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I. General Information

Grantee Organization Name: American Chamber of Commerce in Vietnam (AmCham) – HCMC Chapter

Grant Activity Title: Vietnam Trade Facilitation Alliance (VTFA), Phase 2

Grant Number: GUC-102 Date: May 1, 2017

Reporting Period: 5/1/2017 – 5/1/2018

Date of submission: 6/4/2018

This report covers the activities of the Vietnam Trade Facilitation Alliance for the period from May 1, 2017 through May 1, 2018.

II. Summary of the activity objectives and achievements

Objectives

VTFA Phase 2, objectives¹ were to continue to provide technical assistance to help Vietnam meet the commitments in the Trade Facilitation Agreement and other related, similar agreements, to help develop a new legal and regulatory system in Vietnam for customs and trade facilitation that will provide commerce in Vietnam with the predictability and efficiency that modern trade requires, based on several World Customs Organization (WCO) key governing principles, including:

1. transparency and predictability of Customs and Partner Government Agency actions, policies, and regulations;
2. standardization and simplification of the goods declaration and supporting documents;
3. simplified procedures for authorized persons;
4. maximum use of information technology;
5. minimum necessary Customs control to ensure compliance with regulations;

¹ VTFA Concept Paper, Mar 8, 2015, p 4 and http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv.aspx

6. use of risk management and audit based controls;
7. coordinated interventions with other border agencies;
8. partnership with the trade.

The original objectives were to be achieved over the course of nearly four years, from April 20, 2015 to September 30, 2018; however, the grant agreement (Phase 1) funding was suspended in August 2016, and not renewed (phase 2) until May 1, 2017 – May 1, 2018.

Substantial progress was made on objective 2. At a meeting in HCMC on June 9, 2018 with USAID Senior Advisor Ana Guevara and USAID International Trade Specialist Eleanor Thornton, an AmCham company logistics and supply chain manager said that GDVC standardization and simplification of the goods declaration and supporting documents had resulted in cost savings of \$800,000/year for her company.

The objectives of VTFA Phase 2 were further simplified, based on the lower level of funding and the expressed interest of key Vietnamese partner organizations, which wanted to focus on food safety systems and import procedures of food safety state management agencies ... Ministry of Health (MoH), Ministry of Agriculture and Rural Development (MARD), Ministry of Industry and Trade (MoIT) in Vietnam, and Food and Drug Administration (FDA) and Department of Agriculture/Food Safety Inspection Service (USDA/FSIS) in the U.S. While we maintained the Strategic Objectives listed below, we added some “tactical objectives”

The Strategic Objectives² were to help Vietnam

- 1/ establish an effective National Committee on Trade Facilitation, in accordance with the commitment in TFA, Sec. III, paragraph 23.2³

Substantial progress was made on this objective in Phase 1. Regulatory documents to establish a National Committee on Trade Facilitation were prepared, approved by Deputy Prime Minister Vương Đình Huệ in May 2016, and approved by the Prime Minister on October 4, 2016.⁴ In addition, the Prime Minister approved a national plan to implement the WTO Trade Facilitation Agreement on Oct 13, 2016, with the participation of 19 agencies, including the General Department of Vietnam Customs, the Office of Government, and the Vietnam Chamber of Commerce and Industry.⁵

² <http://www.amchamvietnam.com/nctf-cmaa-customs-business-consultations-in-the-wto-tfa/>

³ “Sec. III, Art. 23.2 National Committee on Trade Facilitation Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.”

⁴ <http://thuvienphapluat.vn/van-ban/Xuat-nhap-khau/Quyết-dinh-1899-QĐ-TTg-Uy-ban-chi-đạo-quốc-gia-co-che-mot-cua-ASEAN-mot-cua-quoc-gia-2016-324598.aspx> VỀ VIỆC THÀNH LẬP ỦY BAN CHỈ ĐẠO QUỐC GIA VỀ CƠ CHẾ MỘT CỬA ASEAN, CƠ CHẾ MỘT CỬA QUỐC GIA VÀ TẠO THUẬN LỢI THƯƠNG MẠI and <http://customsnews.vn/national-steering-committee-for-asw-nsw-and-trade-facilitation-connecting-nsw-and-specialized-inspections-1061.html>

⁵ <http://thuvienphapluat.vn/van-ban/Thuong-mai/Quyết-dinh-1969-QĐ-TTg-chuan-bi-hiep-dinh-tao-thuan-loi-thuong-mai-to-chuc-thuong-mai-the-gioi-2016-325846.aspx> Quyết định 1969/QĐ-TTg chuẩn bị hiệp định tạo thuận lợi thương mại tổ chức thương mại thế giới 2016, Oct 13, 2016

Additional substantial progress was made toward the end of VTFA, Phase 2, when Deputy Prime Minister Vương Đình Huệ Chairman of the National Committee on Trade Facilitation, the Office of Government,⁶ and the General Department of Vietnam Customs (GDVC)⁷ announced that a National Conference on Single Windows and Trade Facilitation would be held in May or June 2018, to review Trade Facilitation Agreement implementation efforts to date, planned additional implementation, and questions from companies on import/export procedures.

While we can't claim a direct role in the upcoming National Conference on Single Windows and Trade Facilitation, we feel confident that VTFA activities have played an indirect, generally supporting role that helped create a "consensus of informed opinion" in business and government that favors increased transparency and public-private collaboration in trade facilitation

2/ sign a Customs Mutual Assistance Agreement between CBP and GDVC, a commitment in TFA, Sec. I, Article 12, and TPP Chap 5, Article 2.

The Jul 28-29, 2016 Mission of CBP Leaders and Business Advisors resulted in a CBP – GDVC "foundation agreement" on intelligence and information sharing, as a first step toward a full Customs Mutual Assistance Agreement, which was agreed on as a goal to move towards, and an informal target date was set for signing a CMAA during the APEC Leaders' Meeting in Vietnam in 2017.

Little progress was made on this objective. The U.S. CBP submitted a draft CMAA to GDVC in August 2017, with the hope of concluding it at the November 2017 APEC Leaders meeting in Vietnam, but it was not signed. We have followed up with U.S. CBP in the spring of 2018 to get the CMAA back on track, but have no favorable progress to date.

3/ establish an institutional framework for meaningful Government-Business Consultations (similar to COAC⁸), a commitment in TFA Sec I, Articles 1 and 2, and TPP Chap 5, Article 11.

Very significant progress was made on this objective when a nine-months long effort to revise food safety import procedures ended with the existing "Decree 38" being completely replaced with a new "Decree 15," based on substantial input from businesses, led by VCCI, the AmCham Food & Beverage Sector Committee, and other Vietnamese business associations such as VASEP (Vietnam Association of Seafood Exporters and Processors).

"PHÊ DUYỆT KẾ HOẠCH CHUẨN BỊ VÀ TRIỂN KHAI THỰC HIỆN HIỆP ĐỊNH TẠO THUẬN LỢI THƯƠNG MẠI CỦA TỔ CHỨC THƯƠNG MẠI THẾ GIỚI"

⁶ Notice 137 E, Office of Government, Apr 12, 2018

https://www.dropbox.com/s/hbhibprsnludxej/1%20Notice%20137%20of%20Government%20Office_EN.docx?dl=0

⁷ GDVC Official Letter No. 2105, Apr 19, 2018

https://www.dropbox.com/s/yjfrac3hf16km5k/3%20Letter%202105%20of%20GDVC_EN.docx?dl=0

⁸ <https://www.cbp.gov/trade/stakeholder-engagement/coac>

VTFA, together with AmCham's Food & Beverage Sector Committee and GIG/USAID, working in consultations and meetings over a period of six months, helped achieve this major revision/replacement of ("Decree 38") for food products in November 2017, "Decree 38" had regularly been cited by the U.S. Trade Representative's annual National Trade Estimates report of foreign trade barriers as a major hindrance to U.S. agricultural exports to Vietnam, saying that "It is broad in scope, containing regulations for a wide variety of horticultural, seafood, and meat products, and it applies to both foreign and domestic products. Its broad scope and uneven enforcement has led to uncertainty for U.S. exporters and Vietnamese importers. The United States will continue to raise these issues with Vietnam."⁹

According to the AmCham Food & Beverage Sector Committee, "the new draft decree is a great **revolution** by reducing more than 90% of government importation inspection, reducing the administrative burden to food industries; at least 90% of the food shipments would not be subject to specialized inspection before clearance, it will transfer directly from pre-inspection to post inspection. According to estimates by the Ministry of Health, the implementation of Decree 15/2018 / ND-CP will save nearly 2.9 million working days as well as saving 2,500 billion VND."¹⁰

Our "tactical objectives" focused on informing Vietnamese partners about the U.S. Food Safety Modernization Act (FSMA) and implementing procedures, regulations, and systems, with a view to having Vietnam use the FSMA as a template for revising the food safety system in Vietnam. There is considerable popular and political concern about the inadequacy of Vietnam's current food safety system. Our activities in this sector actually started at the request of and with funding by Vietnam private sector partners, led by the Vietnam High Quality Products Business Association (HVCLC), and the Leading Business Club, a group of entrepreneurs based in Ho Chi Minh City.

Achievements

Some of our achievements include

- good branding and well-received awareness about the "Vietnam Trade Facilitation Alliance" from both central and provincial governments, including almost all key stakeholders in trade facilitation, e.g., Ministries, PM Office (Office of Government), National Assembly, Implementing agencies (Customs, Port authority, etc.), and especially private sector (VCCI, Vietnam & foreign business associations, enterprises, etc.).
- well-established cooperation and partnership with HCMC, Binh Duong and Dong Nai at all levels from People's Committee to Customs and Departments, from provincial business associations to individual businesses.

