

INDEPENDENT EVALUATION DIVISION  
OFFICE OF EVALUATION AND INTERNAL OVERSIGHT

INDEPENDENT TERMINAL EVALUATION

Viet Nam

**EXPANSION OF THE NATIONAL BUSINESS REGISTRATION  
SYSTEM TO NEW BUSINESS ENTITIES**

UNIDO PROJECT ID: 130217



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## Abbreviations and acronyms

Abbreviation	Meaning
ABR	Agency for Business Registration
ASMED	Agency for SME Development
BRC	Business Registration Certificate
BRO	Business Registration Office
BRR	Business Registration Reform
BRSC	Business Registration Supporting Centre
DPI	Provincial Department of Planning and Investment
FDI	Foreign Direct Investment
FIE	Foreign-Invested Enterprise
GDT	General Department of Taxation
GIZ	German Agency for Technical Cooperation
GoV	Government of Viet Nam
GSO	General Statistics Office
HCMC	HoChiMinh City
ICT	Information and Communication Technology
IFC	International Finance Corporation
IRC	Investment Registration Certificate
ISP	Internet Service Provider
MBIE	Management Boards of Industrial Zones and Export Processing Zone
MOET	Ministry of Education and Training
MOF	Ministry of Finance
MOH	Ministry of Health
MOHA	Ministry of Home Affairs
MOLISA	Ministry of Labor, Invalids and Social Affairs
MOIC	Ministry of Information and Communication
MOIT	Ministry of Trade and Industry
MOJ	Ministry of Justice
MONRE	Ministry of Natural Resource and Environment
MPI	Ministry of Planning and Investment
MPS	Ministry of Public Security
MTD	Municipal Tax Department
MTR	Mid-Term Review
NBRD	National Business Registration Database

<b>Abbreviation</b>	<b>Meaning</b>
NBRP	National Business Registration Portal
NBRS	National Business Registration System
NDI	National Database of Insurance
NGSP	National Government Service Platform
NRD	Norway Register Development AS
PPC	Provincial People's Committee
PSC	Project Steering Committee
SECO	State Secretariat for Economic Affairs (Switzerland)
SME	Small and Medium Enterprise
SOE	State-owned enterprise
TOC	Theory of Change
UNIDO	United Nations Industrial Development Organization
VBF	Viet Nam Business Forum
VNCI	Viet Nam Competitive Initiative
WTO	World Trade Organization

## Glossary of evaluation-related terms

Term	Definition
Baseline	The situation, before an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development intervention's objectives were achieved or are expected to be achieved.
Efficiency	A measure of how resources/inputs (funds, expertise, time, etc.) are converted to results.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Lessons learned	Generalizations based on evaluation experiences that abstract from the specific circumstances to broader situations.
Logframe (logical framework approach)	A management tool used to facilitate the planning, implementation, and evaluation of an intervention. It involves identifying strategic elements (activities, outputs, outcome, impact) and their causal relationships, indicators, and assumptions that may affect success or failure. Based on RBM (results-based management) principles.
Outcome	The likely or achieved (short-term and medium-term) effects of an intervention's outputs.
Outputs	The products, capital goods, and services which result from an intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance	The extent to which the objectives of intervention are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donor's policies.
Risks	Factors, generally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance, has been completed.
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.
Theory of Change	A set of hypotheses on how and why an initiative works.

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### **Evaluation Team:**

Mr. Aaron E. Zazueta: Evaluation Team Leader

Ms. Thuy Thu Le: Evaluation Manager and team member

Mr. Vu Cuong: National consultant, team member

Ms. Pham Thi Thuy Chi: National consultant, team member



## Project factsheet

<b>Project title</b>	Expansion of the National Business Registration System to New Business Entities
<b>UNIDO project No. and / or ID</b>	Project ID: 130217
<b>Country</b>	Viet Nam
<b>Expected project duration</b>	48 months (4 years)
<b>Actual project duration</b>	76 months (6.3 years, 2.3 years overdue)
<b>Planned completion date</b>	31 August 2018
<b>Actual completion date</b>	31 December 2020
<b>Project signed</b> <b>Project implementation start date</b>	May 2014 by the Ministry of Planning and Investment (MPI), in June 2014 by SECO and UNIDO September 2014 3 Amendments 1. August 2018 extension to Jun 2019 2. Jun 2019 extension to June 2020 3. June 2020 extension to Dec 2020
<b>Executing partner(s)/entity(ies)</b>	Agency for Business Registration (ABR), under the Ministry of Planning and Investment (MPI)
<b>Donor:</b>	SECO (Swiss State Secretariat of Economic Affairs)
<b>Total budget</b>	<b>USD 6,499,560, including counterpart inputs</b> <ul style="list-style-type: none"> <li>• SECO Funding: USD 5,799,560 <ul style="list-style-type: none"> <li>- Grant to UNIDO: USD 5,132,354</li> <li>- Support costs (13%): USD 667,206</li> </ul> </li> <li>• Counterpart inputs: In-kind and in-cash, total VND 14,700,000,000 (equivalent to USD 700,000), of which VND 6,300,000,000 (equivalent to USD 300,000) in cash to ABR</li> </ul>
<b>Mid-term review date</b>	November 2016

(Source: Project document and amendments)

## Executive summary (Tóm tắt)

This project took place within the contexts of Viet Nam “Doi Moi” – “Renovation” – policy from 1986 which seeks to shift the country from a centralized economy dominated by state-owned enterprises (SOE) and cooperatives to a “market economy with a socialist orientation”. It followed a previous intervention by the United Nations for Industrial Development Organization (UNIDO) where an electronic National Business Registration System (NBRIS) was set up to register enterprises operating in the country and the Agency for Business Registration (ABR) under the Ministry of Planning and Investment (MPI) was established to run the system. The current project’s development objective is “To contribute to an enabling business environment for the private sector by strengthening the capacities of the ABR, the Business Registration Offices (BRO), ministries, agencies, including for inter-institutional coordination and collaboration.” The immediate project objective is: “the ABR and BROs can provide accurate, legally binding information on commercial entities, to the business community, government agencies and the public in general, independently from further similar international donor support and with operational and financial sustainability.” The project was financed by the State Secretariat for Economic Affairs (SECO) of Switzerland, implemented by the UNIDO and executed by the ABR of MPI in Viet Nam. The SECO grant was approved on May 2014. The completion date of the project was originally planned for August 2018, but was extended three times (one increasing its scope and funding and two no-cost time extensions) to finish in December 2020.

The project is highly effective as it has achieved most of its expected results, in some areas overachieved the target. The key intended outcome of the project was the expansion of the National Business Registration System (NBRIS), which was developed in the previous phase (with the support of UNIDO and SECO), to include enterprises registered under different ministries other than the MPI.

## Tóm tắt

Dự án được thực hiện trong thời kỳ cải cách với chính sách “Đổi Mới” từ năm 1986 nhằm chuyển đổi đất nước từ nền kinh tế tập trung do các doanh nghiệp nhà nước (DNNN) và hợp tác xã (HTX) chi phối sang “nền kinh tế thị trường định hướng xã hội chủ nghĩa”. Dự án là giai đoạn tiếp theo can thiệp từ giai đoạn trước của Tổ chức Phát triển Công nghiệp Liên hợp quốc (UNIDO), nhằm xây dựng Hệ thống Thông tin Đăng ký Doanh nghiệp Quốc gia (TTĐKDNQG) về đăng ký doanh nghiệp trong nước và thành lập Cục Quản lý Đăng ký Kinh doanh (QLĐKKD) thuộc Bộ Kế hoạch và Đầu tư (KH&ĐT) để vận hành Hệ thống này. Mục tiêu phát triển của dự án nhằm “Góp phần tạo môi trường kinh doanh thuận lợi cho khu vực tư nhân bằng cách tăng cường năng lực của Cục Quản lý Đăng ký kinh doanh (QLĐKKD), các Phòng Đăng ký kinh doanh (ĐKKD), các bộ, ngành, bao gồm cơ chế phối hợp liên ngành giữa các cơ quan.” Mục tiêu trực tiếp của dự án là “Cục QLĐKKD và các Phòng ĐKKD đủ khả năng cung cấp những thông tin chính xác, có giá trị pháp lý về các tổ chức kinh doanh cho cộng đồng doanh nghiệp, cơ quan quản lý nhà nước và công chúng nói chung một cách độc lập, không phụ thuộc vào sự hỗ trợ của các nhà tài trợ quốc tế, đồng thời đảm bảo mục tiêu bền vững về năng lực hoạt động và tài chính.” Dự án được Cục Kinh tế Liên bang Thụy Sĩ (SECO) tài trợ, do UNIDO và Cục QLĐKKDQG thuộc Bộ KH&ĐT Việt Nam triển khai. Khoản tài trợ của SECO đã được phê duyệt vào tháng 5/2014. Ngày kết thúc dự án theo kế hoạch ban đầu vào tháng 8/2018, sau đó gia hạn bốn lần (một lần tăng phạm vi và kinh phí, và ba lần gia hạn dự án không bổ sung thêm kinh phí tài trợ) nên dự án kết thúc vào tháng 12/2020.

Dự án có hiệu quả cao, đạt được hầu hết các kết quả như kế hoạch, một số lĩnh vực hoàn thành vượt mức mục tiêu. Kết quả dự kiến chính của dự án là mở rộng Hệ thống thông tin Đăng ký Doanh nghiệp Quốc gia (TTĐKDNQG), với sự hỗ trợ của UNIDO và SECO trong giai đoạn trước, tích hợp các doanh nghiệp (DN) đăng ký thuộc các bộ khác ngoài Bộ KH&ĐT.

The project assisted the ABR to increase the number of enterprises registered in the NBRS from around 800,000 in September 2013 to 1.4 million in September 2020. As of November 2020, all enterprises in Viet Nam are included in the NBRS, except household businesses and businesses registered under the Ministry of Justice. The project helped the Government of Viet Nam (GOV) in establishing inter-ministerial coordination to share information and increase efficiency. It supported extensive training of the staff from the ABR, BROs and other relevant ministries and stakeholders to build capacities to implement the new regulations and the operation of the systems. It facilitated broad consultations with stakeholders and awareness raising activities targeting trade institutions and enterprises. It also assisted the establishment of a single-point-registration cooperating mechanism for business registration and helped the ABR in developing a sustainability strategy for the national system.

These achievements required the adoption and implementation of 11 legal and regulatory reforms that provided the foundations for the expansion of the NBRS. The legal framework and institutional capacities have been established to ensure the sustainability of the NBRS. The web-based system was upgraded and staff was trained on new procedures and operation of the enhanced system in the ABR and in all 63 provinces in the country. In addition, systems were put in place to improve the reliability of data in the database and inter-ministerial mechanisms for coordination were established to ensure the smooth running of the NBRS. By the end of the project in late 2020, the NBRS has been linked to eight other digital databases in the country. The ABR has developed and implemented a strategy that is highly likely to ensure the operational and financial sustainability of the NBRS without further donor support. The project has helped to bring about some changes to make the business environment more conducive to the private sector development in the country, such as lower costs and risks of doing business, more evidence-based policies, more effective and efficient administration, and diminishing corruption and upholding the rule of law.

Dự án hỗ trợ Cục QLĐKKD tăng số lượng DN đăng ký trên hệ thống TTĐKDNQG từ khoảng 800,000 DN (tháng 9/2013) lên 1.4 triệu DN (tháng 9/2020). Kể từ tháng 11/2020, tất cả các DN tại Việt Nam đều được đưa vào hệ thống, ngoại trừ các hộ kinh doanh và các DN đăng ký theo Bộ Tư pháp. Dự án đã giúp Chính phủ Việt Nam (CPVN) xây dựng hợp tác liên ngành để chia sẻ thông tin và nâng cao hiệu quả. Dự án hỗ trợ đào tạo cán bộ Cục QLĐKKD, các Phòng ĐKKD, các bộ ngành và các bên liên quan phát triển năng lực để thực hiện các quy định mới và vận hành hệ thống. Dự án tạo điều kiện thuận lợi cho việc tham vấn rộng rãi các bên liên quan và các hoạt động nâng cao nhận thức hướng đến các tổ chức thương mại và DN. Dự án cũng hỗ trợ thiết lập cơ chế hợp tác đăng ký một cửa cho đăng ký kinh doanh và giúp Cục QLĐKKD xây dựng chiến lược bền vững cho hệ thống thông tin quốc gia.

Những thành tựu này đòi hỏi có sự thông qua và thực hiện 11 cải cách pháp lý và quy định, tạo cơ sở cho việc mở rộng Hệ thống TTĐKDNQG. Nhằm đảm bảo tính bền vững của Hệ thống TTĐKDNQG, khuôn khổ pháp lý và năng lực thể chế đã được xây dựng. Nâng cấp hệ thống dựa trên nền tảng web và đào tạo cán bộ nhân viên về các quy trình mới và vận hành hệ thống nâng cao tại Cục QLĐKKD và tất cả 63 tỉnh thành trong cả nước. Ngoài ra, đã triển khai các hệ thống nhằm nâng cao độ chính xác của dữ liệu trong cơ sở dữ liệu và thiết lập các cơ chế phối hợp liên ngành để đảm bảo Hệ thống TTĐKDNQG hoạt động thông suốt. Đến khi dự án kết thúc vào cuối năm 2020, Hệ thống TTĐKDNQG đã liên kết với tám cơ sở dữ liệu số khác trong nước. Cục QLĐKKD đã phát triển và thực hiện chiến lược đảm bảo tính bền vững về năng lực hoạt động và tài chính của hệ thống một cách độc lập với hỗ trợ của các nhà tài trợ. Dự án đã mang lại một số thay đổi giúp môi trường kinh doanh thuận lợi hơn cho sự phát triển của khu vực tư nhân trong nước, như giảm thiểu chi phí và rủi ro kinh doanh, các chính sách dựa trên bằng chứng nhiều hơn, quản lý hiệu quả hơn, giảm thiểu tham nhũng và duy trì thượng tôn pháp luật.

