sustainable production along several Vietnamese exports' value chains. The sustainable development chapter of the EVFTA also offers an entry point to address common trade-related, environmental issues in connection with the trade in marine and forest-based resources.

The call for proposals foreseen under result 3 will seek to add value to exported Vietnamese products that enter the EU. As such, it will put a strong emphasis on promoting environmental and workers' protection, as well as corporate social responsibility practices, in line with internationally agreed principles and guidelines. Synergies will be pursued with the

Partnership Instrument project on EU Action on Responsible Supply Chains in Asia jointly implemented by ILO and OECD

A review of trade liberalisation and its impact on gender equality conducted by the European Parliament in 2015 found that women have benefitted from trade opening globally.<sup>5</sup> Risks exist however that inequalities between men and women persist in situations where women are trapped in low-income, low-skills positions. ARISE Plus Viet Nam will not address social policies per se but will support higher social standards in labour intensive, export-oriented sectors (result 3) with the potential to improve the working conditions of female workers. This way the project is expected to accompany Viet Nam's ongoing efforts to close the gender gap (65<sup>th</sup> out of 144 countries in the 2016 World Economic Forum Global Gender Gap Report, up from 75<sup>th</sup> two years earlier and ahead of Indonesia, Thailand and China). The implementation of the EVFTA which ARISE Plus Viet Nam supports under result 4 also includes commitments on the implementation of ILO Conventions already ratified, e.g. fundamental Conventions on Equal Remuneration (C100) and Discrimination (Employment and Occupation) (C111).

The project will systematically involve private sector representatives in consultations and trainings so that they are associated from the start and contribute to regulatory improvements. Such public private partnerships are still infrequent in Viet Nam. Lines are starting to shift though and private operators are being increasingly acknowledged by Viet Nam's leadership when setting the national economic agenda. ARISE Plus will promote more inclusive forms of economic governance and stronger public-private partnerships.

#### 4. DESCRIPTION OF THE ACTION

##### 4.1 Objectives/results

The **Overall Objective** of the programme is inclusive economic growth and poverty reduction in Viet Nam.

The **Specific Objective** is to maximise Viet Nam's benefits from preferential trade regimes, with a focus on regional agreements and the EU-Viet Nam FTA.

ARISE Plus Viet Nam will seek to achieve the following results:

1. **Enhanced compliance with sanitary and phytosanitary standards** to improve the safety of Viet Nam agro-food products and facilitate exports to the EU
2. **A national quality infrastructure is in place** that boosts competitiveness and addresses technical barriers to trade
3. **High quality products and services from Viet Nam are exported to the EU**, with a focus on SMEs internationalisation and sustainable business practices
4. **Comprehensive implementation of the EU-Viet Nam FTA**, through a rapid response facility

These expected results are in line with the Chapter on Cooperation and Capacity Building of the EU-Viet Nam Free Trade Agreement (Chapter 16) as well as with the technical assistance commitments included in several parts of the EVFTA text.

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<sup>5</sup> The EU's Trade Policy: from Gender-Blind to Gender-Sensitive?, European Parliament, 2015.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 8 “Decent Work and Economic Growth” but also promotes progress towards Goal 1 “No Poverty” and Goal 12 “Responsible Consumption and Production”. This does not imply a commitment by Viet Nam benefitting from this programme.

## 4.2 Main activities

A set of expected results and indicative associated activities are presented below:

**Result 1: Enhanced compliance with sanitary and phytosanitary standards** to improve the safety of Viet Nam agro-food products and facilitate exports to the EU

- Develop residue monitoring programmes for plant and fisheries products
- Information and communication on EU-approved chemicals for agricultural use and maximum residue levels
- Capacity building for laboratories involved in chemicals testing
- Improving coordination and capacity of the different agencies involved in SPS matters
- Dissemination of good agricultural standards (e.g. Good Agricultural Practices (GAP), Hazard Analysis and Critical Control Points (HACCP))
- Building up traceability and food safety alert systems along the value chains
- Timely follow up on EU audit recommendations

**Result 2: A national quality infrastructure is in place** that boosts competitiveness and addresses technical barriers to trade

- Exchanges of information between EU and Viet Nam on the definition of technical regulations, standards and conformity assessment procedures
- Dissemination of EU technical regulations to Vietnamese exporters
- Capacity building for conformity assessment bodies towards accreditation and certification
- Strengthening of laboratory networks and testing rooms