⁹ USTR National Trade Estimates, 2016, page 451, <https://ustr.gov/sites/default/files/2016-NTE-Report-FINAL.pdf>

¹⁰ <http://customsnews.vn/saving-2500-billion-vnd-by-cutting-down-specialized-inspections-of-food-safety-6424.html>

These reputational achievements are a firm foundation for VTFA to achieve its objectives in helping Vietnam meet the commitments in TFA in the coming years.

To achieve the objectives, the following are essential, as outlined by the WTO in its October 2015 World Trade Report,¹¹

A/ "Political involvement, at the ministerial, prime ministerial or presidential level, is often viewed as a manifestation of appropriation and ownership of the trade facilitation reform and an active and dedicated lead agency, team or individual in charge of launching, implementing and overseeing trade facilitation reform."

USAID's Virginia Brown, Director of the Office of Trade and Regulatory Reform, said in March 2016 that the "the National Committee on Trade Facilitation is a pre-requisite for technical assistance to support TFA implementation." VTFA initiated high-level "whole of government" involvement by developing close working relations with VCCI and other business associations, and we arranged a key meeting on July 29, 2016 for the CBP Senior Leaders and Business Advisors Mission with Mr. Le Manh Ha, Deputy Minister of the Office of Government, to emphasize the importance of political involvement at the prime minister/deputy prime minister level. This was a good start.

Substantial progress was made on this objective. Regulatory documents to establish a National Committee on Trade Facilitation were prepared, approved by Deputy Prime Minister Vương Đình Huệ in May 2016, and approved by the Prime Minister on October 4, 2016.¹² In addition, the Prime Minister approved a national plan to implement the WTO Trade Facilitation Agreement on Oct 13, 2016, with the participation of 19 agencies, including the General Department of Vietnam Customs, the Office of Government, and the Vietnam Chamber of Commerce and Industry.¹³

Additional substantial progress was made toward the end of VTFA, Phase 2, when the Deputy Prime Minister Vương Đình Huệ Chairman of the National Committee on Trade Facilitation, the Office of Government,¹⁴ and the General

¹¹ From WTO World Trade Report 10/2015

https://www.wto.org/english/news_e/pres15_e/pr755_e.htm

https://www.wto.org/english/news_e/pres15_e/WTR_2015_Launch_e.pdf

https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

¹² <http://thuvienphapluat.vn/van-ban/Xuat-nhap-khau/Quyết-dinh-1899-QĐ-TTg-Uy-ban-chi-dao-quoc-gia-co-che-mot-cua-ASEAN-mot-cua-quoc-gia-2016-324598.aspx> VỀ VIỆC THÀNH LẬP ỦY BAN CHỈ ĐẠO QUỐC GIA VỀ CƠ CHẾ MỘT CỬA ASEAN, CƠ CHẾ MỘT CỬA QUỐC GIA VÀ TẠO THUẬN LỢI THƯƠNG MẠI and <http://customsnews.vn/national-steering-committee-for-asw-nsw-and-trade-facilitation-connecting-nsw-and-specialized-inspections-1061.html>

¹³ <http://thuvienphapluat.vn/van-ban/Thuong-mai/Quyết-dinh-1969-QĐ-TTg-chuan-bi-hiep-dinh-tao-thuan-loi-thuong-mai-to-chuc-thuong-mai-the-gioi-2016-325846.aspx> Quyết định 1969/QĐ-TTg chuẩn bị hiệp định tạo thuận lợi thương mại tổ chức thương mại thế giới 2016, Oct 13, 2016 "PHÊ DUYỆT KẾ HOẠCH CHUẨN BỊ VÀ TRIỂN KHAI THỰC HIỆN HIỆP ĐỊNH TẠO THUẬN LỢI THƯƠNG MẠI CỦA TỔ CHỨC THƯƠNG MẠI THẾ GIỚI"

¹⁴ Notice 137 E, Office of Government, Apr 12, 2018

https://www.dropbox.com/s/hbhibprsnludxej/1%20Notice%20137%20of%20Government%20Office_EN.docx?dl=0

Department of Vietnam Customs (GDVC)¹⁵ announced that a National Council on Single Windows and Trade Facilitation would be held in May or June 2018, to review Trade Facilitation Agreement implementation efforts to date, planned additional implementation, and questions from companies on import/export procedures.

While VTFA can't claim a direct role in the upcoming National Conference on Single Windows and Trade Facilitation, we feel confident that VTFA activities have played an indirect, generally supporting role that helped create a "consensus of informed opinion" in business and government that favors increased transparency and public-private collaboration in trade facilitation

B/ "Active involvement and adherence of local private sector stakeholders, including chambers of commerce, business associations, and civil society engaged in trade and transport activities."

We clearly achieved the active involvement of the Vietnamese private sector stakeholders, led by VCCI and key industry associations such as the High-Quality Vietnam Business Association, as demonstrated by the large and high-level government and business's participation in all the key events. Our focus was to build a strong working relationship with Vietnamese organizations first, and later to cooperate closely with foreign business associations as well.

C/ "The involvement, commitment and readiness of the different ministries and agencies operating at ports and border crossings. Customs are not the only government agency involved in trade facilitation. Delineation and coordination of the responsibilities of implementing agencies, including customs, but also airport and port authorities and border control agencies, such as sanitary and phytosanitary and environmental protection departments, can be important to eliminate any incompatible procedures, redundancy and duplication in the design and implementation of trade facilitation measures."

We achieved significant progress in the food safety sector with the new Decree 15 issued by the Ministry of Health. As VCCI Chairman Vu Thanh Loc said,¹⁶ "The pressure exerted by the government and the prime minister to remove unnecessary business fees and conditions as well as administrative procedures enabled relevant ministries and agencies to act drastically. The issuance of Decree 15 demonstrated the determination of the government and perseverance of the business community, and should be taken as a **lesson** by other ministries and agencies in removing [constraints and improving] business conditions."

As for Customs officials, Ho Chi Minh City Customs leaders signaled Jan. 24 they are moving toward more voluntary compliance with export-import procedures, based on the two concepts of "informed compliance" and "shared responsibility," a

¹⁵ GDVC Official Letter No. 2105, Apr 19, 2018

https://www.dropbox.com/s/yjfrag3hf16km5k/3%20Letter%202105%20of%20GDVC_EN.docx?dl=0

¹⁶ "New decree to serve as motivation for Vietnamese businesses," Vietnam Investment Review, Feb 25, 2018. <http://www.vir.com.vn/new-decree-to-serve-as-motivation-for-vietnamese-businesses-56463.html>

style of U.S. enforcement that emerged from the North American Free Trade Agreement, and is embodied in the Trade Facilitation Agreement.¹⁷ Đinh Ngọc Thắng, the city's deputy customs chief, at the Jan 24, 2018 consultations, adopted the language of his U.S. counterparts who advocate “informed compliance” and “shared responsibility,” by which customs authorities supply more legal information to traders, who then take greater initiative to meet their legal duties.

D/ “Envisaging and preparing a realistic and sustainable funding mechanism to implement the trade facilitation initiative, ranging from domestic funding to external financial support, or a combination of both.”

This area has been the biggest challenge, since the VTFA Phase 2 grant budget was drastically cut from \$346,484 in January 2017 to \$128,646 in May that year. but we achieved some good success in the beginning and throughout the project in partner funding of events. Private sector contributions of \$132,755 exceeded the grant funding. This will be a critical area in ongoing activities.

E/ Phased approach: establish and follow proper sequencing. Sufficient time is often needed between the elaboration of the trade facilitation measures and their actual implementation in order to prepare the ground, bring all stakeholders on board and build internal capacity through outreach and training activities and potential additional investment (e.g. infrastructure, IT upgrades, etc.). Trade facilitation reform is often viewed as a long-term, gradual process that should not be too slow, so as not to erode the initiative’s momentum, and not too fast, so as not to exacerbate resistance and undermine the reform’s sustainability.”

This also has been a challenge, but based on the experience of the past three years, including both VTFA Phase 1 and Phase 2, we are becoming more comfortable in developing a phased and sequenced approach.

III. Summary of Implementation Process, Lessons Learned, Recommendations

Implementation Process

April – June, 2017: We actually started our implementation activities based on funding from Vietnamese Partner organizations, before USAID/GIG funding was received for VTFA Phase 2.

Jan 18, 2017 AmCham/VTFA, High Quality VN Products Business Assn, GFSF sign MOU

The High Quality Việt Nam Products Business Association, AmCham and the Washington-based Global Food Safety Forum signed a memorandum of understanding on co-operation in food safety¹⁸ in January 2017.

The first objective, funded by the Vietnam partner organization, was to help

¹⁷ https://en.wikipedia.org/wiki/Customs_Modernization_Act

¹⁸ <http://www.amchamvietnam.com/vietnam-u-s-team-up-for-food-safety/>

Vietnamese companies join global food supply chains under the FDA's "International Food Safety Capacity Building Plan"¹⁹

The second objective was to help improve Vietnam's Food Safety system, based on understanding the basic concepts of the FSMA, and using that as a template to revise and improve Vietnam's system. One of the FSMA key concepts is public-private partnership for "informed compliance" and "shared responsibility." In the case of FSMA, this was exemplified by the "Food Safety Preventive Controls Alliance" (FSPCA),²⁰ "a broad-based public private alliance consisting of key industry, academic and government stakeholders whose mission is to support safe food production by developing a nationwide core curriculum, training and outreach programs to assist companies producing human and animal food in complying with the preventive controls regulations ... of the FSMA." Moreover, the FDA will provide "training of foreign governments and food producers on US requirements for safe food." To reach our objectives, we planned delegation visits to the US and Việt Nam, workshop and town hall meetings, and training programmes targeting company managers, technicians, and official representatives from safety regulatory agencies, and special on-site training at Vietnamese companies.