The project was highly relevant to the e-government policies in Viet Nam and to the government's long-term policies moving from a centralized managed to a market-based economy with strong participation of the private sector. It was relevant to SECO and UNIDO as far as it supported the development of the private sector in Viet Nam.

The project is highly efficient. It made very efficient use of resources delivering training, technical assistance, and support to improve the electronic business registration system as well as assistance for stakeholder engagement. The financial efficiency analysis indicates that by about mid-2019, the total retained revenue has fully covered the investment costs, implying a payback period of 9.5 years. The economic returns of the project are expected to match investments within more than 4 years. The project is good value for money, considering that even during the investment period revenues outstripped investments. Normally most of development projects would have payback periods going beyond the investment phase, since in the investment phase, only costs, not benefits incur. This project is unique in the sense that costs could be paid back already during the investment phase. This is because it can generate revenue in parallel with additional investment. In the last few years, the project generated more than enough revenue to cover investment costs. Even with prudential estimates of the benefits, this implies that investment costs are relatively smaller than benefits generated.

The sustainability of the reform process supported by the project is high. The project results and benefits will be sustained when the project ends in December 2020. The network of institutions responsible for business registration in Viet Nam, including the ABR and 63 BROs has already been institutionalized in the structure of the government and is fully owned by the GOV. In terms of financial sustainability, mechanisms are in place to finance the operations of the ABR, BROs and the NBRS, to upgrade the system and to ensure access to technically qualified staff and experts and continuous improvement of the system in the future. The ARB has generated more than enough revenue to fund the investment costs in recent years. In terms of institutional framework and governance, robust legal framework and institutional capacities have been established to ensure the continuity of the

Dự án rất phù hợp với chính sách xây dựng chính phủ điện tử của Việt Nam và các chính sách dài hạn của chính phủ chuyển từ nền kinh tế tập trung sang nền kinh tế thị trường với sự tham gia mạnh mẽ của khu vực tư nhân. Dự án phù hợp với SECO và UNIDO vì dự án hỗ trợ khu vực tư nhân phát triển ở Việt Nam.

Dự án đạt hiệu quả cao, sử dụng hiệu quả các nguồn lực đào tạo, hỗ trợ kỹ thuật, và hỗ trợ để cải thiện hệ thống và cổng thông tin điện tử, cũng như hỗ trợ các bên liên quan tham gia. Phân tích hiệu quả tài chính chỉ ra rằng, đến giữa năm 2019, tổng doanh thu giữ lại đã đủ bù đắp các chi phí đầu tư, tương ứng với thời gian hoàn vốn là 9,5 năm. Lợi ích kinh tế của dự án dự kiến sẽ tương ứng với các khoản đầu tư trong vòng hơn 4 năm. Dự án có hiệu suất đầu tư cao, hơn nữa, ngay cả trong giai đoạn đầu tư thì nguồn thu đã vượt xa các khoản đầu tư. Thông thường, hầu hết các dự án phát triển sẽ có thời gian hoàn vốn vượt quá giai đoạn đầu tư, vì trong giai đoạn đầu tư, chỉ có chi phí chứ chưa có lợi ích. Dự án này là duy nhất ở chỗ có thể hoàn trả chi phí ngay cả trong giai đoạn đầu tư. Điều này là do dự án có nguồn thu song song với đầu tư thêm. Trong vài năm gần đây, dự án có nguồn thu đủ để trang trải chi phí đầu tư. Ngay cả với các ước tính thận trọng về lợi ích, điều này cũng ngụ ý rằng, chi phí đầu tư tương đối nhỏ hơn lợi ích mà dự án mang lại.

Quá trình cải cách được dự án hỗ trợ có tính bền vững cao. Kết quả và lợi ích của dự án sẽ được duy trì khi dự án kết thúc vào tháng 12/2020. Mạng lưới các tổ chức chịu trách nhiệm đăng ký kinh doanh tại Việt Nam, bao gồm Cục QLĐKKD và 63 Phòng ĐKKD đã được thể chế hóa trong cơ cấu chính phủ và hoàn toàn được CPVN làm chủ. Về tính bền vững tài chính, đã thiết lập các cơ chế tài trợ cho hoạt động của Cục QLĐKKD, các Phòng ĐKKD và Hệ thống TTĐKDNQG để nâng cấp hệ thống và đảm bảo sự tiếp cận với các cán bộ và chuyên gia có trình độ kỹ thuật và liên tục cải tiến hệ thống trong tương lai. Những năm gần đây, Cục QLĐKKD tạo nguồn thu đủ để chi trả chi phí đầu tư. Về khuôn khổ thể chế và quản trị, đã thiết lập khung pháp lý và năng lực thể chế mạnh mẽ nhằm đảm bảo hoạt động liên tục của Hệ thống TTĐKDNQG, Cục QLĐKKD và các Phòng ĐKKD. Về tính bền vững chính trị xã hội, nhu cầu về

NBRS, the ABR and BROs. Regarding socio-political sustainability, there is a growing demand for the information generated by NBRS and an appreciation among policy makers and businesses of the value of reliable data. Most importantly there is a strong government commitment in support of the transition to a digital government and the fostering of a business environment conducive to private sector development and the NBRS is widely seen as a tool for these two objectives.

In summary the project has helped the Government of Viet Nam to put in place the legal, institutional and technical conditions to expand the coverage of the NBRS. The ABR and the BROs have further developed their capacities to provide increasingly “accurate, legally binding information on commercial entities to the business community, government agencies and the public in general”. Overall public sector and private sector stakeholders have expressed high level of satisfaction of the NBRS. Financial mechanisms are in place to sustain the operations of the ABR (from the national budget and income from NBRS information services) and 63 BROs (from provincial budgets) to upgrade the system, and to ensure the ABR’s access to technically qualified staff and to continue improving the system, independently from further international donor support.

Looking back at the assessment of the independent terminal evaluation of the predecessor 2008-2013 project in 2013 when it indicated that ‘the business registration reform is unfinished’, the current project has managed to leap forward and complete many aspects of the ‘unfinished’ reform, except the inclusion of the household businesses. While it is highly likely that some of these accomplishments could have taken place without the project support, it is also clear that the project contributed to speeding the process as it is likely that without the achievements would have taken a longer time. The project afforded flexibility to ABR by financing activities (such as consultation and training workshops), and the project assisted Viet Nam to have access to lessons and experiences from other countries through the hiring of international consultants and study tours abroad.

Naturally as reforms of this nature run over many years and in certain ways are never fully finished, there is still a need to ensure enterprises keep

thông tin do do Hệ thống cung cấp ngày càng tăng, các nhà lãnh đạo và DN đánh giá cao giá trị của các dữ liệu đáng tin cậy. Quan trọng nhất là Chính phủ cam kết mạnh mẽ trong việc hỗ trợ quá trình chuyển đổi sang Chính phủ số và thúc đẩy môi trường kinh doanh thuận lợi cho sự phát triển của khu vực tư nhân, và Hệ thống TTĐKDNQG được coi là công cụ thực hiện hai mục tiêu này.

Tóm lại, dự án đã hỗ trợ Chính phủ Việt Nam có các điều kiện pháp lý, thể chế và kỹ thuật để mở rộng Hệ thống TTĐKDNQG. Cục QLĐKKD và các Phòng ĐKKD đã phát triển năng lực để cung cấp “những thông tin chính xác và có giá trị pháp lý về các tổ chức kinh doanh cho cộng đồng doanh nghiệp, các cơ quan quản lý nhà nước và công chúng”. Nhìn chung, các bên liên quan trong khu vực công và khu vực tư nhân thể hiện mức độ hài lòng cao đối với Hệ thống TTĐKDNQG. Các cơ chế tài chính được thiết lập nhằm duy trì hoạt động của Cục QLĐKKD (từ ngân sách nhà nước và nguồn thu từ dịch vụ thông tin trên hệ thống TTĐKDNQG) và các Phòng ĐKKD (từ ngân sách tỉnh) để nâng cấp hệ thống và đảm bảo Cục tiếp cận với các cán bộ có trình độ kỹ thuật, và tiếp tục cải tiến hệ thống mà không cần sự hỗ trợ từ các nhà tài trợ quốc tế.

Nhìn lại kết quả đánh giá độc lập của dự án trước giai đoạn 2008-2013 vào năm 2013, cho rằng ‘cải cách đăng ký kinh doanh chưa hoàn thiện’, thì dự án hiện nay đã có bước tiến nhảy vọt và hoàn thiện nhiều lĩnh vực của cải cách ‘chưa hoàn thiện’ trước đó, ngoại trừ việc đưa các hộ kinh doanh vào hệ thống. Mặc dù một số thành tựu này có thể đạt được mà không cần hỗ trợ của dự án, nhưng rõ ràng, dự án đã góp phần đẩy nhanh quá trình vì nếu không có những thành tựu này, rất có thể sẽ mất nhiều thời gian hơn. Dự án giúp Cục QLĐKKD linh hoạt hơn thông qua các hoạt động tài trợ (như hội thảo tư vấn và đào tạo), và dự án đã hỗ trợ Việt Nam học tập các bài học và kinh nghiệm từ các nước qua việc thuê chuyên gia tư vấn quốc tế và tham quan học tập ở nước ngoài.

Đương nhiên, do những cải cách kiểu này cần thực hiện trong nhiều năm và một số khía cạnh nhất định sẽ không bao giờ hoàn toàn hoàn tất, nên vẫn cần

information updated, improve the quality and accuracy of the data, to improve the portal interface and linkage between the National Business Registration Database (NBRD) and other databases of other ministries. Yet, these improvements can only take place over time and should be approached as ongoing tasks to continuously improve the system. These are also tasks that the ABR and BROs can carry out as part of their normal operations given that they have developed the necessary capacities and have secured the necessary funding.

An important unintended consequence of the high level of achievement of the ABR and BROs is that stakeholders, both from the private and public sectors, now appreciate the value of reliable information and are demanding quality information related to enterprises in the country. While the project made substantial contribution to the development of the NBRS, it has also made plain the information gaps related to enterprises and doing business in Viet Nam. Much of such information such as enterprise capital, balance sheets, credit worthiness, employment and other information require further regulation on sharing, disclosure and use. While it is important for the GOV to address such information needs, care should be taken not to over-extend the functions of the ABR beyond its mandate on business registration. Instead GOV could explore ways to address such information needs within the context of its broader digital policies and further definition of information roles and responsibilities across the public and the private sectors.

The evaluation presents three sets of recommendations. The first recommendation is directed to the Government of Viet Nam, SECO and UNIDO. This recommendation is strategic in nature and pertains to setting up a path that would respond to the need and increasing demand for more information on enterprises, additional to what the NBRS provides. This recommendation is potentially outside of the ABR's mandate. This recommendation is casted broadly and raises the scope of UNIDO and SECO engagement in Viet Nam to a higher policy and administration level that addresses more comprehensively the information needs for a sound and equitable industrial development in the country. UNIDO in cooperation with the MPI and relevant donor organizations should take the initiative for a broader look at the Business Environment in Viet

đảm bảo DN cập nhật thông tin, nâng cao chất lượng và độ chính xác của dữ liệu để cải thiện tính kết nối/ liên thông giữa Cơ sở dữ liệu quốc gia về đăng ký doanh nghiệp (NBRD) với các cơ sở dữ liệu quốc gia khác. Tuy nhiên, những cải tiến này chỉ có thể tiến hành theo thời gian và nên tiếp cận như những nhiệm vụ liên tục để không ngừng nâng cấp hệ thống. Đây cũng là nhiệm vụ mà Cục QLĐKKD và các Phòng ĐKKD có thể thực hiện như một phần trong hoạt động bình thường với điều kiện họ đã phát triển những năng lực cần thiết và đảm bảo được nguồn vốn cần thiết.

Một kết quả quan trọng ngoài dự kiến của mức độ thành tích cao của Cục QLĐKKD và các Phòng ĐKKD là các bên liên quan, gồm cả khu vực tư nhân và nhà nước, hiện nay đánh giá cao giá trị của thông tin chính xác và yêu cầu chất lượng của thông tin liên quan đến các DN trong nước. Dự án đã đóng góp đáng kể vào sự phát triển của Hệ thống TTĐKDNQG, đồng thời cũng làm rõ những khoảng trống thông tin về các DN và hoạt động kinh doanh tại Việt Nam. Phần lớn thông tin như vốn DN, bảng cân đối kế toán, mức độ tín nhiệm, lao động và các thông tin khác cần phải có thêm quy định về chia sẻ, công bố và sử dụng thông tin. Điều quan trọng là Chính phủ cần giải quyết những nhu cầu thông tin như vậy, nhưng cần chú ý không nên mở rộng quá mức các chức năng của Cục QLĐKKD ngoài nhiệm vụ đăng ký kinh doanh. Thay vào đó, Chính phủ có thể tìm cách giải quyết các nhu cầu thông tin như vậy trong bối cảnh chính sách rộng hơn về [nền kinh tế và quản trị] kỹ thuật số và xác định rõ vai trò và trách nhiệm thông tin trong khu vực công và khu vực tư nhân.