**Result 3: High quality products and services from Viet Nam are exported to the EU**

- Branding and marketing of top Vietnamese products for the European market
- Promotion of voluntary quality, social and environmental standards and certification schemes
- Development of socially responsible practices (e.g. Fair Trade)
- Development of organic agriculture certification for export
- Facilitating the internationalisation of Vietnamese SMEs

**Result 4: Comprehensive implementation of the EU-Viet Nam FTA**, through a rapid response facility

- Regulatory improvements in line with the Joint Indicative Roadmap, covering all chapters of the EVFTA (e.g. market access, trade facilitation, trade in services, SOEs, investment subsidies).
- Dissemination of information on EVFTA commitments (including information on service commitments) through a dedicated portal
- EVFTA-related studies, such as impact assessments
- Facilitation of dispute resolution, including Investment Dispute Resolution mechanisms

- Dialogue on joint Sustainable Development priorities of the EVFTA (e.g. fight against IUU fishing, Voluntary Partnership Agreement on FLEGT)

### **4.3 Intervention logic**

The entry into force of the EVFTA is expected to generate significant opportunities for Vietnamese exporters. ARISE Plus Viet Nam will seek to lift institutional and technical obstacles and pave the way for increased exports from Viet Nam to the EU. It is based on the assumption that state authorities in Viet Nam intend to carry on with the country's trade liberalisation agenda and that the EVFTA entry into force is not delayed.

The intervention logic addresses the main bottlenecks for Viet Nam to meet the requirements of the European market, namely compliance with sanitary requirements (result 1), a supportive infrastructure that addresses technical barriers to trade (result 2) and a marketing strategy that focuses on quality (result 3).

Under result 1, ARISE Plus Viet Nam will introduce more stringent safety controls for exported products on the basis of the existing legislation. Capacity building for decentralised government services in charge of surveillance and better awareness from the private sector will strengthen the traceability of products and reduce the likelihood of contamination. Reinforced coordination between agencies dealing with food safety will result from their participation in the steering committee and joint endorsement of improvements brought by the programme. The availability of periodic EU audit recommendations will also guide the coordinated work of different agencies.

Under result 2, Vietnamese exporters will have better access to information on technical requirements in the EU. The range of services available to them to meet these requirements and test their products will also increase. The continuous commitment from the Government of Viet Nam to make resources available and build a strong quality infrastructure will support this process.

Direct technical and marketing support under result 3 will bring about improvements in the way private sector develops high quality products for the European market. New environmental and social certification schemes with the potential to add value to products will be promoted. Close collaboration between authorities and private sector is expected to achieve maximum impact and disseminate available certification schemes.

Activities under result 4 will also ensure that a constructive dialogue between the two parties to the EVFTA is in place to ensure that irritants are addressed quickly and the process of trade integration between Viet Nam and the EU is not derailed. The Joint Indicative Roadmap is expected to be the main priority under result 4.

This intervention will ultimately boost exports from Viet Nam. It will translate into job creations and poverty reduction as previous studies on Viet Nam's growth model have pointed out. An improvement in environmental and social standards will also result from the adoption of cleaner and more stringent production processes to enter the European market.

## **5. IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

### **5.3 Implementation modalities**

#### **5.3.1 Grants: call for proposals "Promoting high quality exports from Viet Nam to the EU" (direct management)**

##### *(a) Objectives of the grants, fields of intervention, priorities of the year and expected results*

The objectives of the grants will be in line with the objectives of the programme (4.1) and will cover more specifically Result 3, namely "*High quality products and services from Viet Nam are exported to the EU, with a focus on SMEs internationalisation and sustainable business practices*". Farmers and small and medium enterprises with a potential for export will be the main beneficiaries. The dissemination of international best practices for environmental protection, clean production and/or labour standards will be an essential part of grant activities.

Expected results include i) better branding and visibility in Europe for selected high-quality Vietnamese exports, ii) adoption of cleaner, socially responsible production methods and iii) increased number of Vietnamese SMEs liaising with international buyers.

##### *(b) Eligibility conditions*

- be legal persons
- be non-profit-making
- be a business association, an academic institution, a local authority, a Non-Governmental Organisation or an International Organisation
- be established<sup>6</sup> in a Member State of the European Union or in a country as stipulated in the Article 9 of Regulation (EU) No 236/2014.