Mar 18-25, 2017 Vietnam Food Safety Delegation to Washington DC.

AmCham and the Global Food Safety Forum collaborated to organize an 8-person delegation from the Vietnam High Quality Products Business Association to meet with key government and business entities in the U.S. Food Safety system. Meetings were organized with key staff of the following organizations: Center for Food Safety and Applied Nutrition (FDA/CFSAN); Consumer Federation of America (CFA); Grocery Manufacturers Association (GMA); House Committee on Agriculture; Joint Institute for Food Safety and Applied Nutrition (FDA/JIFSAN); National Oceanic Atmospheric Administration (NOAA); Senate Foreign Relations Committee; The Office of the United States Trade Representative (USTR); United States Agency for International Development (USAID); United States Customs and Border Protection (CBP); United States Department of Agriculture – Animal and Plant Health Inspection Service (USDA-APHIS).

It was a week-long, intensive and concentrated overview of the U.S. Food Safety System and the FSMA from a variety of stakeholders in both government (executive and legislative branches), industry, and consumer organizations. Most of the meetings' formats were welcome presentation of the entity's role in the food safety system, followed by 'roundtable discussion, Q&A. The Grocery Manufacturers Association's presentations were of particular interest to the Vietnam group, which consisted of industry representatives. They were especially interested in the APEC Food Safety Cooperation Network and the Partnership Training Institute Network, which "addresses the need to increase capacity building to improve technical competence and understanding in food safety by engaging the food industry and

¹⁹ <https://blogs.fda.gov/fdavoices/index.php/tag/fda-international-food-safety-capacity-building-plan/> , <https://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm301708.htm> , and <http://wayback.archive-it.org/7993/20171114122404/https://www.fda.gov/downloads/Food/GuidanceRegulation/UCM341440.pdf>

²⁰ <https://www.ifsh.iit.edu/fspca>

academic food safety experts along with regulators, to strengthen food safety capacity building.” In a development partnership with USAID. Links below.

Grocery Manufacturers Assn. (GMA) Overview and APEC Activities

<https://www.dropbox.com/s/jlumge7pf3kvmtl/20170323%20GS%20overview%20and%20APEC%20for%20Vietnam%20delegation.pptx?dl=0>

Grocery Manufacturers Assn. (GMA) Science & Education Foundation

https://www.dropbox.com/s/wq3s3ja1hrbhrpf/GMA_SEF%20for%20VN%20delegation%2023Mar2017.pptx?dl=0

Apr 23-26,2017 Vietnam Food Safety Workshop in HCMC, highlighting Global Food Safety Forum, and GFAF CEO Rick Gilmore’s introduction to key leaders in food safety in Vietnam

Following the March 2017 Vietnam Food Safety Delegation to Washington, GFSF CEO Rick Gilmore visited Vietnam in April to meet key leaders in Food Safety in Vietnam to discuss initial cooperation activities. He had extensive consultations with Mdm Vu Kim Hanh, Chairwoman of the Vietnam High Quality Products Business Association, the key industry association leader in Vietnam’s food safety system, and participated in a workshop for about 150 industry representatives organized and funded by the Business Association, with the participation also of Dr. Phạm Khánh Phong Lan, newly appointed (March 6, 2017) Director of the Food Safety Management Authority of HCM City (the first such position in Vietnam).

[GSFS Presentation](#)

<https://www.dropbox.com/s/ls4ip2los142nn8/GFSF%20Vietnam%202017%20%40%200424.pptx?dl=0>

At the workshop and in subsequent business planning meetings, it was agreed to organize a “Food Safety Summit” in HCMC in August 2018 and preceding and subsequent workshops and training.

May 23, 2017-Conference on “New technical requirements ... solutions for Vietnamese food and agricultural products’ global integration” in Ha Noi

A conference with the Ministry of Science and Technology (MoST) leadership and other government agencies involved in food safety management (MARD, MoH) to introduce and provide information about the FSMA as a guide to assist Vietnamese companies in meeting the US requirements, and in preparing Vietnam Food Safety Standards in the future. Approximately 130 individuals, half male half female, participated, including leaders of MoST, MARD, MoH,(Vice Ministers, department heads), business associations’ and individual companies’ representatives. VTFA explained the strategic implementation of FSMA’s prevention-oriented, Import Safety Program actions and impact on Vietnam, including the Foreign Supplier Verification Program (FSVP) Rule²¹ and the Voluntary Qualified Importer Rule (VQIR).²² VTFA also highlighted the importance of public-private cooperation, for example, the “Food

²¹ <https://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm361902.htm>

²² <http://www.packaginglaw.com/news/fda-issues-final-guidance-voluntary-qualified-importer-program-under-fsma>

Safety Preventive Controls Alliance” (FSPCA) based at the Illinois Institute of Technology, with the participation of FDA, USDA, many Food Sector business associations and companies, in addition to academic training and research universities. The FSPCA jointly developed the new regulations, together with training programs to ensure that companies would understand and meet the new compliance requirements. VTFA will expand its activities with key governmental agencies in Ha Noi and HCMC based upon reaching consensus on developing SMEs supporting programs. Once again, VTFA cooperated with the GATF, and arranged for Nestor Scherbey, GATF Senior Advisor, to participate in the conference, as well.

Media Report

Vietnam must commit to US Food Safety Modernization Act [VOV](#), [Vietnam Breaking News](#)

[VTFA Presentation: U.S. Food Safety Modernization Act \(FSMA\) \(same as 6/16\)](#)

[GATF Presentation: New FDA and USDA Rules \(same as 6/16\)](#)

Jun 16, 2017-Conference on “New technical requirements ... solutions for Vietnamese food and agricultural products’ global integration” in Can Tho (funded by Vietnamese partner)



View of the Can Tho conference, Nestor Scherbey, GATF Senior Advisor, 2nd from left, Herb Cochran, VTFA Senior Advisor next to him, four ABCD senior political leaders (party secretary, vice chairman, People’s Committee) at table in front row, Mdm Vu Kim Hanh, Chairwoman of Vietnam High Quality Products Business Association, 2nd from right.

A conference was held on Jun 16 with the ABCD (An Giang, Ben Tre, Can Tho, Dong Thap) provinces leadership to introduce and provide information about the Food Safety Modernization Act (FSMA) as a guide to assist Vietnamese companies in meeting the US requirements, and in preparing Vietnam Food Safety Standards in the future. Approximately 200 individuals, half male, half female, participated, including 4 Vice Chairmen of 4 above provinces, business associations’ and individual companies’ representatives. VTFA and Bureau Veritas explained about the strategic implementation of FSMA’s prevention-oriented, Import Safety Program actions and impact on Vietnam, including the Foreign Supplier Verification Program

(FSVP) Rule and the Voluntary Qualified Importer Program Rule (VQIP). VTFA also highlighted the importance of public-private cooperation, for example, the “Food Safety Preventive Controls Alliance.” FSPCA, based at the Illinois Institute of Technology, with the participation of FDA, USDA, many Food Sector business associations and companies, in addition to academic training and research universities. The FSPCA jointly developed the new regulations, together with training programs to ensure that companies would understand and meet the new compliance requirements. This sort of close industry-regulator collaboration does not exist in Vietnam, and the jointly agreed concept of “shared responsibility” for food safety by both the industry and regulator also does not exist. Once again, VTFA cooperated with the GATF, and arranged for Nestor Scherbey, Vietnam Country Representative for GATF, to participate in the conference, as well.

The organizer was the “ABCD Mekong Connect,”²³ a government-business alliance of the High-Quality Vietnam Products Association (DNHVNCLC) and the political leaders of An Giang, Ben Tre, Can Tho, Dong Thap provinces). The implementing business entity is the “Business Studies and Assistance Services BSAS. The Chair of the Coordinating Committee is Mr. Le Minh Hoan, Secretary of Dong Thap provincial Party Committee.

The 6/16/2017-Conference on “New technical requirements ... solutions for Vietnamese food and agricultural products’ global integration” in Cần Thơ was a success story in that we assembled a large number of political and business leaders of a key Mekong Delta region to discuss the U.S. system of food safety, and how that could be replicated in Vietnam. It is only when there is a consensus of “informed opinion” in business and political leadership groups that the “technical assistance” in food safety, with the concept of “informed compliance” and “shared responsibility” of stakeholders in both government and industry, that we are offering will be accepted and internalized.

Presentations

[VTFA Presentation: U.S. Food Safety Modernization Act \(FSMA\) \(same as 5/23\)](#)

[GATF Presentation: New FDA and USDA Rules \(same as 5/23\)](#)

Media

The event received positive and extensive media coverage, on the

Can Tho City People’s Committee web site

<https://www.cantho.gov.vn/wps/wcm/connect/cantho/tieng+viet/tintucsukien/sukiennoibat/hoi+thao+quoc+te+ve+cac+yeu+cau+moi+ve+tieu+chuan+chat+luong+de+nong+san%2C+thuc+pham+viet+hoi+nhap>

Aug 18, ABCD Mekong Connect (An Giang, Ben Tre, Can Tho, Dong Thap)

International Conference for Mekong Enterprises on New Technical Requirements for Vietnamese Food and Agricultural Products, held in An Giang Province,

23

http://www.angiang.gov.vn/wps/portal/en1/NewsDetail?WCM_GLOBAL_CONTEXT=/English/AGPortal/sa-potential/e4d37f8049c4d6bf935bb7657ca5464d

organized by the Vietnam High-Quality Products Business Association (HDNHVCLC) and the ABCD Provinces Association. About 200 participants 50% male, 50% female. With the People's Committee Vice Chairmen of An Giang and Dong Thap provinces as the official Vietnamese government conveners. Presentations by Nguyen Kim Thanh, Ph.D. food scientist with Kim Delta LLC, Can Tho, on EU standards, Herb Cochran, AmCham/VTFA on new U.S. food safety requirements and FSMA, Mdm Vu Kim Hanh re Vietnam's New Technical Standards/Global Integration, and Huy Nguyen, Bureau Veritas Vietnam Food Director, on FSPCA (Food Safety Preventive Controls Alliance) PCHF (Preventive Controls for Human Food) Lead Instructor, recognized by U.S. FDA on the PCHF Course that provides FDA-recognition as a "PCQI" (Preventive Controls Qualified Individual). This event, like other similar events in Hanoi, HCMC, and Can Tho explained the new global food safety requirements, how Vietnamese enterprises could comply with those requirements, and offered a template for Vietnam food safety improvement efforts.