Khuyến nghị đầu tiên là đối với Chính phủ Việt Nam, SECO và UNIDO. Khuyến nghị này có tính chất chiến lược và liên quan đến việc xây dựng một lộ trình có thể đáp ứng nhu cầu ngày càng tăng về thông tin về DN, bên cạnh những thông tin mà hệ thống cung cấp. Khuyến nghị này có khả năng nằm ngoài nhiệm vụ của Cục QLĐKKD. Khuyến nghị được công bố rộng rãi và mở rộng phạm vi tham gia của UNIDO và SECO tại Việt Nam lên cấp chính sách và quản lý cao hơn nhằm giải quyết một cách toàn diện nhu cầu thông tin cho sự phát triển ngành hài hòa và công bằng trong nước. UNIDO phối hợp với Bộ KH&ĐT và các tổ chức tài trợ liên quan nên chủ động để có cái nhìn tổng quát hơn về Môi trường kinh doanh tại Việt Nam với quan điểm dài hạn nhằm hạn chế các nút thắt quan trọng nhất để nâng cao khả năng cạnh tranh quốc tế cho cả DN trong và ngoài nước. Các

Nam, with the long-term perspective of reducing the most critical bottlenecks for the country to become internationally more competitive both for domestic and foreign enterprises. Recommendations 2, 3, and 4, remain within the scope and the mandate of the ABR, the administration level of the current project, and pertain to ongoing activities to “solidify” and continuously improve the accomplishments achieved in the current project. These recommendations directly address to the ABR under the MPI. Recommendation 5 pertains to the expansion of the NBRIS to include household businesses (HHBs). This recommendation is about moving the initiative to a **lower institutional level in the administrative scale**, working with district authorities which represent different and additional challenges of working with provincial authorities.

## Recommendations

### Recommendation to the Government of Viet Nam, SECO and UNIDO

**Recommendation 1: Develop and implement a strategy to build a comprehensive architecture of a user-oriented national information system on enterprises.** As indicated in the body of the report, stakeholders have greatly appreciated the achievement made by the ABR in providing systematic information on enterprises that is legally binding. But the information provided by the NBRIS contains only a small fraction of the information needed to build trust and create a business environment conducive for a thriving private sector in the country. Stakeholders across all sectors (including provincial officials, trade associations and enterprises) indicated to the evaluation team that there is an urgent need to complement the information provided in the NBRIS with additional information that is key for decision making such as enterprise actual updated capital (not just claimed capital during registration), updated yearly revenues of enterprises, and the nationality of the investors.<sup>1</sup> There are state agencies that have already gathered and kept information of different aspects of business operations, but this information is not publicly available, and some is considered confidential. For example, the General Department of Taxation (GDT)

khuyến nghị 2, 3 và 4, nằm trong phạm vi nhiệm vụ của Cục QLĐKKD - cơ quan chủ quản của dự án hiện nay, liên quan đến các hoạt động đang diễn ra nhằm “củng cố” và liên tục cải thiện những thành tựu đạt được của dự án hiện tại. Đây là những khuyến nghị trực tiếp đối với Cục QLĐKKD thuộc Bộ KH&ĐT. Khuyến nghị 5 liên quan đến việc mở rộng Hệ thống TTĐKDNQG để tích hợp thông tin của các hộ kinh doanh (HKD). Khuyến nghị này chuyển sáng kiến sang **cấp độ thể chế thấp hơn trong phân cấp hành chính** - làm việc với chính quyền cấp huyện với những thách thức khác nhau và bổ sung khi làm việc với chính quyền cấp tỉnh.

## Các khuyến nghị

### Khuyến nghị đối với Chính phủ Việt Nam, SECO và UNIDO

**Khuyến nghị 1: Xây dựng và triển khai chiến lược xây dựng hệ thống thông tin quốc gia toàn diện về DN hướng tới người sử dụng.** Như đã nêu trong phần nội dung báo cáo, các bên liên quan đánh giá rất cao thành tích mà Cục QLĐKKD đạt được trong việc cung cấp thông tin có hệ thống và có tính pháp lý về các DN. Tuy nhiên, thông tin do Cục QLĐKKD cung cấp chỉ là một phần nhỏ những thông tin cần thiết để xây dựng lòng tin và tạo môi trường kinh doanh thuận lợi cho khu vực tư nhân trong nước đang phát triển mạnh mẽ. Các bên liên quan trong tất cả các lĩnh vực (bao gồm lãnh đạo cấp tỉnh, hiệp hội thương mại và doanh nghiệp) cho biết cần phải bổ sung khẩn cấp thông tin mà Hệ thống TTĐKDNQG cung cấp với những thông tin bổ sung quan trọng cho việc ra quyết định như vốn cập nhật thực tế của DN (không chỉ là vốn đăng ký), cập nhật doanh thu hàng năm của DN và quốc tịch nhà đầu tư. Một số cơ quan nhà nước đã thu thập và lưu giữ thông tin về các lĩnh vực khác nhau của hoạt động kinh doanh, nhưng thông tin này không được công bố rộng rãi, một số là bí mật. Ví dụ, Tổng cục Thuế thu thập và lưu giữ thông tin về vốn và thu nhập của DN, và Bảo hiểm Xã hội có thông tin về lao động. Những thông tin quan trọng khác (như cơ sở dữ liệu về khả năng

<sup>1</sup> Officials in one province indicated that they want to track the nationalities of the FDI shareholders/investors but they could not access that information in the NBRD.

gathers and keeps information on capital and income of enterprises, and the Social Security Administration keeps information on labor. Other important information (such as databases on the credit worthiness of individuals) is not found in databases.

The tasks of gathering and managing the additional information needed go beyond the legal mandate of the ABR and of any individual agency holding different types of information. The agencies concerned typically gather the information for their own use but do not have the means or the infrastructure to share that information with other agencies and stakeholders. Incentives to share information are also low. Some of this information is also considered to be confidential. Thus, criteria need to be established to separate information with restricted access and those can be made publicly available. The GOV, SECO and UNIDO could address these demands for comprehensive information on businesses by: 1) engaging the key stakeholders across the public administration and the private sector in mapping current information needs, existing information, and barriers to information flow; 2) identifying relevant national and international experiences to overcome barriers to information flow and; 3) defining a path forward to bring about the legal and regulatory framework, institutional arrangements and human capacities, and technological solutions that would help facilitate and when necessary generate the needed information. In developing this framework, it is important to build on the existing databases and institutions, and to consider that functions could be distributed among multiple institutions and organizations in the public sector, the private sector and civil society and academia.

**Recommendation 2. Adopt a simple and very streamlined registration process in the expansion of the NBRS to household businesses.** The project supported ABR in expanding the NBRS to cover enterprises registered under most of the specialized ministries, including cooperatives which were integrated into the system in 2020. Different GoV agencies including the MOT, MOIC, the GDT and VCCI have proposed to the ABR to include HHBs into the ABR system in 2021 as many transportation businesses in Viet Nam are HHBs. The Project Steering Committee (PSC), in which several ministries were present ( such as VCCI, MOT, GDT, MOIC and other ministries), also expressed that

chi trả của các cá nhân) cũng không tìm được trên cơ sở dữ liệu.

Nhiệm vụ thu thập và quản lý thông tin bổ sung vượt ra ngoài trách nhiệm pháp lý của Cục QLĐKKD và của bất kỳ cơ quan cá nhân nào nắm giữ các loại thông tin khác nhau. Các cơ quan liên quan thường thu thập thông tin để họ sử dụng nhưng không có phương tiện hoặc cơ sở hạ tầng để chia sẻ thông tin đó với các cơ quan khác và các bên liên quan. Việc chia sẻ thông tin cũng không được khuyến khích. Một số thông tin được coi là bí mật. Do đó, cần thiết lập các tiêu chí để tách biệt các thông tin bị hạn chế truy cập và những thông tin có thể được công bố rộng rãi. Chính phủ, SECO và UNIDO có thể giải quyết những nhu cầu về thông tin toàn diện về DN bằng cách 1) thu hút các bên hữu quan chính trong khu vực hành chính công và khu vực tư nhân lập bản đồ nhu cầu thông tin hiện tại, những thông tin hiện có và các rào cản đối với dòng thông tin; 2) xác định các kinh nghiệm quốc gia và quốc tế liên quan để ứng phó nhằm vượt qua các rào cản đối với luồng thông tin và; 3) xác định con đường phía trước để có những thay đổi về khuôn khổ pháp lý và quy định, các thỏa thuận thể chế và năng lực con người, và các giải pháp công nghệ tạo điều kiện thuận lợi và khi cần thiết sẽ cung cấp những thông tin theo yêu cầu. Trong việc xây dựng khuôn khổ này, điều quan trọng là phải xây dựng dựa trên các cơ sở dữ liệu và thể chế hiện có, đồng thời xem xét rằng các chức năng có thể được phân bổ giữa nhiều cơ quan và tổ chức trong khu vực công, khu vực tư nhân, xã hội dân sự và học viện.

**Khuyến nghị 2. Áp dụng quy trình đăng ký đơn giản và hợp lý để mở rộng hệ thống TTĐKDNQG đến các hộ kinh doanh (HKD).** Dự án hỗ trợ Cục QLĐKKD mở rộng hệ thống TTĐKDNQG đến các DN thuộc hầu hết các Bộ chuyên ngành, tích hợp thông tin các hợp tác xã vào hệ thống năm 2020. Các cơ quan Chính phủ bao gồm Bộ GTVT, Bộ Công Thương, Tổng cục thuế và VCCI đã đề xuất với Cục QLĐKKD để đưa HKD vào hệ thống trong năm 2021 vì nhiều DN vận tải ở Việt Nam là các HKD. Ban Chỉ đạo Dự án (PSC), trong đó có một số bộ (như VCCI, Bộ GTVT, TCT, Bộ TTTT và các bộ khác), cũng bày tỏ rằng các HKD trong toàn ban nên được hợp nhất vào Hệ thống TTĐKDNQG. Một khi thực hiện được điều này, hầu hết các tổ chức kinh doanh trong



HHBs across the board should be incorporated in to the NBR<sup>2</sup>. If and when this is achieved, almost all of business entities in the country will be registered in the NBR. Yet, this proposal needs to be considered with care, given technical complexity of including almost four million HHBs into the NBR and the lack of a distinction between the personal income and business income for HHBs leading to the use of one tax code for both personal income and business operation. The HHBs are registered at the district level, given the large number of enterprises and districts involved it is critical that the requirements and registration process should be extremely simple when ABR decides incorporate HHBs into the NBR.

### Recommendations to the ABR

**Recommendation 3. Develop and carry out a comprehensive public communication strategy to entice off-stream enterprises that are not registered on the system, to register, and to commit enterprises to keeping their information in the NBR up to date.** While developing this strategy the ABR could consider:

- Identify effective ways to communicate the benefits for enterprises such as the opportunities for partnerships with international investments or the new business opportunities that reliable information and trust can generate.
- Explore ways to facilitate businesses registration allowing users to use apps and other popular applications such as Zalo, Viber and etc., while formulating the public communication strategy.
- Explore the use of more effective and traditional media such as radio, television, and newspapers to get the message to different audiences that are not digitally inclined, in addition to web-based media. The surveys contracted by the project reported that these channels might reach a different audience and more attention to them might help increase the awareness of the NBR among a broader population. This consideration is particularly relevant when

nước sẽ được tích hợp vào Hệ thống TTĐKDNQG. Tuy nhiên, đề xuất này cần được xem xét kỹ lưỡng, do sự phức tạp về kỹ thuật khi đưa gần bốn triệu HKD vào Hệ thống và thiếu sự phân biệt giữa thu nhập cá nhân và thu nhập kinh doanh đối với các HKD, dẫn đến việc sử dụng chung một mã số thuế cho cả thu nhập cá nhân và hoạt động kinh doanh. Các hộ đăng ký kinh doanh ở cấp quận/huyện, do có số lượng lớn các doanh nghiệp và quận/huyện tham gia, nên quan trọng là các yêu cầu và quy trình đăng ký phải cực kỳ đơn giản nếu Cục quyết định tích hợp các HKD vào Hệ thống TTĐKDNQG.

### Khuyến nghị đối với Cục QLĐKKD

**Khuyến nghị 3. Xây dựng và triển khai chiến lược truyền thông toàn diện để lôi kéo các DN ngoài luồng chưa đăng ký trên hệ thống, đăng ký và cam kết với các DN luôn cập nhật thông tin trên NBRD.** Trong khi xây dựng chiến lược này, Cục QLĐKKD nên xem xét:

- Xác định cách làm hiệu quả để lan tỏa những lợi ích cho DN như cơ hội hợp tác với các khoản đầu tư quốc tế hoặc cơ hội kinh doanh mới mà thông tin chính xác và sự tin cậy có thể tạo ra.
- Tìm cách tạo điều kiện thuận lợi cho đăng ký doanh nghiệp, cho phép người dùng sử dụng các ứng dụng phổ biến khác như Zalo, Viber, v.v. trong khi xây dựng chiến lược truyền thông.
- Tìm hiểu việc sử dụng các phương tiện truyền thông truyền thống và hiệu quả hơn như đài phát thanh, truyền hình và báo chí để gửi thông điệp đến các đối tượng khác nhau, không chỉ về kỹ thuật số, ngoài các phương tiện truyền thông dựa trên nền tảng web. Các cuộc khảo sát do dự án ký hợp đồng cho biết các kênh này có thể tiếp cận nhiều đối tượng khác nhau và nếu chú ý nhiều hơn đến họ có thể giúp nâng cao nhận thức về Hệ thống TTĐKDNQG trong cộng đồng rộng rãi hơn. Việc xem xét này đặc biệt phù hợp với sự

<sup>2</sup>Minutes of the Project Steering Committee meeting of 14 May 2019.

expanding the coverage of the NBRD to include HHBs.

This strategy should also find ways to use the Law on Enterprises 2014 to encourage enterprises to maintain their information accurate and up-to-date in the NBRD. The Law on Enterprises mandates that enterprises are obliged to report their annual operation status to BROs. This requirement has never been enforced, and enterprises do not see that annual reporting to BROs is among their legal obligation. The ABR can use this requirement as an entry point to reduce barriers and entice enterprises to reporting changes in a timely manner. The ABR should also develop a simple template that includes the most important information fields that need to be kept current.