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<sup>6</sup> To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

- one of the co-beneficiaries must have had a presence in Viet Nam for at least 3 years at the time the call for proposals is launched. This obligation does not apply to international organisations
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as a mere intermediary

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 500,000 – 800,000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 42 months.

*(c) Essential selection and award criteria*

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

*(d) Maximum rate of co-financing*

The maximum possible rate of co-financing for grants under this call is 80%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

*(e) Indicative timing to launch the call*

Q1 2018

**5.3.2 Procurement (direct management)**

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical Assistance	Services	1	Q4 2017

**5.4 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.5 Indicative budget

	<b>EU contribution (EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
5.3.1 Grants: call for proposals "Promoting high quality exports from Viet Nam to the EU" (direct management)	1 600 000	EUR 400 000
5.3.2. Procurement (direct management) for technical assistance, incl. communication and visibility	4 250 000	
5.8 Evaluation	100 000	N/A
5.9. Audit	50 000	N/A
<b>Total</b>	<b>6 000 000</b>	<b>EUR 400 000</b>

## 5.6 Organisational set-up and responsibilities

A Project Steering Committee (PSC) will be established with responsibility for guiding the project and for approving work plans. The PSC will meet yearly and ad hoc, as required. The secretariat of the PSC will be the responsibility of the team leader of the technical assistance team.

The PSC shall be made up of at least:

- A representative from MOIT, in charge of external trade relations (Chair)
- A representative from MOIT, in charge of ASEAN Integration;
- A representative from the EU Delegation to Viet Nam (co-Chair)
- A representative from the Ministry of Agriculture and Rural Development
- A representative from the Ministry of Science and Technology
- A representative from the Ministry of Health
- A representative from the Ministry of Planning and Investment
- A representative from the Ministry of Finance
- A representative from the Ministry of Natural Resources and Environment
- Other relevant stakeholders as well as EU Member States or other donors may be invited.

The PSC will coordinate activities with other components of the ARISE Plus programme in the region and ensure timely exchange of information and best practices. Work programmes will be prepared in consultation with the regional component. An annual joint regional steering committee for the overall ARISE Plus Programme will be set up, with the participation of EU Delegations and a representative from the Government of Viet Nam.

An annual coordination meeting with grant beneficiaries will be convened by the EU Delegation.

## 5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial

monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

Having regard to the importance of the action, a mid-term and final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the project will look back at four consecutive phases of trade assistance delivery in a context of strengthened trade relations between the EU and Viet Nam.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in 2020 and 2022.

## **5.9 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in 2022.

## **5.10 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

## Indicative Logical Framework: ARISE Plus Viet Nam Programme

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines	Targets	Sources and means of verification	Assumptions (+) and risks (-)
<b>Overall Objective</b>	<b>Inclusive economic growth and poverty reduction in Viet Nam</b>	O.1 Human Development Index (HDI) O.2 Population living under the national poverty line O.3 GDP growth	O.1 - HDI ranking 116 out of 188 countries (2015) O.2 – 13.5% population under the national poverty line (2014) O.3 - GDP growth rate 6.7% (2015)	O.1 – HDI in the medium to high group by 2020 O.2 - Rate of poor households down 2-3%/year (SEDS) O.3 – GDP growth rate 7-8% until 2020 (SEDS)	UN Reports General Statistics Office of Viet Nam	
<b>Project Purpose</b>	Viet Nam benefits from preferential trade regimes, with a focus on regional agreements and the EU-Viet Nam FTA	P.1 Total Viet Nam exports in value (EU RF L1 30) P.2 Viet Nam utilisation rate of EVFTA P.3 Market share of Viet Nam products in global/regional trade (EU RF L2 29) P.4 Share of Viet Nam in EU Trade with ASEAN	P.1 \$173 Billion in 2015 (90% of GDP) P.2 EVFTA entry into force in 2018 P.3 7.7% of intra-ASEAN trade (2015) P.4 19.1% of ASEAN Trade with EU (2015)	P.1 +15%/year from entry into force of EVFTA to 2022 P.2 75% on available tariff cuts by 2022 P.3 At least 8.5% by 2022 P.4 At least 20% by 2022	WB Trade Indicators UNCTAD Trade and Development Report ASEAN Secretariat Trade Statistics DG TRADE	(+) Continued commitment of Government to economic integration (+) Political stability (-) Delays in signing of the EVFTA