Presentations

[VTFA Presentation: U.S. Food Safety Modernization Act \(FSMA\) \(same as 5/23, 6/16\)](#)

[GATF Presentation: New FDA and USDA Rules \(same as 5/23 and 6/16\)](#)

Aug 22, ACBD APEC Customs-Business Dialogue in Ho Chi Minh City.

APEC Event in connection with Senior Officials Meeting (SOM) in HCMC to prepare for November 2017 APEC Leaders Meeting. 100 participants from customs administrations, private sector, and international organizations. The APEC SCCP (Subcommittee on Customs Procedures) "30,000-foot overview" event, chaired by Mr. Vu Ngoc An, Deputy Director General of DGVC, highlighted the significance of implementing the WTO Trade Facilitation Agreement to reduce trade costs and promote trade and economic growth in APEC, and the necessity for strengthened collaboration between customs and the private sector. Representatives of Vietnam and Japan customs made key presentations on recent developments, while the representatives of international organizations (World Bank, World Customs Organization, United States Council for International Business) commented on the progress made in key indicators to achieve the APEC objective of lowering trading costs. The AmCham statement highlighted strategic priorities for TFA implementation, developed after a visit to Vietnam in Mar 2016 by senior leaders of CBP (Maria Luisa Boyce) and USAID (Virginia Brown) and another visit in July 2016 by senior leaders of CBP (then Deputy Commissioner Kevin McAleenan and Executive Assistant Commissioner for Trade Brenda Smith) and Senior Industry Advisors (Walmart, UPS, etc.).

[AmCham/VTFA Statement](#)

<https://www.dropbox.com/s/nfr487gmskxnawo/170822%20Customs-Business%20Partnership%20APEC%20Meeting%20STMT%20by%20Herb%20Cochran%2C%20AmCham%20copy4.docx?dl=0>

other Participants' Statements

https://www.dropbox.com/sh/ck3uz0socualrtg/AABWy_gxbwr4cf8q07IPIlh_a?dl=0

Participants Souvenir Photo

<https://www.dropbox.com/s/j554byakiblyqr/ACBD%20Herrb%2C%20Liem%2C%20Ngoc%20An%281%29.JPG?dl=0>

Other photos

<https://www.dropbox.com/sh/av1r8704lxfqqr3/AADpFQhtYraFPJbTSaZL2nRRa?dl=0>



GDVC Deputy Director General Vu Ngoc Anh, 3rd from right, AmCham/VTFA Senior Advisor Herb Cochran, 4th from right, VCCI Deputy Director General Tran Ngoc Liem, 5th from right.

Aug 28, 2018 Food Safety Summit in HCM City (funded by industry sponsorships, participation fees)

<http://www.amchamvietnam.com/food-safety-training-summit/>

[Conference Book – English](#)

[Conference Book – Vietnamese](#)

The “sold-out” event, 300-plus participants, provided a unique platform to enhance cooperation on food safety between the public and private sector, and between the Vietnam and the U.S. food safety authorities. We were especially pleased to have the support of government agencies and political leaders in Vietnam. The Minister of Health, and Deputy Ministers of Agriculture and Rural Development and of Science and Technology, the three key food safety agencies in Vietnam, participated, as well as the recently appointed (March 6, 2017) Director of the Food Safety Management Authority of HCM City and senior working level officials at the U.S. FDA, and international organizations, including the World Bank, WHO, and FAO, made presentations at the event.

This was another opportunity to explain to a large, high-level government and business audience the U.S. Food Safety Modernization Act, implementing Food Safety Preventive Control regulations, and the “informed compliance,” “shared responsibility” of all stakeholders, industry, academia, government, and how the regulations were developed by all stakeholders working together in the Food Safety Preventive Controls Alliance.

The Minister of Health, in private remarks before the event, said that she would like to sign an MOU to update the MOU between HHS and MOH on Food Safety signed in June 2008.²⁴

Oct 25-26, 2017 Mekong Connect Conference in Ben Tre Province

600 participants (500 business and 100 media representatives) attended the event, organized by the Vietnam High-Quality Products Business Association, in cooperation with the ABCD Mekong Connect Leaders group. Political and business leaders from not only the four ABCD provinces, but also Tien Giang, Tra Vinh, Soc Trang, and Long An provinces. The focus was on high-tech agriculture, ... applying technology to agribusiness.

[Presentations at Mekong Connect 2017](#)

A key speaker was Nadav Eschar, the Israeli Ambassador to Vietnam, since Israeli companies are very active in exporting high-technology agriculture services to Vietnam, especially water management.

[Presentation by Israeli Ambassador](#)

Herb Cochran, Senior Advisor AmCham/VTFA was asked to speak about the fish sector, and decided to highlight two topics 1) a success story of a Walmart woman-owned business supplier of fish products to Walmart stores Latin America and 2) the 18-month transition of U.S. catfish food safety import inspections from FDA to USDA/FSIS. For the latter topic, he emphasized that USDA provided technical assistance from Michigan State University to the MARD to help with the process of “Equivalency Determination,”²⁵ but unfortunately, MARD had not managed to achieve the “Equivalency Determination” yet.

[Walmart Woman-owned Business Supplier of Fish Products to Latin America stores](#)

[New System for Food/Safety Inspections for U.S. Fisheries Products Imports](#)

At a dinner conversation with the organizers, including the Deputy Party Secretary of Ben Tre Province, Herb was informed by a member of the ABCD Mekong Group Research Council that the swine food safety system established by the Food Safety Management Authority of HCM City was not working as well as hoped, and the Authority might replace it as the initial effort in the Authority’s work plan with a system for products that might be simpler to manage, such as fruits and vegetables.

²⁴ <http://www.amchamvietnam.com/30441453/> and <http://amchamvietnam.com/wp-content/uploads/2017/09/080624-MOU-between-U.S.-HHS-and-VN-MoH-Concerning-Food-Animal-Feed-and-Medical-Products.pdf> [Note: if the pdf is garbled, re-enter the URL and refresh your browser.]

²⁵ <https://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/Equivalence>

Herb suggested they consider the FSMA Produce Safety Rule,²⁶ and later sent him detailed information about the Produce Safety training program.²⁷

Sep, Nov, Dec 2017 Training in the FSMA-PCQI (in Vietnamese)

<http://www.amchamvietnam.com/training-course-for-fsma-pcqi-25-2709-khoa-dao-tao-fsma-pcqi-bang-tieng-viet/>

VTFA arranged three 3-day training courses for a total of 71 persons in the Food Safety Modernization Act Preventive Controls Qualified Individual course, in cooperation with the Vietnam High Quality Products Business Association and Bureau Veritas Vietnam. This is the FDA-recognized standardized curriculum to become a PCQI, as established by the Preventive Controls Rule of the FSMA. Under FSMA, food processors need to have one or more “Preventive Controls Qualified Individual (PCQI)” oversee or perform 1) preparation of the Food Safety Plan, 2) validation of the preventive controls, 3) records review, 4) re-analysis of the Food Safety Plan, and other activities as appropriate.

It is clear that FSMA has and will continue to influence significantly Vietnam’s exports – since Vietnam is one of 15 top U.S. agricultural trade partners. The general route to becoming qualified as a PCQI is to take the standardized training course taught by a “Preventive Controls Lead Instructor,” an instructor that has applied to FSPCA, been accepted and completed the Lead Instructor training course. Therefore, VTFA/AmCham cooperated with Vietnamese High-Quality Product Business Association and Bureau Veritas to organize the FSMA – PCQI training course as an opportunity for Vietnamese exporters to meet the international requirements.

These training activities should be a valuable contribution to domestic Vietnamese as well as international food safety purposes, and help promote U.S. Leadership and Influence in global food safety. Moreover, they support implementation the [U.S. FDA’s International Food Safety Capacity Building Plan](#),²⁸ mandated by the U.S. Congress in Section 305 of the FSMA. In addition, they foster opportunities for U.S. economic interests, to the extent that Vietnam’s food safety systems come to be based on U.S. templates, U.S. firms will be able to operate more effectively within those systems. Finally, those U.S. companies that provide products and services to Vietnam’s agricultural and food sector, like our Food Safety Summit sponsors, will also benefit directly.

Jan 24, Consultations for AmCham companies with HCMC Customs Department²⁹ on

Decision 2722/Qđ-BTC, 29/12/2017, on status and future activities of HCMC-Customs to implement Resolution 19/2016/NQ-CP³⁰ 06/02/16 and Prime Minister’s

²⁶ <https://www.ifsh.iit.edu/sssa> Sprout Safety Alliance

²⁷ [Produce Safety Rule Training](#)

²⁸ <https://www.fda.gov/downloads/food/guidanceregulation/ucm341440.pdf>

²⁹ <http://www.amchamvietnam.com/events/hcmc-customs-consultations-with-amcham-draft/>

³⁰ Resolution 19/2017/NQ-CP

<https://www.dropbox.com/s/72zwt619qce31rc/19-2017.signed.pdf?dl=0>

Directive 26/2017/CT-TTg,³¹ 06/06/2017 directions to Customs to simplify and implement automated online customs.