**Recommendation 4. Continue to look for opportunities to improve the efficiency of public administration in Viet Nam by further harmonizing, and/or expanding the links and information exchange between the NBRD and other database held in other ministries.** While the NBRD has linked with the National Public Procurement Database, Tax Database, Transportation Business Database and several agencies under specialized ministries; there is still a need to continue to improve the links established and to connect the NBRD with other national databases. The evaluation team identified two opportunities to improve efficiency through information exchange:

- Making full harmonization between NBRD and Tax Database. Currently, there is still some mismatch between the two systems (such as business classification: the NBRD 4 types while Tax 6 types – and Tax classification is more relevant to daily operation status of enterprises), or information from two agencies is not always consistent. Enterprises sometimes are rejected by tax agency because of the system error, not their faults, leading to their unnecessary disappointment. Due to some incompatibility between two systems, it took time to find out the system errors, leading to a feeling

mở rộng phạm vi của Hệ thống nhằm tích hợp các hộ kinh doanh.

Chiến lược này cũng nên sử dụng Luật Doanh nghiệp 2014 để khuyến khích các DN duy trì thông tin chính xác và cập nhật trong NBRD. Luật Doanh nghiệp quy định các DN có nghĩa vụ báo cáo tình hình hoạt động hàng năm cho các Phòng ĐKKD. Tuy nhiên, các DN chưa thực hiện đầy đủ yêu cầu này và họ không coi việc báo cáo hàng năm cho các Phòng ĐKKD là nghĩa vụ pháp lý của họ. Cục QLĐKKD có thể sử dụng yêu cầu này như một điểm bắt đầu nhằm giảm bớt các rào cản và lôi kéo các DN báo cáo thay đổi kịp thời. Cục cũng nên thiết kế mẫu đơn giản, gồm các trường thông tin quan trọng nhất cần được cập nhật.

**Khuyến nghị 4. Tiếp tục tìm kiếm cơ hội để nâng cao hiệu quả quản lý hành chính công của Việt Nam thông qua quá trình hài hòa hóa, và / hoặc mở rộng liên kết và trao đổi thông tin giữa NBRD và cơ sở dữ liệu của các bộ ngành khác.** Trong khi Hệ thống TTĐKDNQG đã liên thông với cơ sở dữ liệu quốc gia về đấu thầu công khai, cơ sở dữ liệu về thuế, cơ sở dữ liệu kinh doanh vận tải và một số cơ quan thuộc các bộ chuyên ngành; vẫn cần tiếp tục tăng cường những liên kết đã có và kết nối giữa NBRD với các cơ sở dữ liệu quốc gia khác. Nhóm đánh giá xác định hai cơ hội để nâng cao hiệu quả trao đổi thông tin, bao gồm:

- Hoàn thiện hài hòa giữa cơ sở dữ liệu của Hệ thống TTĐKDNQG và cơ sở dữ liệu của cơ quan thuế. Hiện tại, vẫn còn một số điểm chưa phù hợp giữa hai hệ thống (chẳng hạn như sự phân loại DN: Hệ thống TTĐKDNQG có 4 loại, trong khi cơ quan thuế phân thành 6 loại, và phân loại của cơ quan thuế phù hợp hơn với tình hình hoạt động hàng ngày của DN), hoặc thông tin từ hai cơ quan không phải lúc nào cũng đồng nhất. DN nhiều khi bị cơ quan thuế từ chối vì lỗi hệ thống, không phải lỗi của DN dẫn đến sự thất vọng không đáng có. Do hai hệ thống chưa tương thích nên phải mất thời gian tìm ra lỗi hệ thống dẫn đến cảm giác cơ quan thuế trả lời chậm các thắc mắc của doanh nghiệp.

that tax agencies responded slowly to enterprises' enquiries<sup>3</sup>.

- Currently the Ministry of Trade and Industry (MOIT) makes extensive use of the NBRD to verify the businesses in its procurement database. But the MOIT database is not linked to the NBRD and verification is done manually and case by case. The MOIT had explored with the ABR the possibility of linking directly with the NBRD but this has not yet taken place. Connecting the two databases digitally should allow for automatic verification which would highly increase the efficiency in the MOIT.

**Recommendation 5. Establish a feedback system from NBRD users for continuous improvement of the utility of the NBRD and of services by addressing user demands.** While most respondents of the portal user satisfaction survey indicated that the portal had improved significantly since 2015 and most also indicated that they were satisfied with the response from ABR, users also made suggestions to further improve the portal and the database. Users have provided feedback on aspects of the NBRD that could be improved. Establishing a systematic way to solicit recommendations from users will greatly increase the utility of the NBRD to all stakeholders.

- Integrate functions in the portal to allow customized reports by users
- Allow the academic community to do analysis on business trends (for example business trends in COVID-19 situation) from the database.

- Hiện tại Bộ Công Thương (BCT) đang sử dụng rộng rãi NBRD để xác minh các DN trong cơ sở dữ liệu về nhà cung cấp. Nhưng cơ sở dữ liệu của Bộ Công Thương không được liên thông với Hệ thống TTĐKDNQG và việc xác minh được thực hiện thủ công theo từng trường hợp. BCT đã trao đổi với Cục QLĐKKD về khả năng liên thông trực tiếp với NBRD nhưng vẫn chưa có sự liên thông nào được thực hiện giữa hai cơ sở dữ liệu này. Việc liên thông hai cơ sở dữ liệu số cho phép xác minh tự động, giúp BCT tăng cường hiệu quả hoạt động.

**Khuyến nghị 5. Thiết lập hệ thống phản hồi từ người sử dụng Hệ thống TTĐKDNQG nhằm không ngừng cải thiện các tiện ích và dịch vụ của NBRD bằng cách đáp ứng nhu cầu của người dùng.** Trong khi hầu hết những người trả lời khảo sát về mức độ hài lòng với cổng thông tin chỉ ra rằng cổng thông tin đã được cải thiện đáng kể so với năm 2015 và họ hài lòng với phản hồi từ Cục QLĐKKD, đồng thời, người dùng cũng đưa ra đề xuất để cải thiện hơn nữa cổng thông tin và cơ sở dữ liệu. Thiết lập một cách có hệ thống để thu thập các khuyến nghị từ người sử dụng sẽ làm tăng đáng kể tiện ích của Hệ thống TTĐKDNQG đối với tất cả các bên liên quan.

- Tích hợp các chức năng trong cổng thông tin, cho phép người dùng tùy chỉnh báo cáo
- Cho phép cộng đồng học thuật thực hiện phân tích các xu hướng kinh doanh từ cơ sở dữ liệu (ví dụ như xu hướng kinh doanh trong thời điểm dịch COVID-19).

<sup>3</sup> Project management indicated that this will be largely rectified by the new Decree replacing Decree 78 and 108, whereby a GDT's main operating status (no longer operates at the registered address) is used by the NBRD as the legal status of enterprise in the NBRD. This status will be shared and updated in real time between the GDT's and ABR's systems.

**Project ratings by the evaluation team/Xếp hạng dự án theo tiêu chí đánh giá**

#	Evaluation criteria Tiêu chí đánh giá	Rating Xếp hạng	Assessment summary Tóm tắt đánh giá
A	<b>Progress to Impact</b> Tiến tới Tác động	5	<p>Overall, the inclusion of more and new types of enterprises to the NBRIS and the improved reliability of the NBRD have been noted by policy and decision makers who are increasingly using the information from the database to generate policies and plans. Enterprises have benefited from lower costs of business start-up. Businesses have also benefited from the access to legally binding information on other businesses, which helps to mitigate the risks of doing business. The sharing of information across ministries and the linking of their databases have contributed to a more effective and efficient public administration by eliminating redundant procedures and reducing the time required to verify information. The exchange of information between ABR and other agencies has also facilitated the monitoring of business to uphold the rule of law, which also cultivates trust in the business community.</p> <p>Nhìn chung, việc mở rộng nhiều loại hình DN mới vào Hệ thống TTĐKDNQG và cải thiện độ tin cậy của NBRD đã được các nhà lãnh đạo ghi nhận, ngày càng nhiều thông tin từ cơ sở dữ liệu đã được khai thác để đưa ra các chính sách và phục vụ công tác lập kế hoạch. Các DN cũng được hưởng lợi nhờ giảm chi phí đăng ký thành lập DN, tiếp cận thông tin có tính pháp lý đối với các DN khác, giúp giảm thiểu rủi ro trong kinh doanh. Việc chia sẻ thông tin và liên kết cơ sở dữ liệu giữa các bộ đã đóng góp vào nền hành chính công hiệu quả hơn với việc loại bỏ các thủ tục không cần thiết và giảm thời gian xác minh thông tin. Việc trao đổi thông tin giữa Cục QLĐKKD và các cơ quan khác cũng tạo điều kiện thuận lợi cho việc giám sát hoạt động kinh doanh nhằm duy trì thượng tôn pháp luật, tạo dựng niềm tin trong cộng đồng doanh nghiệp.</p>
B	<b>Project design</b> Thiết kế dự án	6	<p>Project document provided a roadmap to improve the NBRIS with the engagement of key stakeholders.</p> <p>Văn kiện dự án đưa ra lộ trình cải tiến Hệ thống TTĐKDNQG với sự tham gia của các bên liên quan chính.</p>
1	<ul style="list-style-type: none"> <li>Overall design</li> <li>Thiết kế tổng thể</li> </ul>	6	<p>Project preparations build on work previously carried out by UNIDO and other agencies and addressed key barriers to a sound and reliable NBRIS.</p> <p>Thiết kế dự án dựa trên các công việc mà UNIDO và các cơ quan khác đã thực hiện trước đó và đã giải quyết những rào cản chính để xây dựng Hệ thống TTĐKDNQG hợp lý và đáng tin cậy.</p>
2	<ul style="list-style-type: none"> <li>Logframe</li> <li>Khung Logic</li> </ul>	6	<p>Log frame clearly indicated the relationship between inputs, outputs and outcomes and identified indicators and sources of information.</p> <p>Khung Logic chỉ rõ mối quan hệ giữa đầu vào, đầu ra và kết quả và các chỉ số và nguồn thông tin đã xác định.</p>
C	<b>Project performance</b> Hiệu suất dự án		
1	<ul style="list-style-type: none"> <li>Relevance</li> <li>Mức độ phù hợp</li> </ul>	6	<p>The project was highly relevant to the e-government policies in Viet Nam and to the governments long term policies moving from a centralized managed economy to a market based economy with strong participation of the private sector.</p>

#	Evaluation criteria Tiêu chí đánh giá	Rating Xếp hạng	Assessment summary Tóm tắt đánh giá
			Dự án rất phù hợp với chính sách xây dựng chính phủ điện tử của Việt Nam và các chính sách dài hạn nhằm chuyển đổi từ nền kinh tế tập trung sang nền kinh tế thị trường có sự tham gia mạnh mẽ của khu vực tư nhân.
2	<ul style="list-style-type: none"> <li>● Effectiveness</li> <li>● Hiệu quả</li> </ul>	6	<p>The project met 98% of its promised activities and deliverables and in areas exceeded the targets. A key outcome was the extension of the NBRIS to include enterprises registered under line agencies responding to ministries other than the MPI. The project assisted ABR enterprises registered in the NBRIS went from around 800,000 in September 2013 to 1.4 million in September 2020. The project also supported the linking of the NBRIS with eight other electronic databases in the country. To accomplish this support was provided for the adoption and implementation of 11 legal and regulatory reforms that provided the foundations for the NBRIS. The project also supported the upgrading of the web-based system and helped build capacities in ABR and in 63 provinces. Systems were also put in place to help improve the reliability of the data and inter-ministerial mechanisms for coordination were established. The project also supported ABR in the development and implementation of a strategy that is highly likely to ensure the financial sustainability of the NBRIS.</p> <p>Dự án đạt 98% hoạt động và kết quả như kế hoạch và trong các lĩnh vực đều vượt chỉ tiêu. Một kết quả quan trọng là mở rộng Hệ thống TTĐKDNQG, đưa vào trong hệ thống các DN đăng ký theo cơ quan chủ quản (bộ chuyên ngành) không phải Bộ KH &amp; ĐT. Dự án hỗ trợ Cục QLĐKKD tăng số lượng DN đăng ký trên hệ thống từ khoảng 800.000 (tháng 9/2013) lên 1,4 triệu DN (tháng 9/2020). Dự án cũng hỗ trợ kết nối Cơ sở dữ liệu về ĐKKD với tám cơ sở dữ liệu điện tử khác trong nước. Để đạt được mục tiêu này, hỗ trợ thông qua và thực hiện 11 cải cách pháp lý và quy định, tạo nền tảng cho Hệ thống TTĐKDNQG. Dự án cũng hỗ trợ nâng cấp hệ thống dựa trên nền tảng web và phát triển năng lực cho Cục và 63 tỉnh thành. Để nâng cao độ tin cậy của dữ liệu, các hệ thống và cơ chế phối hợp liên ngành đã được xây dựng. Dự án cũng hỗ trợ Cục QLĐKKD phát triển và thực hiện chiến lược đảm bảo tính bền vững tài chính của Hệ thống.</p>
3	<ul style="list-style-type: none"> <li>● Efficiency</li> <li>● Hiệu lực</li> </ul>	6	<p>The project made very efficient use of resources delivering training, technical assistance, and support to improve the electronic system and the portal as well support for stakeholder engagement. The financial efficiency analysis indicates that by about mid-2019, the total retained revenue fully covers the investment costs, implying its payback period of 9.5 years. The economic returns of the project are expected to match investments within more than 4 years. The project is good value for money, more so considering that even during the investment period revenues outstripped investments. The project requested and was granted three extensions. These extensions were justified and important to achieve the project results.</p> <p>Dự án sử dụng hiệu quả các nguồn lực đào tạo, hỗ trợ kỹ thuật, và hỗ trợ để cải tiến hệ thống và cổng thông tin điện tử cũng như hỗ trợ sự tham gia của các bên liên quan. Phân tích hiệu quả tài chính chỉ ra rằng, đến giữa năm 2019, tổng doanh thu giữ lại đã thu hồi đầy đủ chi phí đầu tư,</p>

