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SUCCESS STORY

Participatory Policy-Making Drives Business Environment Reform in Vietnam

“Vietnam’s business environment reforms are a model for inclusive policy-making, bringing greater public participation and transparency to the work of government.”

A representative from the European Chamber of Commerce shares her views at the launch of Resolution 02/2022 on March 3, 2022

Photo caption

USAID has been a steadfast supporter of Vietnam’s reform efforts since 2014, working alongside CIEM and the General Department of Vietnam Customs. This long-standing collaboration is focused on the development and implementation of annual Government Resolutions 19 (2014-2018) and 02 (2019-2022), which set out concrete reforms and assign responsibilities to government ministries and agencies.

According to Ms. Nguyen Minh Thao, Head of Business Environment and Competitiveness at the Ministry of Planning and Investment’s Central Institute for Economic Management (CIEM), “Vietnam’s business environment reforms are a model for inclusive policy-making, bringing greater public participation and transparency to the work of government.”

Mr. Tran Viet Huy, CEO of Tracimexco - Supply Chain and Agency Services (TRA-SAS) and Head of Customs Procedures and Trade Facilitation at the Vietnam Logistics Association, has seen the impact of these reforms firsthand. As CEO of a company providing logistics services for international companies, reforms to specialized inspections (SI) – a procedure ensuring the quality of import-export goods – have been particularly welcome.

“The costs for enterprises – in both time and money – related to SI used to be substantial. Resolutions 19 and 02 have changed all that; their resulting SI reforms have reduced these costs dramatically,” said Mr. Huy.

Mr. Huy’s experience is supported by the numbers: “By the end of 2019, the number of goods subject to SI was reduced by 12,600 (15%),” explained Ms. Thao, “and the percentage of import shipments subject to pre-clearance SI has dropped by 6 percent.”

The USAID Trade Facilitation Program has been supporting business environment reforms through Resolution 02 since 2018, with a particular emphasis on SI. Public participation has been central to these efforts. The Program provides a platform for the business community and the wider public to air their views, adding to the evidence base that has been driving reforms.

This commitment to inclusive policy-making was demonstrated in 2021, when the Program supported CIEM to evaluate six years (2014-2020) of SI reform. More than 30 public and private sector stakeholders, including 16 business associations, were surveyed for their opinions, ensuring perspectives from the private sector were included in the policy-making process. Recommendations from the evaluation provided key inputs for the priorities set out in this year’s Resolution 02, which was issued by the Government on January 10, 2022.

This level of public consultation and transparency is leading to greater public engagement in the work of government.

“Since 2014, the issuance of Resolutions 19 and 02 by the Prime Minister has become an eagerly anticipated event for the business community, policy researchers, and the media,” said Ms. Thao.

As Vietnam accelerates efforts to develop a more attractive business environment, the USAID Trade Facilitation Program is laying the foundations for reforms that will make it easier for enterprises and investors – both Vietnamese and foreign – to do business in Vietnam.