Quyết định số 2722/QĐ-BTC³² ngày 29/12/2017 của Bộ Tài chính về việc Áp dụng thí điểm quản lý, giám sát hải quan tự động đối với hàng hóa xuất khẩu, nhập khẩu, quá cảnh tại biển, cảng hàng không dân dụng quốc tế. The Ministry of Finance pilot application [“preliminary ruling”] of automatic customs control and supervision to goods exported, imported or transited at seaports, and civil international airports.

Note: this consultation was originally planned for December, but HCMC Customs asked that it be rescheduled to January, since the Decision was not issued until December 29.

About 200 business representatives and 50 customs officials participated in the event, hosted by HCMC Customs in a HCMC Party Committee conference room.

The three-hour session included a very lively, highly interactive Q&A session, appreciated by both the customs officials and business participants.

Reference documents, including written Q&A are at the event description at the below link

<http://www.amchamvietnam.com/events/hcmc-customs-consultations-with-amcham/>

Resolution 54 details are explained in Footnote 1 in the HCMC Customs Strategic plan for 2018 (English)

Sep 8, Nov 28, 2017 and Feb 2, Mar 6, 2018 Consultations with DPM and MoH officials re Food Safety

[AmCham Letter to Prime Minister re Decree 38, Jun 13, 2017](#)

“As per Resolution No. 19-2017/NQ-CP, dated February 6th, 2017, the Prime Minister directed the simplification or omission of such [unnecessary] procedures. Then on May 13th, 2017, the Deputy Prime Minister Vu Duc Dam in his meeting with Ministry of Health Instructed Ministry of Health to amend Decree 38 to abolish the procedure of conformity for food safety regulations within 3 months. However, in the recent draft amended Decree 38 dated 01/06/2017, which Food Safety Department sent to Ministry of Justice, the procedure of conformity for food safety regulations remained the same and did not comply with the direction of Prime Minister in Resolution 19-2017/NQ-CP, or the instruction of Deputy Prime Minister Vu Duc Dam.”

[Minutes of the Sep 8 Meeting between the DPM and Deputy MoH](#)

At the meeting between the Deputy Prime Minister and the Deputy Minister of Health, together with industry representatives, the Deputy Prime Minister supported the industry position, and the Ministry Health agreed to revise Decree 38 along the lines recommended by the industry representatives.

³¹ Directive No. 26 / CT-TTg dated 06/6/2017 of the Prime Minister;

<https://www.dropbox.com/s/hkzffnhw9fmfhiv/chi-thi-26-2017-ttgp.pdf?dl=0>

³² Decree 2722, <https://www.customs.gov.vn/Lists/VanBanPhapLuat/ViewDetails.aspx?ID=10396>

Conclusion

“DMP Vu Duc Dam agreed with the new model of food safety management based on risk management. The DPM strongly advised the industry which is led by VASEP/VCCI to draft Amended version of Govt Decree 38 and contribute their solutions to the Government.

“After the dialogue, many mainstream media, including the Office of the Government web site news (see link and photo below), reported the result of favoring the industry position and highlighted that DPM Vu Duc Dam had instructed MOH to amend those hurdle regulations.”

Media report [Bộ Y tế hứa với Phó Thủ tướng sửa quy định làm khó DN](#)
[MoH promises DPM to revise regulations causing problems for businesses](#)



Phó Thủ tướng Vũ Đức Đam nhấn mạnh việc quản lý ATTP đối với các DN phải trên tinh thần chỉ làm những gì thực sự cần thiết. Deputy PM emphasized that food safety management vis-à-vis industry must be in the spirit of only doing things that truly essential.

The follow-up consultations meeting was held on Nov 28. The below link provides the

[Minutes of the Nov 28 Meeting with the Vice Minister of Ministry of Health³³](#)

And below is the summary report and conclusion of the AmCham F&B Sector Committee minutes.

³³https://www.dropbox.com/s/lh6wvqthcl51h3b/Minutes%20of%20Meeting%20with%20Deputy%20Minister%20Long%20on%20Decree%2038_28%20Nov%202017%5B3%5D.docx?dl=0

“With strong efforts from joint business associations to advocate for the revision of VN’s Food Safety Decree over a long period of more than 6 months, in collaboration with the other Ministries, stakeholders. We were persistent with our engagement in a comprehensive and holistic approach with Office of the Government & Prime Minister until positive changes were included in the draft of the policy. I would like to send the minutes of the Nov 28 meeting with Vice Minister of Health Nguyen Thanh Long (see above link), with very good results. The *HUGE GOOD CHANGES* have been reflected in this final Decree 38. In CONCLUSION: The new Draft is a great **revolution** by reducing more than 95% of government importation inspections, reducing the administrative burden to food industries. MOH estimated that the whole industry will save up to 4 million work days and 2,700 billion VND (about US\$ 150 million).”

Feb 2, 2018 Decree 15 issued (see reference documents at links below)

Mar 6, 2018 Consultations in HCMC and Follow-up to “Prime Minister signed Decree 15 to Reduce Technical Trade Barriers to U.S. Food Products by replacing Decree 38”

VTFA, together with AmCham’s Food & Beverage Sector Committee and GIG/USAID, VCCI, and other business associations, working in consultations and meetings over a period of six months, helped achieve a major revision in Ministry of Health import procedures (“Decree 38”) for food products in November 2017, “Decree 38” had regularly been cited by the U.S. Trade Representative’s annual National Trade Estimates report of foreign trade barriers as a major hindrance to U.S. agricultural exports to Vietnam, saying that “It is broad in scope, containing regulations for a wide variety of horticultural, seafood, and meat products, and it applies to both foreign and domestic products. Its broad scope and uneven enforcement has led to uncertainty for U.S. exporters and Vietnamese importers. The United States will continue to raise these issues with Vietnam.”³⁴

According to the AmCham Food & Beverage Sector Committee, “the new draft decree is a great *revolution* by reducing more than 90% of government importation inspection, reducing the administrative burden to food industries. According to the evaluation of the Ministry of Health, at least 90% of the food shipments would not be subject to specialized inspection before clearance, it will transfer directly from pre-inspection to post inspection. According to estimates by the Ministry of Health, the implementation of Decree 15/2018 / ND-CP will save nearly 2.9 million working days as well as saving 2,500 billion VND.”³⁵

During February 2018, we worked with the USDA Sr. Agricultural Attaché at the HCMC Consulate General and the AmCham Food & Beverage Sector Committee (FBSC) to arrange a translation into English, and also cooperated with them and

³⁴ USTR National Trade Estimates, 2016, page 451, <https://ustr.gov/sites/default/files/2016-NTE-Report-FINAL.pdf>

³⁵ <http://customsnews.vn/saving-2500-billion-vnd-by-cutting-down-specialized-inspections-of-food-safety-6424.html>

other stakeholders (VASEP/Vietnam Association of Seafood Exporters and Processors, VDA/Vietnam Dairy Association, CIEM/Central Institute of Economic Management, EuroCham, etc.) to schedule a consultation in HCMC on March 6 with officials from Customs (GDVC) and Food Safety Specialized Management Agencies (Ministry of Health/Vietnam Food Administration, Ministry of Industry and Trade, Ministry of Agriculture and Rural Development) and the Office of Government, and the Central Institute for Economic Management (CIEM) for officials to explain and businesses to ask questions to clarify details of the procedures under the new Decree 15.

Kiet Thanh Vo, HCMC Consulate General FAS Agricultural Specialist, attended the consultations and helped explain many of the key points of the questions and answers. An important take-away from the event was that there was/is still a lot of confusion and misunderstanding about the exact procedures that will take time, more consultations, Q&A, and “Official Letters,” before the details are clearly understood and become “standard operating procedures” (SOP).

A comment by Mr. Nguyen Thanh Phong, Director of the MoH Vietnam Food Administration, may illustrate his and the MoH/VFA point of view: He said, “I used to be a businessman, so I understand you. The law is a guide; the responsibility of business is to advise the government in making appropriate laws. The power of business [to influence laws and regulations] is now very great, and that means that the responsibility of business [for food safety] is also very great.”

More than 600 participants attended the Mar 6, 2018 workshop on Decree 15, and 615 questions were submitted to clarify the details of the new decree.

A panel of experts sought to answer the questions, the experts included;

Nguyen Thanh Phong, Chief, Vietnam Food Administration, Ministry of Health (VFA/MoH)
Tran Nhat Nam, Chief, Legal/Global Integration, VFA/MoH
Ms. Nguyen Minh Thao, Chief, Enterprise Environment and Competition Enhancement, Central Institute of Economic Management (CIEM) and
Representatives of: Office of Government, MARD, MoIT, GDVC (Ms. Viet Ha).

... but there were differences in the experts’ explanations, creating some confusion.

For example, there were many questions about what would be the “record,” or “proof” of the “notifications” [“self-announcements”]

“enterprises are permitted to ‘self-announce’ their products and are responsible under the law for that announcement, rather than sending the records of announcement to the state agencies for ‘certification,’ excepting some products which must be announced at the Ministry of Health and the Department of Health.” [from <http://customsnews.vn/many-new-points-in-the-management-of-food-safety-6012.html>]³⁶

³⁶ Many new points in the management of food safety Customs News, Feb 9, 2018

<http://customsnews.vn/many-new-points-in-the-management-of-food-safety-6012.html>

At the Mar 6 meeting, the panelists' responses about "proof" were not clear and consistent, leading to more and more insistent questions, which ended when Mr Phong, MoH/VFA, said somewhat ironically that maybe the participants would prefer to return to the "certifications" proof system of predecessor Decree 38.