#	Evaluation criteria Tiêu chí đánh giá	Rating Xếp hạng	Assessment summary Tóm tắt đánh giá
			tương ứng với thời gian hoàn vốn là 9,5 năm. Lợi ích kinh tế của dự án dự kiến sẽ tương ứng với các khoản đầu tư trong vòng hơn 4 năm. Dự án có hiệu suất đầu tư cao, hơn nữa, ngay cả trong giai đoạn đầu tư thì nguồn thu đã vượt xa các khoản đầu tư. Dự án đã yêu cầu và được cấp ba phần mở rộng. Những phần mở rộng này là hợp lý và quan trọng để đạt được kết quả dự án.
4	<ul style="list-style-type: none"> <li>Sustainability of benefits</li> <li>Tính bền vững của các lợi ích</li> </ul>	6	<p>The project has established the legal framework and institutional capacities to ensure the continuity of the NBRB. Financial mechanisms are in place to support its operations and ensure access to technically qualified staff and to continue improving the system in the future.</p> <p>Dự án đã thiết lập khuôn khổ pháp lý và năng lực thể chế để đảm bảo Hệ thống TTĐKDNQG hoạt động thông suốt. Có các cơ chế tài chính để hỗ trợ hoạt động của hệ thống và đảm bảo khả năng tiếp cận với đội ngũ cán bộ có trình độ kỹ thuật và tiếp tục cải tiến hệ thống trong tương lai.</p>
<b>D</b>			
<b>Cross-cutting performance criteria</b> <b>Tiêu chí về hiệu suất xuyên suốt</b>			
1	<ul style="list-style-type: none"> <li>Gender mainstreaming</li> <li>Lồng ghép giới</li> </ul>	5	<p>The project was gender neutral. While gender did not figure in the project objectives, training activities were well distributed among males and females (43% of the trainees were woman). The NBRB also allows to obtain information on businesses that are headed by women or businesses that have the participation of ethnic minorities.</p> <p>Dự án trung lập về giới. Mặc dù không đề cập đến vấn đề giới trong các mục tiêu của dự án, nhưng các hoạt động đào tạo được phân bổ tốt giữa nam giới và phụ nữ (43% học viên là phụ nữ). Hệ thống TTĐKDNQG cũng cho phép thu thập thông tin về các DN do phụ nữ đứng đầu hoặc các DN có sự tham gia của người dân tộc thiểu số.</p>
2	<ul style="list-style-type: none"> <li>Environment and socio-economic aspects</li> <li>Môi trường và các khía cạnh kinh tế-xã hội</li> </ul>	5	<p>The project did not directly address environmental or socioeconomic issues. The information provided by the NBRB on enterprises can be used by environmental regulators and the Social Security administration ensure that businesses meet the regulations.</p> <p>Dự án không trực tiếp giải quyết các vấn đề môi trường hoặc kinh tế xã hội. Các cơ quan quản lý môi trường và Bảo hiểm xã hội có thể sử dụng những thông tin do Hệ thống TTĐKDNQG cung cấp về DN để đảm bảo rằng các DN đáp ứng các quy định.</p>
2	<ul style="list-style-type: none"> <li>M&amp;E: (focus on Monitoring) <ul style="list-style-type: none"> <li>✓ M&amp;E design</li> <li>✓ M&amp;E implementation</li> </ul> </li> <li>Theo dõi và Đánh giá: (tập trung vào Theo dõi) <ul style="list-style-type: none"> <li>✓ TD&amp;ĐG thiết kế</li> </ul> </li> </ul>	5	<p>The project included, tracked and reported on quantifiable indicators related to inputs and outcomes. This was complemented with reports provided to the PSC during meetings held in 2015, 2016, early 2018 (in Feb) and in May 2019 that included narratives on the progress effectiveness, relevance, efficiency, and sustainability. The Project also submitted regular reports to UNIDO Country Office on a biannual/annual basis and other reports upon request from the donor and contracted firms to carry out before (baseline) and after studies to assess improvements on the quality of data in the NBRD and user satisfaction with the web portal.</p> <p>Dự án đã tích hợp, theo dõi và báo cáo về các chỉ số định lượng liên quan đến đầu vào và kết quả đầu ra. Điều này được bổ sung với các báo</p>

#	Evaluation criteria Tiêu chí đánh giá	Rating Xếp hạng	Assessment summary Tóm tắt đánh giá
	✓ TD&DG việc triển khai		cáo gửi Ban Chỉ đạo Dự án trong các cuộc họp trong các năm 2015, 2016, đầu năm 2018 (tháng 2) và tháng 5/2019, bao gồm các báo cáo về hiệu quả tiến độ, mức độ phù hợp, hiệu quả và tính bền vững. Dự án cũng thường xuyên đệ trình báo cáo cho Văn phòng Quốc gia UNIDO định kỳ 6 tháng/năm và các báo cáo khác theo yêu cầu của nhà tài trợ và các DN ký hợp đồng để thực hiện trước (cơ sở) và sau các nghiên cứu để đánh giá sự cải thiện chất lượng dữ liệu trong cơ sở dữ liệu và sự hài lòng của người sử dụng với cổng thông tin điện tử.
3	<ul style="list-style-type: none"> <li>Results-based Management (RBM)</li> <li>Quản lý dựa trên kết quả (RBM)</li> </ul>	5	<p>The PSC meetings were held regularly to review monitoring information, the project progress report and to approve new activities and make other decisions pertaining the project.</p> <p>Các cuộc họp của Ban Chỉ đạo Dự án được tổ chức thường xuyên để đánh giá thông tin giám sát, báo cáo tiến độ dự án và thông qua các hoạt động mới và thực hiện các điều chỉnh khác liên quan đến dự án.</p>
<b>E</b>	<b>Performance of partners Hiệu suất của các đối tác</b>		
1	<ul style="list-style-type: none"> <li>UNIDO</li> </ul>	6	<p>UNIDO provided sound strategic advice to ABR and also facilitated access to experts and international experience relevant to the needs of Vietnam.</p> <p>UNIDO đã đưa ra những tư vấn chiến lược phù hợp với Cục QLĐKKD và kết nối các chuyên gia cũng như giới thiệu kinh nghiệm quốc tế phù hợp với yêu cầu của Việt Nam.</p>
2	<ul style="list-style-type: none"> <li>National counterparts</li> <li>Đối tác quốc gia</li> </ul>	6	<p>ABR held the operational leadership of the project. MPI and other ministers' commitment to the development of the NBRIS was key in overcoming challenges of inter-ministerial coordination in Viet Nam</p> <p>Cục QLĐKKD giữ vai trò chủ quản các hoạt động dự án. Cam kết của Bộ KH&amp;ĐT và các bộ trưởng khác về xây dựng Hệ thống TTĐKDNQG là chìa khóa quan trọng để vượt qua những thách thức trong phối hợp liên ngành ở Việt Nam.</p>
3	<ul style="list-style-type: none"> <li>Donor</li> <li>Nhà tài trợ</li> </ul>	6	<p>SECO decentralized approach to project oversight ensured good understanding of the progress and challenges faced by the project. SECO also was flexible to address the needs of the project by providing extensions that were warranted.</p> <p>Phương pháp tiếp cận phi tập trung của SECO để giám sát dự án đảm bảo có hiểu biết rõ về tiến độ và những thách thức mà dự án phải đối mặt. SECO cũng linh hoạt trong giải quyết các nhu cầu của dự án thông qua việc cung cấp các phần mở rộng đã được bảo hành.</p>
<b>F</b>	<b>Overall assessment Đánh giá chung</b>		
		6	

Score		Definition	Category
6	Highly satisfactory	Level of achievement presents no shortcomings (90% - 100% achievement rate of planned expectations and targets).	SATISFACTORY
5	Satisfactory	Level of achievement presents minor shortcomings (70% - 89% achievement rate of planned expectations and targets).	
4	Moderately satisfactory	Level of achievement presents moderate shortcomings (50% - 69% achievement rate of planned expectations and targets).	
3	Moderately unsatisfactory	Level of achievement presents some significant shortcomings (30% - 49% achievement rate of planned expectations and targets).	UNSATISFACTORY
2	Unsatisfactory	Level of achievement presents major shortcomings (10% - 29% achievement rate of planned expectations and targets).	
1	Highly unsatisfactory	Level of achievement presents severe shortcomings (0% - 9% achievement rate of planned expectations and targets).	

Điểm		Định nghĩa	Phân loại
6	Rất hài lòng	Hoàn thành không có lỗi (tỷ lệ hoàn thành 90% - 100% mong muốn và chỉ tiêu theo kế hoạch).	HÀI LÒNG
5	Hài lòng	Hoàn thành còn một vài lỗi nhỏ (tỷ lệ hoàn thành 70% - 89% mong muốn và chỉ tiêu theo kế hoạch).	
4	Khá hài lòng	Hoàn thành còn khá nhiều lỗi (tỷ lệ hoàn thành 50% - 69% mong muốn và chỉ tiêu theo kế hoạch).	
3	Khá không hài lòng	Hoàn thành có một vài lỗi đáng kể (tỷ lệ hoàn thành 30% - 49% mong muốn và chỉ tiêu theo kế hoạch).	KHÔNG HÀI LÒNG
2	Không hài lòng	Hoàn thành có thiếu sót lớn (tỷ lệ hoàn thành 10% - 29% mong muốn và chỉ tiêu theo kế hoạch).	
1	Rất không hài lòng	Hoàn thành có thiếu sót nghiêm trọng (tỷ lệ hoàn thành 0% - 9% mong muốn và chỉ tiêu theo kế hoạch).	



## 1. Viet Nam trajectory on private enterprise reform

In 1986, the Government of Viet Nam (GoV) initiated a comprehensive reform (“Doi Moi” – “Renovation”) to shift from a centralized economy dominated by State Owned Enterprises (SOEs) and cooperatives to a “market economy with a socialist orientation.” Subsequently from 1991 to 1999 several legal reforms were adopted which allowed private enterprises to have a more prominent role in the economy. These legal reforms took place in parallel to a gradual liberalization of the economy and international integration. Prior to the enactment of the Law on Enterprises 1999, legislation and regulations governing different businesses were promulgated on an ad hoc basis. Specific legislation was enacted for different categories of owners and for different forms of investment. Restrictions on capital structure were specified for different categories of businesses. Registration responsibilities were spread amongst different government agencies. The Law on Enterprises 1999 was an important step that placed emphasis on ‘notification’ rather than ‘request for permission’ to open businesses. This law also established provincial Business Registration Offices (BROs) as part of the Departments of Planning and Investment (DPI) under the Provincial People’s Committees (PPC). The BROs were responsible for registering businesses and informing the relevant agencies of business establishment for inspection on health, labor, environment, and other standards. The streamlined requirements of the Law on Enterprises contributed to a rapid growth of business registrations in the years to follow.

In preparation for accession to the World Trade Organization (WTO) in 2005, Viet Nam undertook several efforts towards a level playing field for all types of enterprises (SOEs, privately-owned domestic companies, foreign-invested enterprises [FIEs]). The Law on Enterprises and Investment Laws enacted in 2005 unified the legal framework for domestic and foreign-invested enterprises (FIEs) while keeping the registration of FIEs as a separate process from the registration of domestic enterprises under the Law on Enterprises.

With support from UNIDO, SECO and other donors through the preceding project, in 2010 the GoV streamlined the business registration process by reducing the statutory registration time from 15 to 5 days. The GoV also consolidated the business registration forms, adopted the tax code as unique ID of enterprises and establishing a national business registration database (NBRD). Since 2010, a total of 63 BROs provided single-point registration services in all 63 provinces of Viet Nam through a computerized NBRS. The NBRS involved the MPI, the General Department of Taxation (GDT) under the Ministry of Finance (MOF), the Ministry of Public Security (MPS), and the General Statistics Office (GSO). The establishment of the BROs and the NBRS is intended to provide all enterprises with the same level of service across the country. The NBRS also provided full public access to legally valid and binding information on Vietnamese domestic enterprises via the Internet ([dangkykinhdoanh.gov.vn](http://dangkykinhdoanh.gov.vn)). Enterprises are responsible for keeping their information updated and accurate. The NBRS gradually expanded its functionalities; for example, by April 2013, registration applications could also be submitted online and include e- signature and e-payment functionalities. The NBRS also made publicly available the financial statements of Vietnamese domestic shareholding companies. Annex 1 provides a brief description of the components and operation of the NBRS.

Decision No. 1659/QĐ-TTĐ dated 9 September 2010 of the Prime Minister established the ABR, which benefits from a semi-autonomous status concerning personnel and financial management, including the use of its revenues. The ABR includes five administrative divisions and one revenue-generating “Business Registration Supporting Center” (BRSC) and is within the MPI. In October 2011, the GoV enabled the BRSC to retain and use some of its revenue from services for investments and recruitment of staff on contracts that are not subject to government salary schedules.<sup>4</sup>

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<sup>4</sup> Decision 1599 /QĐ-BKHĐT dated 25 October 2011

At the time that the UNIDO was preparing this project in late 2013, the National Assembly was revising the Enterprise and Investment Law seeking to streamline the existing legal rules, procedures, and administrative processes surrounding the creation and operation of businesses. Also, on November 2014, the Law on Enterprises 2014 and the Investment Law 2014 were adopted by the National Assembly, which streamlined the business registration and investment registration procedures for FIEs by allowing foreign investors to submit applications for investment registration and business registration concurrently and to receive both Investment Registration Certificate (IRC) and Business Registration Certificate (BRC) at a single-point-registration office. In 2015, the Prime Minister issued Decision No. 714 / QD-TTg dated May 22, 2015 specifying the list of national databases that should be prioritized for implementation to create a foundation for e-government. The six databases are: National Population Database; National Land Database; NBRD; National database on General Statistics of population; National Database of Finance and National Database of Insurance (NDI). Among these six national databases, by 2020 the NBRD together with the NDI are two national databases that have been completed and operating stably.