<b>Project Result 1</b>	<b>Enhanced compliance with Sanitary and Phytosanitary Standards</b>	<p>R.1.1 Number of SPS incidents for exported food products reduced</p> <p>R.1.2. Number of RASSF notifications traced back to producer and addressed</p> <p>R.1.3. Number of authorised chemicals tested against EU MRL before export</p> <p>R.1.4. Number of EU audit recommendations addressed</p>	<p>R.1.1. 15 alerts and 32 border rejections in 2016.</p> <p>R.1.2. Partial as of 2014 (EU Audit Report)</p> <p>R.1.3. Limited scope as of 2014 (EU Audit Report)</p> <p>R.1.4. Six out of eight recommendations from 2014 EU audit report on seafood implemented as of 2015.</p>	<p>R.1.1. 50% decrease by 2022</p> <p>R.1.2. Full traceability and follow up by 2022</p> <p>R.1.3. At least 75% by 2022</p> <p>R.1.4. 100% by 2022</p>	<p>RASSF Website</p> <p>EU Audit Reports</p> <p>Ministry of Agriculture and Rural Development</p>	<p>(+) Good collaboration between agencies</p>
<b>Project Result 2</b>	<b>Viet Nam's national quality infrastructure boosts competitiveness and facilitates trade</b>	<p>R.2.1 Share of accredited CABs</p> <p>R.2.2 Share of Vietnamese standards aligned with international standards</p> <p>R.2.3 Access to information on EU technical regulations (through EU Helpdesk)</p> <p>R.2.4 Number of standards used by export-driven industries certified locally</p> <p>R.2.5 Availability of laboratory networks for export-driven industries</p>	<p>R.2.1 Approx. 50% as of 2013</p> <p>R.2.2 Approx. 40% as of 2013</p> <p>R.2.3 EU Helpdesk visitors from Viet Nam (4571 or approx. 50% of ASEAN visitors in 2016)</p> <p>R.2.4 N/A</p> <p>R.2.5 N/A</p>	<p>R.2.1 At least 70% by 2022</p> <p>R.2.2 At least 60% by 2022</p> <p>R.2.3 +50% by 2022.</p> <p>R.2.4 +20 standards by 2022</p> <p>R.2.5 Two (new) networks operational</p>	<p>Ministry of Science and Technology</p> <p>WTO Trade Review for Viet Nam</p> <p>EU Helpdesk</p> <p>Viet Nam Association of Testing Laboratories</p>	<p>(+) Resources available for quality infrastructure</p>
<b>Project Result 3</b>	<b>High quality products and services from Viet Nam are exported to the EU</b>	<p>R.3.1 Number and size of exporters adopting clean production practices along value chain</p> <p>R.3.2 Value of socially responsible or green standards adopted by exporters (e.g. Fair Trade, good forest management practices etc)</p> <p>R.3.3 Value of exported organic produce</p> <p>R.3.4 Number of Vietnamese SMEs liaising with international buyers</p>	<p>R.3.1. N/A (to be determined at inception stage)</p> <p>R.3.2.N/A (to be determined at inception stage)</p> <p>R.3.3 EUR 14 million in 2013. EU share negligible.</p> <p>R.3.4.N/A (to be determined at inception stage)</p>	<p>R.3.1 +100 exporters by 2022, with combined turnover EUR 500 million.</p> <p>R.3.2 EUR 100 million by 2022</p> <p>R.3.3 At least EUR 20 million. EU share 20%.</p> <p>R.3.4 +100 new SMEs between 2018-2022.</p>	<p>Project reports</p> <p>International reports on sustainable production standards (e.g. by WFTO, IFOAM, FAO)</p> <p>Viet Nam Business Associations</p>	<p>(+) Participation of authorities to promote best practices</p>

<b>Project Result 4</b>	<b>Comprehensive implementation of the EU-Viet Nam FTA</b>	R 4.1. Number of recommendations in the Joint Indicative Roadmap implemented R.4.2 Number of FLEGT licences issued R.4.3. Viet Nam's IUU status	R.4.1 Roadmap to be finalised in 2017 R.4.2 None as of 2017 R.4.3 "Green card" as of 2017	R.4.1 80% by 2022 R.4.2 First licence by 2020 R.4.3 No warning during the period 2018-2022	Project Reports DG ENV DG MARE	
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