Another area where there was lack of agreement between agency experts was the process when (1) importing food ingredients for manufacture/processing for export and (2) importing food ingredients for manufacture/processing for domestic sale and consumption. Mr. Phong, MoH/VFA said "notification" (công bố) was needed for imported final products only, not food ingredients imported for processing either for (1) export or (2) domestic consumption, but the GDVC representative said "notification" was needed in case (2).

Because there are so many new, "revolutionary" procedures in Decree 15, it is likely to take several months and a number of "Official Letters" before the exact details of the new Decree 15 procedures are established and familiar "SOP" to importers and exporters.

On Mar 9, 2018, GDVC issued Official Letter 1267/TCHQ-GSQL to guide local Customs departments to implement the Government's Decree 15/2018/ND-CP³⁷

According to an English language press report of the Official Letter 1267, the MoH/VFA viewpoint was correct in the above-mentioned disagreement: "the GDVC guides that material goods which are directly imported by enterprises for production (including production for export, domestic consumption or processing for foreign partners) are exempted from procedure of regulation conformity announcement and State food safety inspection."³⁸

Regarding "proof" of notification, the article stated, "Regarding the receipt of regulation conformity announcement, the GDVC said that in order to have a basis to identify imported goods subject to exemption from State food safety inspection in accordance with regulations, when carrying out Customs procedures, the declarants must submit the copy of the receipt (certified by enterprises). If the receipt was issued in National Single Window, Customs officer shall search in the system and do not require enterprises to submit it."

VTFA continued to cooperate with the AmCham FBSC Committee and FAS to arrange translations of the Official Letters as they were issued, to provide informal English language versions of the new detailed procedures under Decree 15.

Reference documents

Decree 15/2018/ND-CP, Feb 2, 2018, <https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Nghi-dinh-15-2018-ND-CP-huong-dan-Luat-an-toan-thuc-pham-341254.aspx>

³⁷ Official Letter 1267/TCHQ-GSQL <https://thuvienphapluat.vn/cong-van/The-thao-Y-te/Cong-van-1267-TCHQ-GSQL-2018-thuc-hien-Nghi-dinh-15-2018-ND-CP-ve-an-toan-thuc-pham-376584.aspx>

³⁸ <http://customsnews.vn/the-general-department-of-vietnam-customs-guides-implementation-of-decree-15-on-food-safety-6238.html>

and [English Translation](#) [Note: there is also an English translation at the Vietnamese version link, behind the “Tiếng Anh” tab.]

[Briefing Report for the Prime Minister 1465/Ttr-BYT re Decree 15, 29 Dec 2017](#) (E)
[Tờ trình TTCP No. 1465/Ttr-BYT](#), 29/12/2017 (V) An excellent, detailed, and somewhat long (14 pages) explanation for the Prime Minister and other Cabinet Ministers of the months-long process of replacing Decree 38 with Decree 15.

[Official Letter 0579 CV-VCCI to Ministry of Health](#), 180309 (E)
[Cong-Van 0579 CV-VCCI to Ministry of Health](#), 180309 (V)

[Attachment to VCCI Official Letter 0579 to MoH](#), 180309 (E)
[Phục lục đính kèm VCCI Official Letter 0579 to MoH](#), 180309 (V)

Apr 3 Workshop on Food Safety in cooperation with the Vietnam High Quality Products Business Association.

About 300 participants attended the Apr 3, 2018 workshop on Food Safety, 40% of whom were female. One of the leading participants was Mdm Phạm Khánh Phong Lan, the Director of the Food Safety Management Authority of HCMC (Ban quản lý An toàn thực phẩm Tp.HCM), demonstrating her continuing interest in cooperating with the Vietnam High-quality Products Business Association and learning about the U.S. Food Safety Modernization Act systems. The VTFA presentation, and summary of key points, is at inks below. We have used various versions of the briefing over the course of the VTFA, Phase 2 project, and always emphasize the four key points (1) recommendations for Vietnam on food safety systems, (2) the importance of public-private partnerships in implementing food safety, as demonstrated by the U.S. Food Safety Preventive Controls Alliance (FSPCA), a partnership of government, industry, and academia, established to implement the U.S. Food Safety Modernization Act, (3) the implementation timeline of the U.S. FSMA, 2011-2017, seven years, indicating the complexity and magnitude of the task; and (4) U.S. FDA's International Food Safety Capacity Building Plan key goals and objectives, which indicates the U.S. FDA and U.S. Congressional interest in international cooperation. The plan states, “ ... strengthening the safety and integrity of the global supply chain is and should be a key FDA priority. Strengthening the capacity of other countries' food safety systems, including their regulatory systems, is critical in this regard and helps prevent problems in the foreign supply chain before they occur and before they reach U.S. borders.”

Reference documents

[VTFA Presentation at Food Safety Workshop, Apr 3, 2018 \(English\)](#)
[VTFA Presentation at Food Safety Workshop, Apr 3, 2018 \(Vietnamese\)](#)
[Summary – 4 key points of VTFA Food Safety Presentation, Apr 3, 2018](#)

1. Recommendations for Vietnam
2. FSPCA – Food Safety Preventive Controls Alliance – public-private partnership of government, industry, academia, NGOs
3. Timeline of FSMA Implementation, 2011 – 2017
4. U.S. FDA's International Food Safety Capacity Building Plan – key goals & objectives

Apr 2018 Preparation for National Conference on Single Windows and Trade Facilitation to be chaired by the Prime Minister on a date in May to be decided.

In a USAID publication based on many years of technical assistance, *A Comprehensive Approach to Trade Facilitation and Capacity Building*³⁹ the authors wrote,

“Members also will need to establish their National Trade Facilitation Committee to lay the groundwork for effective implementation of the substantive commitments. (Articles 1, 2, and 13). From USAID’s perspective, such a committee will provide the dynamic leadership necessary to bring all of the relevant agencies and stakeholders together in a concerted, collaborative effort to implement the improvements required by the TFA.”

And at a March 23, 2016 workshop in Hanoi, USAID’s Virginia Brown,⁴⁰ Director, Office of Trade and Regulatory Reform, said in her presentation⁴¹ on implementing the Trade Facilitation Agreement that one of the first priorities in sequencing TFA implementation is to establish and implement a National Committee on Trade Facilitation, because it

- demonstrates political will
- provides a central point for all things related to TFA; and
- is an opportunity for Government and Business to work collaboratively toward a common goal.

Additional information on the National Conference is the GDVC Official Letter 2105, Apr 19, 2018 and Office of Government Notice 137, Apr 12, 2018. A Draft Discussion Report for the Conference is provided. See reference documents at links below.

Reference documents

[GDVC Official Letter 2105, Apr 19, 2018 \(English translation\)](#)

[Office of Government Notice 137/TB-VPCP, Apr 12, 2018 \(English translation\)](#)

[AmCham/VTFA Discussion Report for the National Conference on \[ASEAN and National\] Single Windows and Trade Facilitation \(English\)](#)

Lessons Learned

³⁹ https://www.tfafacility.org/sites/default/files/case-studies/usaaid_a_comprehensive_approach_to_trade_facilitation_and_capacity_building_june_2015.pdf (English) page 10 and

<https://www.dropbox.com/s/6fqzqf7bj6h2arq/A%20Comprehensive%20Approach%20to%20Trade%20Facilitation%20and%20Capacity%20Building%20VIE.pdf?dl=0> (Vietnamese version), page 10

⁴⁰ <https://www.linkedin.com/in/virginia-brown-173aa88/>

⁴¹ [USAID Support for Implementing TFA \(English\)](#), slide 9 and [USAID Support for Implementing TFA \(Vietnamese\)](#), slide 9

1. **“Communicate with purpose” and focus on a few key institutional arrangements as first priority**, not the details of the regulations. For example, our shift of focus to focus on **three objectives**

1/ establish a meaningful, effective National Committee on Trade Facilitation, in accordance with the commitment in TFA, Sec. III, paragraph 23.2⁴²

2/ conclude a Customs Mutual Assistance Agreement between CBP and GDVC, a commitment in TFA, Sec. I, Article 12, and TPP Chap 5, Article 2.

3/ establish an institutional framework for meaningful Customs-Business Consultations (similar to COAC⁴³), as required by TFA Sec I, Articles 1 and 2.

2. **Communicate with top political, business, and civil society leaders**, who have authority to make changes, and not just with the middle-level bureaucrats, who don't. Maintain relations and dialogue, but don't expect much cooperation from the “vested interests;” focus on interactions with “change agents” in political and business leadership positions to manage the changes inside their system. To take an example from another AmCham effort, to help the U.S. Government achieve visa reciprocity by persuading Vietnam to issue multiple-entry, one-year validity visas instead of single entry, three month validity, the focus on the Ministry of Foreign Affairs and the Vietnam Immigration Department, was augmented by a focus on political leaders in the HCM City Party Committee and the People's Committee. As a result, AmCham helped achieved the objective after about 18 months' effort together with the implementation work by the State Department.⁴⁴ Similarly, it was the AmCham F&B Sector's dogged focus on details of the Prime Minister's and Deputy Prime Minister's Instructions to the Ministry of Health to draft regulations that were efficient, based on industry input, with political support from VCCI and other Vietnamese business associations that led to Decree 15 being issued. As VCCI Chairman Vu Tien Loc said,⁴⁵ “Thanks to [industry] recommendations and the pressure from the government and the prime minister, as well as the Ministry of Health's changing the person in charge of amending Decree 38, Decree 15 was formulated, agreed, and issued this month [Feb 2018]. .. and should be taken as a **lesson** by other ministries and agencies in removing [constraints and improving] business conditions.”

Include a wide variety of senior advisors from key institutions and organizations in an advisory group that will help build a “climate of informed opinion” that supports and facilitates the changes needed. Make sure that funding resources are adequate to compensate these leaders and their staffs for their time and efforts.

⁴² “Sec. III, Art. 23.2 [National Committee on Trade Facilitation](#) Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.”