## **2. Development assistance to business registration reform in Viet Nam and UNIDO long-term engagement**

Several multilateral and bilateral agencies have supported the GoV's transition from a centralized economy to a market economy and on different aspects related to business registration reform (BRR). Since the 2000s the Asian Development Bank (ADB) proposed a consolidated application process and helped build political support for BRR. The International Finance Corporation (IFC) focused on the creation of an enabling environment for BRR and supported the Viet Nam Business Forum (VBF) a private/public sector dialogue since 1990. The IFC produced a BRR toolkit at the global level in 2006 and assisted the GoV in monitoring the process for law enactment and enforcement. IFC continued supporting business administration reform focused on enabling environment for BRR. The German Agency for Technical Cooperation (GIZ) supported the Central Institute for Economic Management during the formulation of the Law on Enterprises 2005. GIZ also supported the testing of administrative BRR process in four provinces, including computerized registration. The United States Agency for International Development (USAID) since 2008, supported the simplification of regulations and administrative procedures through "Project 30" and subsequently through the Viet Nam Competitive Initiative (VNCI) at the provincial and central levels. By the start of this current project in 2014, UNIDO remained the only agency focusing specifically on BRR and ABR.

UNIDO's assistance to Viet Nam in business enterprise reform dated from the project "Assistance to Industrial Small and Medium Enterprises (SMEs) in Viet Nam" (1996 -2000), which consisted of policy advice in private sector legal and institutional reform. During 2004-2009, UNIDO provided technical assistance to establish a National and Provincial SME Support Infrastructure financed by the governments of Finland and Italy. This project supported the Agency for Small and Medium Enterprise Development (ASMED) in the preparation of the SME Development Action Plan 2006-2010. With assistance from UNIDO, ASMED designed a nationwide BRR program to develop a computerized single-point business, tax, and statistics registration system to lower the cost of market entry and doing business. UNIDO assisted the GoV in the implementation of the SME Development Action Plan 2006-2010 initially through a nine-month USD 0.6 million project financed by Norway.<sup>5</sup> In November 2008, UNIDO started a more comprehensive follow-up project, "Technical Assistance to BRR in Viet Nam." This project lasted until December 2013. It was initially funded by UNIDO and the One UN Plan (USD 6.1 million). During implementation, SECO contributed additional USD 6.6 million to the project, doubling the budget to USD 12.7 million. The project included provisioning of information and communication technology (ICT) hardware and software, technical assistance to support the establishment and implementation of the computerized NBRS. It also helped

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<sup>5</sup> The name of the Project finance by Norway was "Implementation Planning and Mobilization for Viet Nam business Registration Reform – Phase I"

develop manuals, carry out promotional and awareness-building activities with the business community and the public.

The 2013 Independent Terminal Evaluation of this project found that since the deployment of the computerized system in 2010, the project helped harmonizing and integrating and electronically linking business registration activities of 63 BROs in all the 63 provinces in the country, which previously took place manually. The evaluation indicated that the new business registration system improved business environment for some 750,000<sup>6</sup> domestic formal enterprises by simplifying the registration process. The evaluation also noted that in the long run the deployment of a well-run NBRS across the country could be expected to reduce transaction costs and risks of doing business by providing legally valid and accurate information on enterprises, and by contributing to an increased the transparency through making financial statements of enterprises publicly available. The evaluation highlighted the project's contributions to the "Vietnamese administration in respect of cooperation between ministries; helping address the needs and role of the central and the provincial governments; developing a culture of service-orientation to the business community, and creating efficient management, and reducing registration time and costs for business registration....". The evaluation also indicated that as the first e-government project in Viet Nam, the project was likely to have a broad administrative impact.<sup>7</sup>

The 2013 independent evaluation also pointed out that the project had a slower pace than expected from 2008 to 2010 and was below targets, but that the project achievements were good, considering the project's ambitious timetable. Online registration was on its way, but in its early stages and had not reached the original target. The evaluation reported considerable delays in the revenue-making mechanisms of the NBRS and indicated a need to continue to strengthen the NBRS (UNIDO 2013:30,33). The independent evaluation made the following recommendations:

- Increase the coverage of (type of) enterprises, specifically FIEs and SOEs. Incorporating FIEs into NBRS would require changes in the laws as there were two separate registration and licensing frameworks of foreign and domestic enterprises.
- Expand the system's coverage of HHBs. The evaluation indicated that there were 3 million semi-formal HHBs which were not part of the NBRS.
- Increase the accuracy of the NBRS. The value of the NBRS to users rested on the accuracy of the information, at the time, there were many information gaps and out of date information in the system.
- Improve technical capacity. Capacities differed considerably across provinces, with some provinces having large backlog of paper dossiers not digitalized— The evaluation also reported that lack of familiarity with e-payments and online registration hindered the participation of some enterprises.
- Address information needs in the provinces. The evaluation identified the need to develop awareness towards the business community of the purposes and importance of accurate data and the utility of online registration.
- Develop a system to assess development impact such as the creation of employment and economic growth, and the reduction of transaction costs in the business community and government, which were still not fully understood.

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<sup>6</sup> The terminal evaluation indicates that this is information from BRR project office as of May 2013. It also indicates that there is a discrepancy between the number of enterprises in the NBRS and recent statistical data issued by GSO, partly explained by the fact that many registered enterprises have ceased operation. The project document of the "Expansion of the National Business Registration System to New Business Entities" indicates that in 2013, there were 806,000 enterprises registered in the NBRS.

<sup>7</sup> UNIDO. 2013. Independent Terminal Evaluation. Technical Assistance to Business Registration Reform in Vietnam 2008-2013.

The project evaluation also recommended to carry out an impact evaluation and a follow-up phase to unify legislation, consolidate the NBRS and develop and implement a plan for the sustainability of the system all of which contribute to the previous recommendations.

### 3. Project design

The design of this follow-up project took place during 2012 and 2013 and included six months of consultations with a wide array of stakeholders from the public and private sectors. The design team included international and national consultants and the leader of the ABR was part of the design team. Critical during preparation was the stakeholder analysis which placed attention on assessing any potential resistance to legislative changes from the affected sectors. The project components followed closely the recommendations made by the independent terminal evaluation of the predecessor project. The project objectives and components were presented in the project logical framework (Annex 2: Logical Framework and delivery of project outputs and outcomes by August 2020) and are summarized as follows:

#### 3.1 Overall project development objective

The project's development objective is "To contribute to an enabling business environment for the private sector by strengthening the capacities of the ABR, BROs, ministries, agencies, including for inter-institutional coordination and collaboration."

The immediate project objective is "the ABR and BROs can provide accurate, legally binding information on commercial entities to the business community, government agencies and the public in general, independently from further similar international donor support and with operational and financial sustainability."

#### 3.2 Project components

The focus of the new project was to expand the coverage of the system to enterprises registered under other line agencies and those of different types such as FIEs and SOEs, simplify and standardize business registration procedures, build the ABR and BROs capacities, and improve the reliability of the data in the NBRD. The project included the following components (outputs):

1. **Legal review.** Based on a comprehensive review of all legal documents relating to the establishment and registration of businesses, the project was to provide specific recommendations for the legal amendments needed to implement a reduction of statutory business registration time to two working days, to create a new draft legislation relating to the inclusion of all commercial entities/enterprises into the NBRS, to issue Enterprise ID by the NBRS, and to provide financial statements of enterprises (shareholding companies, FIEs, SOEs).
2. **Upgraded NBRS.** The project was to update the NBRS to accommodate the registration of new types of enterprises, to track fulfillment of their legal obligations, to issue enterprise ID, to include data mining technology, and to improve the reporting system. As of September 2013, the NBRS included sole proprietorships (private) enterprises (partnerships, limited liability companies) and shareholding companies. This follow-up project aimed at expanding the NBRS to cover all commercial entities including those operating under diverse legal figures and business entities operating under the management of other specialized ministries (**Error! Not a valid bookmark self-reference.**).

### Box 1: Targeted commercial enterprises in the expansion of the NBRS

1. “Commercial entities operating under the following legal figures: FIEs, SOEs, Enterprises established under the Law on Enterprise, but registered through Management Boards of Industrial and Export Processing Zones.”
2. “Commercial entities operating in certain sectors under management of specialized ministries: Credit institution (State Bank of Vietnam - SBV), insurance institutions (MOF), legal services (Ministry of Justice - MOJ), medical, pharmaceutical and health services (Ministry of Public Health – MOH), education and training (Ministry of Education and Training - MOET), and technological and scientific enterprises (Ministry of Science and Technology - MOSTE).” (Project Document)

3. **Strategic sustainability plan**, which was to include a clear roadmap on how to gradually achieve financial sustainability through revenues from fees and state budget contributions.
4. **Capacity building of ABR staff and BROs** to improve performance, including the training of at least 530 personnel in the ABR and BROs and the improvement of the ABR and BRO personnel in data reporting and data mining.
5. **Public awareness-raising** among critical stakeholders and the public. Including briefing for the international business community, toolboxes for the new types of organizations, and campaigns to encourage household businesses to register as enterprises.
6. **Base- and end-line surveys**. Opinion surveys would address the accuracy and completeness of the data in the NBRS, customer satisfaction and degree of public awareness on the ABR’s services. This will inform project implantation and evaluation.
7. Technical support and project management.

The project had three amendments during implementation. Amendment one and two which added output 8 and increased the original SECO contribution of USD 4,700,000 by an additional USD 1,049,560. Amendment three pertained no costs time extensions that provided the project more time to complete the necessary activities. The amendments also included two additional outputs (output 9 and 10).

8. **Single-point-registration cooperating mechanism** established for issuing IRCs and BRCs to FIEs
9. **Amending and supplementing some articles of Law on Enterprises and Investment Law**
10. **Inter-ministerial regime for business and tax registration for co-operatives**, was to assist the ABR in establishing an inter-ministerial regime for business and tax registration for co-operatives.

In 2019 the GoV set the target that by 2020, there will be 1 million enterprises registered in the NBRS.<sup>8</sup> The project Logical Framework includes indicators for the project expected results. The project document included planning for regular monitoring, an independent mid-term review (MTR), and an independent final evaluation. The MTR of the project took place during October and November 2016 and provided a detailed summative report of the progress made by the project until October 2016. The review did not raise any significant issues or concerns that required follow up in this independent terminal evaluation.

### 3.3 Project beneficiaries

The direct beneficiaries of the project include the ABR, 63 BROs, the Foreign Investment Agency, the Investment Registration Department, the Management Board of Industrial and Export Processing Zone (MBIE), and the GDT (MOF).

Other beneficiaries include:

- Enterprises that join the NBRS which will benefit from simple and quicker registration procedures and changes in their company information.

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<sup>8</sup> Project progress report 2019

- Businesses that will have access to company data will have increased legal security for doing business in Viet Nam.
- Government agencies which will benefit from: (i) a reliable source of information on enterprises; (ii) quality statistical data for policy-making; and (iii) knowledge to enforce labor and environmental regulations and tax collection.
- The public, which in the long-term will benefit from more efficient public administration system and transparency on the use of public funds by SOEs/Joint Ventures involving SOEs.

### 3.4 Project implementation arrangements

The funds for the project were made available by SECO on August 2014, and the project officially started on September 2014 with the hiring and orientation of the project staff. The project had a highly decentralized implementation arrangement that facilitated adaptive management, helped to cultivate country ownership, and incorporate the voice of the key project stakeholders. MPI, SECO (represented by a program officer stationed in Viet Nam), and UNIDO are the voting members of the PSC, which is chaired by the Vice-Minister of MPI. Other stakeholders including government agencies and representatives of the private sector participating in PSC meetings as observers and had consultative voice. Both the Chief Technical Adviser (CTA) and the National Project Director contributed to PSC meetings with consultative voice. The PSC was responsible for strategic decision making, including significant changes to program objectives, significant amendments to timeline (implementation of activities), changes of key beneficiaries, and approval of implementation reports, including detailed financial reports. The project was executed by the ABR. This agency appointed the National Project Director, who is an ABR official and is the counterpart of UNIDO. UNIDO appointed the Project Manager, who assumes responsibility for UNIDO and is the counterpart of the ABR and SECO. The SECO office in Viet Nam monitored implementation on behalf of SECO, assisted with coordination with other Swiss-funded projects and represent the interests of the donor in the PSC. While SECO was involved in strategic decisions affecting the project (such as project extensions and adjustments to the logical framework), SECO had no operational role and was not directly involved in project implementation. The UNIDO office in Hanoi supported project administration and communication with other UN agencies. The CTA primary responsibility was to coordinate UNIDO’s technical input locally while ensuring know-how transfer to the ABR. The implementation plan called for the engagement of the CTA until midterm. When the CTA left the project after project midterm, project implementation went ahead smoothly. The project implementation has taken place in close coordination with the ABR and has provided know-how support in a way that build the capacity of the ABR and other domestic institutions.

### 3.5 Project budget

The project budget included a USD 5,799,560 grant from SECO, a counterpart contribution by the GoV of USD 700,000, for a total of USD 6,499,560. The project budget is presented in Table 1.