⁴³ <https://www.cbp.gov/trade/stakeholder-engagement/coac>

⁴⁴ <http://www.amchamvietnam.com/background-on-agreement-between-the-u-s-and-vietnam-on-visa-reciprocity/>

⁴⁵ “New decree to serve as motivation for Vietnamese businesses,” Vietnam Investment Review, Feb 25, 2018. <http://www.vir.com.vn/new-decree-to-serve-as-motivation-for-vietnamese-businesses-56463.html>

3. **Execution/implementation is key.** Having the nation's top leaders set goals for implementing the TFA commitments is necessary but not sufficient. The objectives in the Resolutions 19 (issued in 2014, 2015, 2016) and Resolution 35 must be implemented by real government-business consultations and cooperation, not *pro forma* meetings. As Senator Hatch⁴⁶ has stated,

"It is essential ... to reach country-specific plans identifying the changes that our trading partners must and will make to their laws, regulations, and practices in order to meet their key ... obligations. These country-specific implementation commitments would provide a valuable tool for resolving shortcomings and ambiguities in ... agreement[s], while helping to build confidence in the Congress that [trade agreements] will be implemented fully and faithfully by our trading partners. Put simply, these country-specific implementation commitments can be an essential component to developing the political support necessary for the Congress to pass [trade agreement] implementing legislation."

4. **Recognize that the existing structure has created "vested interests"** and challenges that make change difficult. Below are some examples:

- The lack of a Customs Mutual Assistance Agreement with U.S. Customs and Border Protection. Vietnam is the only significant trading partner in the TPP member countries that does not have a CMAA with U.S. CBP,⁴⁷ although Vietnam accounts for 25% of all ASEAN exports of goods to the U.S. Note: CBP and GDVC reached a "foundation agreement" on intelligence and information sharing, as a first step toward a full Customs Mutual Assistance Agreement;
- According to the USAID-supported 2015 Vietnam Provincial Competitiveness Index,⁴⁸ 66% of Vietnamese companies reported that they paid bribes, some as much as 10% of revenue. Also, 85% of FDI companies report that they paid bribes, and 59% reported that they paid bribes to Vietnam Customs officials;⁴⁹
- A \$20 billions difference between China-Vietnam trade statistics, with China reporting \$60 billions of exports to Vietnam and Vietnam reporting \$40 billions of imports from China;⁵⁰
- The U.S. International Trade Commission voted to institute an investigation of certain carbon and alloy steel products from China. The complaint alleges " ... the false designation of origin or manufacturer," **and illegal transshipments from Vietnam**,⁵¹ along with other countries. And ITC announced a final

⁴⁶ <http://www.amchamvietnam.com/tpp-country-specific-implementation-commitments-are-essential-statement-by-senate-finance-committee-chairman-orrin-hatch/>

⁴⁷ <https://www.cbp.gov/border-security/international-initiatives/international-agreements/cmaa>

⁴⁸ http://eng.pcivietnam.org/tailieu/PCI2015-Report_EN.pdf, pp 18-19

⁴⁹ http://eng.pcivietnam.org/tailieu/PCI2015-Report_EN.pdf, pp 91-92

⁵⁰ <http://english.vietnamnet.vn/fms/business/139480/agencies-cannot-explain--20-billion-discrepancy-in-china-vn-trade-figures.html>

⁵¹ <http://www.amchamvietnam.com/wp-content/uploads/2016/05/20160426-US-Steel-Complaint-Under-Section-337-of-Tariff-Act-of-1930-Transshipments.pdf>

affirmative ruling on May 21, 2018. <https://www.commerce.gov/news/press-releases/2018/05/us-department-commerce-issues-affirmative-final-circumvention-rulings>

Recommendations

1. **Emphasize the concepts of “informed compliance” and “shared responsibility”** that underlie a modern trade facilitation system. The aim is to increase voluntary compliance with customs laws and improvements to customs enforcement. These concepts are premised on the idea that to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, there is a greater obligation on Customs to provide the public with improved information concerning the trade community's responsibilities and rights under Customs and related laws. In addition, both the trade and Customs share responsibility in carrying out import and export requirements.
2. **Continue to focus on training at the local level for business associations** and their members, on practical steps to join global supply chains. Examples are the [Walmart-VTFA Women Owned Business Suppliers Development Conference](#), the [Consumer Product Safety Commission Vietnam Buyers Training](#), the American Apparel and Footwear Association [TPP Workshop](#) and [International Product Safety and Compliance Conference](#).

In addition, specific “certificate programs” should be prepared and offered, for example a “Certified Customs Specialist Program,” which would provide training in key topics of the principal acts involved in the import and export of goods, Customs Brokers licensing requirements and agency agreements, the Harmonized System of Tariff Classification, Tariff treatments and trade agreements, Valuation and Classification, Informed Compliance, Advance Rulings, Assessment of Duties, Marking of Imported Goods, Drawback and Refunds, Special Requirements, Antidumping and Countervailing Duties, Foreign Trade Zones, and Recordkeeping. This practical training will help educate the businesses and agencies to what the TFA commitments are, and help meet their “informed compliance” requirements for ‘reasonable care.’⁵²

3. **Continue also to focus on training for customs and other government officials**, using materials and best practices from U.S. CBP, WCO, and NAFTA. Examples of programs include

U.S. CBP International Visitors Program

<https://www.cbp.gov/border-security/international-initiatives/international-training-assistance/ivp> VTFA consultants could help facilitate Vietnam’s customs officials’ participation in the International Visitors Program (IVP), which consists of specially arranged briefings and visits to Customs and Border Protection (CBP) operations in the United States by foreign high-level customs and other law enforcement officials who perform or manage functions similar to those encompassed within CBP's area of responsibility and expertise. Typically, an IVP

⁵² <https://www.cbp.gov/sites/default/files/assets/documents/2018-Mar/icprescare2017revision.pdf>

program visit may last anywhere from one day to two weeks in duration.

VTFA could also support training programs for Vietnam's customs officials, using WCO-developed materials, such as

World Customs Organization Training Programs

Supporting the WCO Capacity Building Policy

http://www.wcoomd.org/en/topics/capacity-building/activities-and-programmes/learning/cb_learning.aspx

4. Develop a broader outreach program to build understanding and support from senior political, business, and civil society organization leaders, including outreach to organizations such as the National Assembly, the Office of Government, other key ministries such as the Ministry of Planning and Investment, Ministry of Foreign Affairs, Vietnamese and Foreign Business Associations, Civil Society Organizations, Fatherland Front, People's Committees and local business/industry associations. An Advisory Group would be helpful here.

5. Link internal government reform initiatives directly to TFA commitments. Resolution No. 35/NQ-CP, 16 May 2016 on "Supporting and Developing Enterprises by 2020"⁵³ is a recent reform initiative, coming after Resolutions [19-2014](#), [19-2015](#), [19-2016](#). It was promulgated after an April 29, 2016 meeting in HCM City between the Prime Minister and other key ministers together with Vietnam's business community, led by VCCI and including Vietnamese business associations and also foreign business associations. Resolution 35 requires that every People's Committee in Vietnam sign an MOU with VCCI containing an "Action Plan" to improve the business environment. It would be good to include TFA commitments in such action plans, for example to establish a Provincial Committee on Trade Facilitation, as a local analogue to the National Committee on Trade Facilitation that would cooperate in implementing the decisions of the NCTF.

6. Now that a solid basis of cooperation has been established between AmCham and VCCI, VITAS, HAWA, HVCLC, etc. reach out to additional Vietnamese and Foreign Business Associations to get their participation, cooperation, and political/financial support.

IV. Summary of Project Impact and Results

Annex 6 of the Grant Agreement provides for Monitoring and Evaluation of the Implementation Plan. There are four indicators: (1) TFA Commitments: whether or not the TFA commitments are implemented in Vietnam's laws and regulations – measures results; (2) Number of Activities, meetings, seminars, training

⁵³ <http://news.chinhphu.vn/Home/Governments-resolution-on-business-development/20165/27468.vgp> "III. Implementation 3. In the third quarter of 2016, Chairmen of the People's Committees of provinces and centrally-run cities shall sign commitments with the Viet Nam Chamber of Commerce and Industry, with the witness of the Steering Committee for Innovation and Enterprise Development on the creation of a favorable business environment for enterprises. ... 5. VCCI c) ... Synthesize implementation progress of commitments signed between the People's Committees of provinces and centrally-run cities with the Viet Nam Chamber of Commerce and Industry, and provide quarterly reports to the Prime Minister and publicize on the Viet Nam Chamber of Commerce and Industry's e-portal."

sessions, etc. – measures level of effort; (3) Value of private sector contributions – measures confidence of private sector, both domestic and foreign, business associations, and enterprises in the prospects for success of the project and whether the project is sustainable after the grant is over; (4) Key Performance Indicators – World Bank Ease of Doing Business/Trading Across Borders and Logistics Performance Index/Customs Clearance Process Efficiency.

1. Results – whether or not TFA commitments have been implemented

- National Committee on Trade Facilitation (Sec III, Article 23.2); Substantial progress was made on this objective. Regulatory documents to establish a National Committee on Trade Facilitation were prepared, approved by Deputy Prime Minister Vương Đình Huệ in May 2016, and approved by the Prime Minister on October 4, 2016.⁵⁴ In addition, the Prime Minister approved a national plan to implement the WTO Trade Facilitation Agreement on Oct 13, 2016, headed by Deputy Prime Minister Vương Đình Huệ with the participation of 19 agencies, including the General Department of Vietnam Customs, the Office of Government, and the Vietnam Chamber of Commerce and Industry.⁵⁵ And in April 2018, DPM Vương Đình Huệ scheduled a National Conference on Single Windows and Trade Facilitation to be chaired by the Prime Minister, to be held in May or June 2018, as mentioned above, on pages 21-22.
- no Customs Mutual Assistance Agreement (Sec I, Article 12 Customs Cooperation); on July 29, 2016 CBP and GDVC concluded a “foundation agreement” on intelligence and information sharing, as a first step toward a full Customs Mutual Assistance Agreement, which was agreed on as a goal to move towards; however, it has not yet been achieved.
- customs-business consultations (Sec I, Article 2); Ho Chi Minh City Customs Department initiated meaningful consultations on Jan 24, 2018, the government-business consultations on the revised food safety procedures in Decree 15 were a real breakthrough for private sector input to government regulations, and the National Conference on Single Windows and Trade Facilitation should give additional, substantial impetus to meaningful government-business communications.

⁵⁴ <http://thuvienphapluat.vn/van-ban/Xuat-nhap-khau/Quyết-dinh-1899-QĐ-TTg-Uy-ban-chi-đạo-quốc-gia-co-che-mot-cua-ASEAN-mot-cua-quốc-gia-2016-324598.aspx> VỀ VIỆC THÀNH LẬP ỦY BAN CHỈ ĐẠO QUỐC GIA VỀ CƠ CHẾ MỘT CỬA ASEAN, CƠ CHẾ MỘT CỬA QUỐC GIA VÀ TẠO THUẬN LỢI THƯƠNG MẠI and [Prime Minister's Decision regarding the National Steering Committee on ASEAN Single Window, National Single Window, and Trade Facilitation, No. 1899/QĐ-TTg, Oct 4, 2016](#)

⁵⁵ <http://thuvienphapluat.vn/van-ban/Thuong-mai/Quyết-dinh-1969-QĐ-TTg-chuan-bi-hiep-dinh-tao-thuan-loi-thuong-mai-to-chuc-thuong-mai-the-gioi-2016-325846.aspx> Quyết định 1969/QĐ-TTg chuẩn bị hiệp định tạo thuận lợi thương mại tổ chức thương mại thế giới 2016, Oct 13, 2016 “PHÊ DUYỆT KẾ HOẠCH CHUẨN BỊ VÀ TRIỂN KHAI THỰC HIỆN HIỆP ĐỊNH TẠO THUẬN LỢI THƯƠNG MẠI CỦA TỔ CHỨC THƯƠNG MẠI THẾ GIỚI” and [Prime Minister's Decision approving the plan to prepare and implement the WTO Trade Facilitation Agreement, No. 1969/QĐ-TTg, Oct 13, 2016](#)

Now that some progress has been made on two objectives, it is more likely that progress can be made on the other key objective, and on the detailed TFA commitments, such as

- the Advance Ruling system, which does not yet comply with the TFA commitment (Sec I, Article 3);
- the Trade Facilitation Measures for Authorized Operators do not yet comply with the TFA commitment (Sec I, Article 7.7), discriminate against SMEs, in violation of Sec I, Art. 7.7.2(b)(ii), by setting minimum turnover levels in order to qualify, and have no supply chain security considerations as provided for by Sec 1, Art 7.7.2(a)(iv);
- and more, but the above are indicative of key commitments that have not yet been implemented.

2. Number of activities

We have submitted regular, and very granular, monthly detail reports of activities.

In summary, over the past **14 months**, VTFA organized and participated in **16 activities** (including one delegation mission to the U.S., 13 major conferences and 3 training courses) over the period Mar 1, 2017 – April 30, 2018. On average VTFA participated in **1 major activity per month**, in addition to small management and coordination meetings for planning and review.

It is important not to confuse activities and results, a critique of some technical assistance programs.⁵⁶ However, we believe that VTFA has shown results, not only by implementation of some key TFA commitments, mentioned above, but also by some changes in attitude.

3. Value of Private Sector Contributions

We have received \$132,755 in private sector contributions, mostly funding to support activities, including \$53,755 in sponsorships and participant fees to support the August 28, 2018 Food Safety Summit,⁵⁷ where Minister of Health Nguyễn thị Kim Tiến was the guest of honor. The private sector contributions exceeded the grant funding of \$128,646.

4. World Bank Indicators:

Below is a summary of the results for Vietnam “Ease of Doing Business) over the past few years, with a focus on “**Trading Across Borders**,” which shows very little improvement, even retrogression in the indicator. However, Vietnam’s “Trading Across Borders Rank increased from 99 in 2016 to 94⁵⁸ in

⁵⁶ <http://oig.usaid.gov/sites/default/files/audit-reports/5-440-13-004-p.pdf> “The lack of custom indicators ... makes it difficult for mission officials to track ... progress. For example, the most significant activity conducted ... was organizing and funding capacity-building workshops for Vietnamese officials and other counterparts. Since the project’s inception through July 2012, it supported 147 workshops”

⁵⁷ <http://www.amchamvietnam.com/food-safety-training-summit/>

⁵⁸ <http://www.vivabcs.com.vn/assets/uploads/2017/02/VN-Economy-profile.pdf> page 83 and <http://www.doingbusiness.org/data/exploretopics/trading-across-borders>

2017, The last two rows are the Transparency International's "Corruptions Perception Index," which shows Vietnam's ranking improving, but the CPI score is unchanged at 31.


	2012	2013	2014	2015	2016
Ease of Doing Business	98	99	99	78	90
Starting a business	103	108	109	125	119
Construction permits	67	28	29	22	12
Getting electricity	135	155	156	135	108
Registering property	47	48	51	33	58
Getting credit	24	40	42	36	28
Protecting investors	166	169	157	117	122
Paying taxes	151	138	149	173	168
Trading across borders	68	74	65	75	99
Enforcing contracts	30	44	46	47	74
Resolving insolvency	142	149	149	104	123
TI/CPI Rank (1 - 175)	123	116	119	112	
TI/CPI Score (0-100)	31	31	31	31	

WB Logistics Performance Index: Efficiency of customs clearance process

This indicator evaluates efficiency of customs clearance processes (i.e. speed, simplicity, and predictability of formalities) on a rating ranging from 1 (very low) to 5 (very high). Scores for Vietnam are 2.65, 2.68, 2.81, and 2.75 in 2010, 2012, 2014 and 2016. This indicator is updated biannually, so there is no 2017 update. The target for 2016 was **3.2**, which was not achieved. The Customs indicator actually declined to **2.75**. See table below.⁵⁹

DATA TABLE

 Download XLS

(Toggle Rank and Score for Subindicators) 

Country	Year	LPI Rank	LPI Score	Customs ?	Infrastructure ?	International shipments ?	Logistics competence ?	Tracking & tracing ?	Timeliness ?
Vietnam	2014	48	3.15	2.81	3.11	3.22	3.09	3.19	3.49
Vietnam	2012	53	3.00	2.65	2.68	3.14	2.68	3.16	3.64
Vietnam	2016	64	2.98	2.75	2.70	3.12	2.88	2.84	3.50
Vietnam	2010	53	2.96	2.68	2.56	3.04	2.89	3.10	3.44
Vietnam	2007	53	2.89	2.89	2.50	3.00	2.80	2.90	3.22

V. Discussion of How Chemonics Grant Contributed to the Objectives of the Program

The USAID/GIG (Chemonics) Grant was essential to the success of VTFA efforts in phase one, and helpful in phase two, despite the substantial reduction. It demonstrated the support of the U.S. Government for our efforts. It had a "pump-priming" effect on other partner business associations that did not see how, at the beginning, our efforts could be successful. The Grant to a private sector organization, a cooperative venture between the Vietnam Chamber of Commerce and Industry and the American Chamber of Commerce in Vietnam demonstrated the

⁵⁹

<http://lpi.worldbank.org/international/scorecard/radar/254/C/VNM/2016/C/VNM/2014/C/VNM/2012/C/VNM/2010/C/VNM/2007#chartarea>

VTFA, Phase 2 Completion Report: May 1, 2017 – May 1, 2018

importance of cooperation between businesses and government, between U.S. and Vietnamese organizations to achieve mutually beneficial objectives, in line with our mission: “to help make Vietnam the best business and investment destination in Southeast Asia.” One challenge of the grant was the need to provide almost every single piece of paper to support the financial reporting and reimbursements. Ironically, it was the sort of excessive paperwork requirements that we are seeking to reduce in the customs administration and trade facilitation sector. Perhaps it was necessary in the beginning as we became familiar with the budgeting and reporting procedures.

VI. Final Financial Report

A final financial report has been submitted separately and a summary below of totals expended by category in accordance with the Grant Agreement paragraph 21 Reporting Requirements, c) Grantee Completion Report, • Final Financial Report.⁶⁰

Name of Organization: AmCham Vietnam - HCMC
 Project Title: Vietnam Trade Facilitation Alliance, Phase 2
 Period of Performance: May 1, 2017 - May 1, 2018

Cost Category	Approved budget May 1, 2017 - May 1, 2018 (B)	Actual expenditure May 1, 2017 - May 1, 2018 (C)	Budget balance (D) = (B) - (C)	
Salary	1,973,211,733	1,940,897,085	32,314,648	-2%
Travel	75,020,304	58,283,575	16,736,729	-22%
Other Direct Cost Activity/ Workshop cost	462,618,000 399,126,825	501,712,250 313,947,561	(39,094,250) 85,179,264	8% -21%
Grand Total	2,909,976,862	2,814,840,471	95,136,390	

Drafted by: Herb Cochran, 29 May 2018
 With support of Wendy Nguyen
 Approved by: HCochran, 31 May 2018

⁶⁰ “21. Reporting Requirements c) Grantee Completion Report, including • A final financial report summarizing total expended by category. Any variation of more than 10% per major expense category must be accompanied by Chemonics’ written approval to exceed a major expense category by more than 10% (reference Clause 13, Allowable Costs of this Agreement).”