**Table 1: Project budget (of the SECO grant going through UNIDO)**

Output-based cost estimates	Total (USD)	Actual expenditure as of 30 Sept 2020 (USD)	Percentage
<b>Output 1</b> Legal review	423,680	519,715.47	123%
<b>Output 2</b> NBRS upgrading	1,086,740	1,421,956.84	131%
<b>Output 3</b> Strategic plan	140,760	38,385.14	27%
<b>Output 4</b> Training and capacity building	527,711	808,780.05	153%
<b>Output 5</b> Awareness-raising	128,500	59,952.84	47%

Output-based cost estimates	Total (USD)	Actual expenditure as of 30 Sept 2020 (USD)	Percentage
<b>Output 6</b> Base- and end-line surveys	127,500	91,472.06	72%
<b>Output 7</b> Project technical, management, operations not allocated + evaluation	1,540,284	1,271,689.04	83%
<b>Output 8</b> Single-point-registration mechanism for FIEs	928,814	524,034.36	56%
Contingency	228,365	228,365	100%
<b>Sub-total, net of support costs</b>	<b>5,132,354</b>	4,863,851.43	95%
Agency support cost (13%)	667,206	473,600.14	71%
<b>Total</b>	<b>5,799,560</b>	5,337,451.57	92%

Source: Project Management Unit

## 4. Evaluation objectives, questions, and approach

### Evaluation objectives

The evaluation team conducted the final evaluation following the UNIDO Evaluation Policy<sup>9</sup>, UNEG Norms and Standards for evaluation and the UNIDO Guidelines for the Technical Cooperation Project and Project Cycle<sup>10</sup>. This evaluation has two specific objectives:

- Assess the project performance in terms of relevance, effectiveness, efficiency, sustainability, and progress to impact.
- Draw lessons and developing recommendations for UNIDO, the Government, donors, and the project stakeholders and partners that to enhance the design and implementation of similar projects

### Evaluation questions

The evaluation addresses the following core questions:

1. What were the key changes of the NBRIS in the implementation of the project?
2. What have been the improvement in the functioning of the system to provide more reliable, useful, and timely information.
3. To what extent have the project outputs /outcomes contributed to the simplification, standardization, and expansion of the NBRIS?
4. To what extent have the aspects of the NBRIS supported by the project contributed to conditions that enhance the business environment for the private sector?
5. To what extent are the conditions in place for the continuous (sustained) expansion of the NBRIS?
6. What lessons and recommendations for the future?

### Evaluation scope and methodological tools used

This final evaluation covers the full duration of the project, including preparation and design, between 2014 and 2020. The evaluation was carried out from August 2020 to December 2020 and used a methodology applied to previous evaluations of UNIDO projects funded by SECO. The evaluation team was composed of an international lead evaluator, two principal national evaluators, and one Evaluation Officer from the UNIDO Independent Evaluation Division.

<sup>9</sup> UNIDO. (2018). Director General's Bulletin: Evaluation Policy (DGB/2018/08, dated 1 June 2018)

<sup>10</sup> UNIDO. (2006). Director-General's Administrative Instruction No. 17/Rev.1: Guidelines for the Technical Cooperation Programme and Project Cycle (DGAI.17/Rev.1, 24 August 2006)

The evaluation used a theory of change (TOC) approach to assess the extent to which there were indications that the NBRS was contributing to an environment conducive to private sector development in Viet Nam. Given the fact that this project is one episode among a series of UNIDO interventions seeking to strengthen the NBRS in Viet Nam, this evaluation approached the contributions and accomplishment of this project in the context of other relevant previous and concurrent interventions - including for example the longstanding GoV policies to transition to a market economy, the GoV strong drive to digital government and the accomplishments of previous projects. During the inception workshop held on August 29 and 30, 2020, the evaluation team presented a draft version of the project TOC and the approach of the evaluation to representatives from the ABR, SECO and UNIDO's project management. The evaluation team incorporated the comments provided in this workshop in the final version of the inception report.

The evaluation team used a mix of methods to triangulate findings and ensure that data gathering, and analysis deliver evidence-based qualitative and quantitative information. Data gathering methods included desk review, analysis of monitoring information, individual interviews, focus group meetings/discussions, and direct field observation. The evaluation team reviewed diverse documents related to the project, including but not limited to the original project documents, monitoring reports (such as progress and financial statements), MTR report, biannual reports, PSC meeting minutes, consultant reports, and reviews and surveys commissioned by the project, including the base-line and end-line data quality and portal user satisfaction reviews. The evaluation team also drew on the existing technical literature and global benchmarks to assess the NBRS's accomplishments pertaining private sector development indicators.

The evaluation team coordinated the identification of stakeholders to be interviewed and field with the National Project Director seeking to reach a representative set of project stakeholders, localities, and levels of achievement. Using focus group discussions and in-depth interviews the team also identified the factors that have enabled or hindered data quality and the use of data in the NBRD. During interviews with stakeholders, the evaluation team sought to assess the extent to which the project contributed to the changes observed – including intended and unintended and positive and negative changes. In those cases where baseline information for relevant indicators is not available, the evaluation team looked for ways to establish a proxy-baseline through recall and secondary data. The evaluation team interviewed a more than 70 stakeholders, including the following categories of stakeholders: UNIDO staff and consultant experts, International Agencies, Vietnamese Central state agencies, Clients/service providers, Provincial BROs located in Ho Chi Minh City (HCMC), Ha Noi Capital, Hai Phong city, Bac Ninh province and Thua Thien Hue province), Academia, Enterprise Association, Enterprises and Donor. (See Annex 4: List of project stakeholders)<sup>11</sup>.

## **5. Project Theory of Change**

Systems-thinking-based TOC are heuristic tools to help clarify the links between project activities and long-term objectives. Critical in the development of a TOC are a good understanding of the system the intervention seeks to change and of the conditions likely to bring about the behavioral changes required to achieve the long-term goal of the project, now referred to as system transformations (Folke et al., 2002; Levin, 2003; Zazueta et al., 2020).

The use of a TOC in evaluation does not mean that the project will be held accountable for having achieved system change. System transformations take place over time scales that typically go far beyond the duration of any specific project. Similarly, rarely do transformative processes begin with a project. Effective transformative interventions usually build on elements that are already in place. Thus, TOCs are used by

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<sup>11</sup> Due to travel restriction caused by the Covid-19 pandemic, only the two national principle evaluators could conduct field visits in different provinces in Viet Nam. The international lead evaluator participated virtually in the meetings whenever possible.



evaluators to assess the extent to which projects contribute to a development trajectory consistent with the long-term policy goals. TOCs are also tools to understand how a project interacts with the process it seeks to influence, and to derive lessons and recommendations to improve future interventions.

While there was no explicit TOC developed for this project, the final evaluation of the first phase project and the project document of this project included a detail analysis of accomplishments by previous interventions and challenges still faced by the NBRS in Viet Nam. Drawing on this material, the evaluation team developed a draft of the project TOC that was presented, discussed and modified in a virtual inception workshop with representatives from SECO, ABR and UNIDO's project management, who form the PSC. The version presented here incorporates the comments made in the workshop.

Broadly speaking, the proposed chain of causality for the TOC (Figure 1) goes as follows. By implementing a set of activities in critical domains, the project can generate outputs and outcomes that can help simplify, standardize, and extend the reach of the NBRS across different types of commercial enterprises in Viet Nam.<sup>12</sup> Such changes in the NBRS contribute to **specific enabling conditions** that simplify and standardize the business registration procedures, including different types of commercial enterprises in the country. Over time the adoption of new practices (**behavioral change**) such as service-oriented behavior in BROs and increased registrations and updating of NBRS data by enterprises, would lead to an increasingly reliable information in the NBRS. The NBRS information in turn is assumed to contribute to system-level **changes in a business environment** that is favorable for the private sector to thrive and a market economy with a socialist orientation. Examples of such system-level changes include lower risks and more trust in doing business, policies based on sound data, and a more effective and efficient public administration. To be effective this process requires the commitment and capacities of multiple stakeholders that include several ministries, local government agencies, business associations and different types of enterprises that operate at the central, the provincial, and the district levels (for business registration of cooperatives and HHBs).

The chain of causality in the TOC is far reaching and involving many factors that were not addressed by the project. Therefore, it is not in the scope of this evaluation to assess the extent to which or whether the project has led to general development impacts such as employment creation, economic growth or poverty reduction or whether any such impacts are likely in the longer run (see more detailed discussion on the section Progress Towards Impact in the report below). Instead the evaluation will assess the extent to which the project contributed to conditions and changes likely to shift the system trajectory towards the desired objectives. Given the multiple factors at play, the evaluation also cannot test several key assumptions of the project. A primary assumption of the project is that a robust NBRS is one factor that contributes reliable information that helps build trust, reduce risks and costs of doing business and improves efficiency of public administration, all of which are also assumed to be key factors of a business environment conducive to private sector development. But reliable information is assumed to be only one of many factors the thrive the private sector. Other important factors include the costs of enforcing contracts, the condition of the credit markets, the extent of functioning of the tax system, overall condition of the economy, and corruption (Kaplan et al., 2007). At a broader level, a conducive business environment under the rule of law is assumed contribute to economic growth and poverty reduction (DCED, 2008). An assumption by SECO in supporting this project is that "Private sector development focuses on supporting the local private sector by improving the business environment or strengthening entrepreneurial skills in partner countries"(SECO, 2019). Formalization is also assumed to contribute to higher business productivity, access to credit, technology, and government services by enterprises. Thus, the extent of progress to the long-term objectives of the project (progress to impact or project's development objective) will depend greatly on whether other enabling conditions to private sector development are in place. Typically, the NBRS is implemented as one aspect of a broader set of business environment reforms that

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<sup>12</sup> The NBRS excludes household businesses which are a larger number. For example, in 2016 110,000 enterprises were registered in accordance with the Enterprise Law, but 155,000 Household Businesses were set up during the same period.

promote formalization and the development of markets that encourage competition in ways that are effective and sustainable. In summary, while the evaluation can assess the extent to which the project contributed to the specific enabling conditions and to some forms of behavioral change, the extent of project contributions to changes in business environment at system-level is more tenuous and needs to be approached with caution.

The project TOC adopted an integrated approach that included concurrent and sequential activities in various domains and at various levels. Such activities directly support **specific enabling conditions** to expand and strengthen the NBRS. Working with MPI and other ministries, the project supported reviews to identify the development of a **sound legal foundation for business registration** necessary to define legitimize the role of the ABR, overcome institutional barriers and simplify business registration. The project also helped build **capable institutions** (specifically the ABR and the BROs) **and mechanisms for institutional coordination**. Capacity building focused mainly on the ABR and the BROs in the 63 provinces, but also included activities to train staff from other ministries and other stakeholders. Institutional coordination focused in the mechanisms needed to facilitate information exchange, as well as the incentives to other ministries to adopt a single-point registration system. Simultaneously the project also supported activities aimed to further streamline, standardize, and computerize the NBRS. To ensure the data reliability of the system the project supported BROs to reduce information data gaps and inaccuracies and to transition from a paper-based to a centralized computer-based system. The project aimed at supporting ABR **public awareness campaigns** to cultivate the demand for NBRS information services. Awareness campaigns included the importance for businesses to update information in the NBRS. The specific enabling conditions supported by the project were assumed to contribute to behavioral changes of actors across the system. Among the expected behavioral changes are more inter-ministerial coordination, an increasing use by policymakers of the NBRS data in decision making, an increase number of enterprises that are registered and consult the NBRD, reduction of misconduct and abuse of power by officials and enterprises, and a more stable, motivated, professional, and client oriented ABR and BRO staff.

The behaviors promoted by the project are expected to contribute to system-level changes critical to a business environment conducive for a thriving private sector, and that benefit to different stakeholders. Some of those system-level contributions include the following:

- More effective policies and plans that increasingly based on evidence.
- Lower costs and risks of doing business for enterprises. Enterprises are expected to benefit from simpler and quicker registration process at lower costs. The NBRS provides legally valid and binding information on the businesses. The NBRS is also a source of information of potential business partners.
- Diminishing corruption and upholding the rule of law. Reliable and transparent information can help identify situations of conflict of interests and corruption. A legal registry of enterprises also facilitates the use of the court system to enforce contracts.
- More efficient public administration. Including oversight and implementation of labor and environmental regulations, taxation and better use of public resources, which is particularly relevant to the SOEs.

Five principles guided the work of the ABR while seeking a new trajectory for the NBRS. These included the shifting of the concept of license or permit to a registration certificate, substitution of legal paper documents for legal electronic documents, a shift from a conception of the government as an controller to a facilitator, adoption of electronic tools to standardize and manage information, and inter-ministerial/provincial coordination, connectivity and engagement (Box 2).

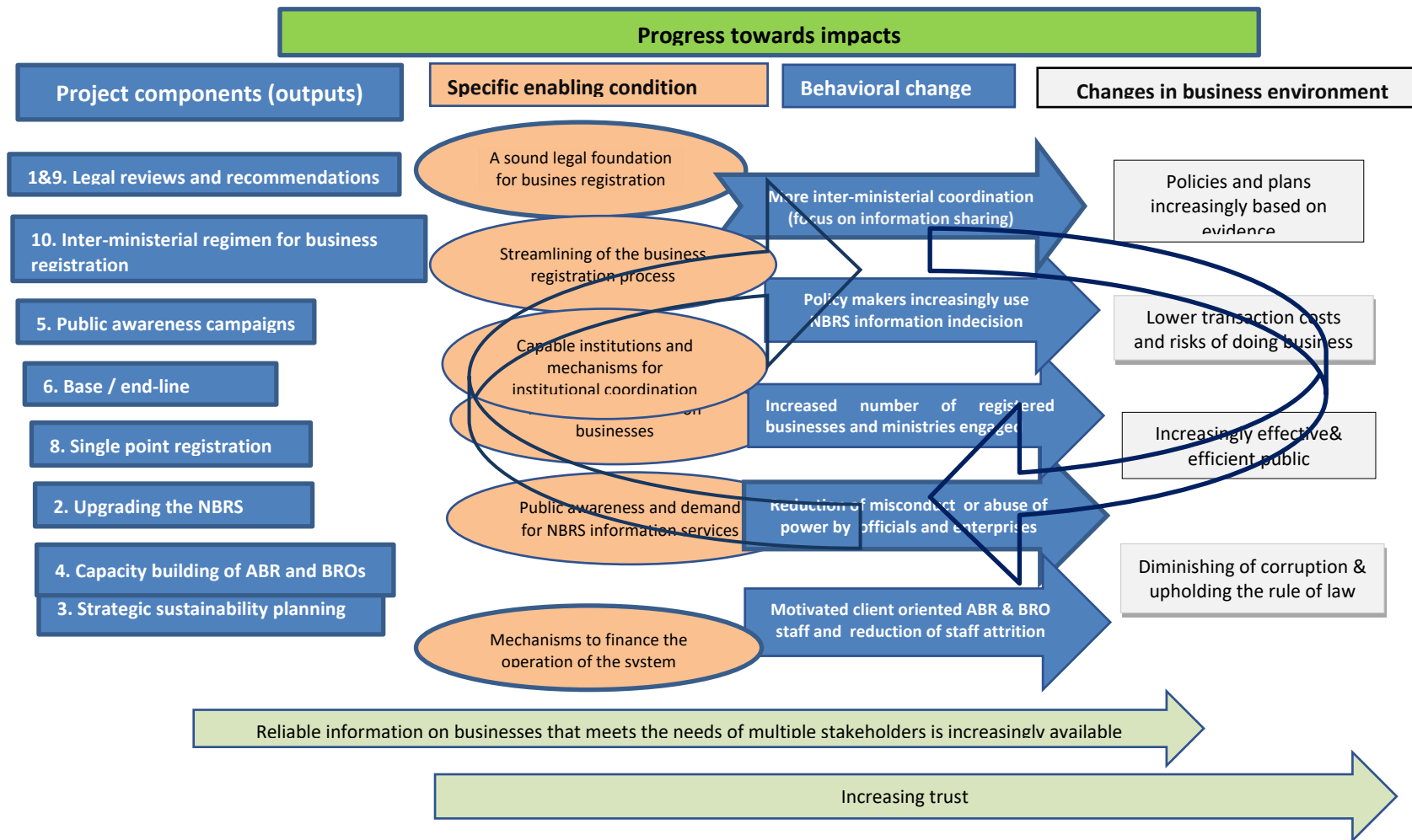
### **Box 2: The principles of the NBRS development**

Since the design of the UNIDO project in 2009, the development of the NBRS has followed five principles:

- Replacing the concept of “license” which implies a permission to do business, for the concept of “registration certificate”, which acknowledges the existence of a business.
- The substitution of paper based legal documents that are difficult to manage and updated for electronic documents which facilitate storage, retrieval, and update. This also implied the legal recognition of digital information.
- The shift from government management and oversight to government facilitation of citizen supervision in which actors in society monitor each other. Key in this regard is the role of the government to foster information transparency and to set up systems that make information available to the public.
- The adoption of electronic tools to standardize procedures, introduce validation rules and unify the system across ministries and provinces in ways that improve efficiency and that limit the discretion or room for interpretation by public officials.
- Coordination, connectivity, and engagement of multiple ministries, provincial-central governments and private stakeholders seeking to meet their needs and increase the system utility and demand for services.

The project TOC also addresses the sustainability of the NBRS by supporting the implementation of a strategy to ensure the sustainability of human and financial resources for the ABR. In addition to financial and capacity conditions, the efficacy and sustainability of the NBRS will also depend on the extent to which the specific conditions enabling the NBRS are mutually reinforcing and the extent to which the system-level conditions that benefit from the NBRS also feedback support to the conditions that allow an effective NBRS. Thus, for example, the production of reliable and timely information by the NBRS is likely to increase demand for the services of ABR. This demand in turn would result in more support to bring about the necessary reforms to link the NBRS with other systems and for additional information currently not included in the NBRD. Demand for ABR information services is also expected to continue to generate the funds required to attract qualified staff, pay for the operations of the Business Registration Supporting Centre (BRSC), and maintain a well-functioning system that is efficient and technologically updated.

Figure 1: Theory of Change<sup>13</sup> - Contribute to an enabling business environment for the private sector development



<sup>13</sup>Expansion to legally constituted status of enterprises includes: domestic private business, then PLUS SOEs, then PLUS FDI enterprises, then PLUS cooperatives. Next planned are the HHBs Engagement of a growing number of public agencies in information sharing: Tax agency PLUS Banking, transport. Now is turns of MOLISA and Social Security Fund

Key Assumption: A conducive business environment under the rule of law is assumed to be a pre-requisite for economic growth and poverty reduction (DCED, 2008).

## 5. Project Performance and Results

### 5.1 Effectiveness

Effectiveness assesses the extent to which the project's achieved its intended results. The project fully achieved the immediate objective which was for the ABR and BROs to provide accurate, legally binding information on commercial entities independently from further similar international donor support and with operational and financial sustainability. The project logframe included 10 outputs (one of which was related to project management), with a total 40 activities most of which associated to specific outputs. The project monitoring system reported that only 2 activities were not fully met. This activity was delayed at the time of the evaluation in account of the COVID-19 shut down. The other was Activity 4.1: Set up a comprehensive managerial accounting and performance evaluation system. This activity was delayed at the time of the evaluation because the expert involved has an accident.

Regarding, Activity 4.4: Conduct at least 10 trainings/study visits for ABR staff and/or BRO Registrars, the project delivered five study visits instead of 10 as originally planned. Broadly speaking the project had a remarkably high delivery rate. Considering that two delayed activities were out of its control, only one activity missed delivery of half, the overall delivery rate of 98.7%.<sup>14</sup>

The project deliverables translated into major contributions to the specific enabling conditions and behaviors identified in the theory of change section which was presented earlier in this report.

#### **A Sound Legal Foundation for Business Registration**

As indicated earlier prior to 2014, businesses with different economic activities registered with different agencies responsible for that economic sector. This had resulted in multiple criteria, requirements and procedures. A lack of clarity on procedures and regulations gave officers at the provincial level a wide discretion in executing regulations, providing opportunities for irregularities in granting business permits. One example offered by stakeholders was a case in which provincial officers with links to an established petrol and gas business restricted the approval of new enterprise permits in the province to prevent competition. In the absence of a legal mandate, line agencies under the other ministries were reluctant to let go of business registration as this was perceived as a reduction of responsibilities.

Legal efforts of the ABR focused first on reforming the Law on Enterprise and the Investment Law which govern businesses operations across different line ministries in Viet Nam. The Law on Enterprises 2014 and the Investment Law on 2014 provided the foundation for a series of decrees and circulars that had established a new legal and institutional framework for business registration by 2018. Following strengthening the legal framework, the regulations for business registration have been continuously improved and coverage of the NBRS has been increasingly expanded (see Figure 5).

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<sup>14</sup> This simple performance rate is calculated by considering that 0.5 of an activity is equal to 1.3% of 38 (the activities under control of the project) this is subtracted from 100 which is equal to 98.7. Four activities that are reported by the project as fully achieved don't provide entries in the matrix (Annex X) that document the achievements. These are activities 8.2, 8.5, 8.6, and 9.2. These four activities refer to training, support to awareness raising campaigns, and consultative trips to large provinces and were achieved while conducting other project activities.

**Table 2: Consultation Workshops NBRS 2014-2019**

Related Project Output	Topics	Events	Participants
Output 1: Reform of the Enterprise and Business Laws of 2014, decrees, and circulars	8	18	2,406
Output 8: One-point registration mechanism, introduction to foreign investors	2	4	533
Output 9: Amendment to the Enterprise and Enterprise Laws	2	5	623
Output 10: Cooperatives Registration	1	2	223
Total	13	29	3,785

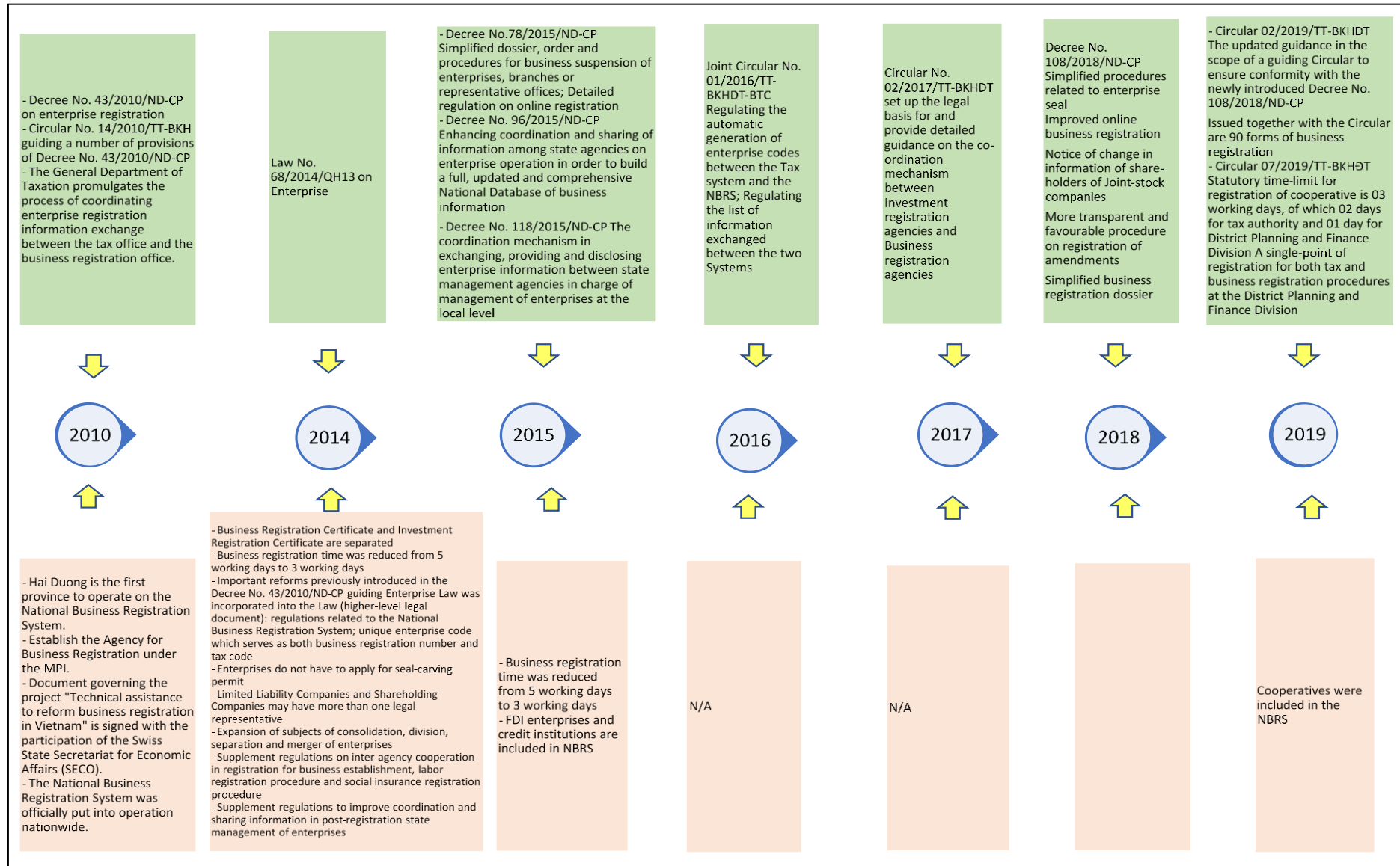
Source: Project Database

The project supported the development of the Law on Enterprise and Investment Laws by making available to the ABR legal national and international experts and by working closely with the ABR, the Legislative Department of MPI, and the relevant line agencies to review the legal framework on business registration and to provide recommendations on the changes needed. The ABR followed a comprehensive approach that included the review of current laws and other relevant legal instruments (such as decrees and circulars) as well as consultations with other ministries, BROs and stakeholders from the private sector. From 2014 to 2019 the project supported 13 different consultations that included a total of 29 workshop events with the participation of 3,785 stakeholders. Engagement of other ministries was important because the changes in the Law on Enterprise and the Investment Law also affected and required revision in other laws, including the Securities Law, Law on Insurance Businesses, Law on Lawyers, Law on Notarization and Law on Property Auction.

The Law on Enterprises and the Investment Law were passed by the National Assembly in November 2014 which was followed the publications by GoV's Decree 78/2015/ND-CP and MPI's Circular 20/2015/TT-BKHDT on enterprise registration and Decree No. 118/2015/ND-CP providing guidance for the implementation of the Investment Law, and several joint circulars by MPI and MOF including Circular 01/2016/TT-BKHDT-BTC in January and February 2015 on information exchange. In total the project supported elaboration, consultation and dissemination of 12 legal instruments to firmly establish the NBRS and the role of the ABR in the business registration. Regulatory reforms also addressed the mechanisms for inter-ministerial coordination and information exchange to simplify registration procedures. Inter-ministerial circulars were also adopted to address condition across ministries and for sharing and disclosing enterprise information. **Error! Reference source not found.** presents a diagram indicating the legal efforts of the ABR to establish a legal framework for the NBRS over the past ten years and the changes brought about by the new regulations.

In addition, the project supported the development of a white paper to provide specific recommendations for legal changes across the affected ministries and assisted the ABR in establishing a roadmap to integrate all commercial entities in the NBRS. Once the laws, decrees or circulars were adopted, the project supported the ABR to organize workshops to disseminate information of the new regulations and to train stakeholders on their implementation.

**Figure 2: Legal milestones and key changes in establishing legal framework for the NBRS**



## **Streamlining of the Business Registration Process**

- **Simplification of the business registration process**

The project assisted the GoV to make it easier for enterprises to register. The project helped to introduce a one-stop registration process and to link databases of different state agencies which reduced redundancies of information required across agencies. The GOV reduced the statutory time for registration from 5 days to 3 days and the steps and requirements for enterprise of registration. The cost of registration was also reduced by 50%. The ABR calculates that from May 2014 to September 2020, these changes helped to simplify the business registration process and reduced about 540,000 visits to the BROs by enterprises, saving them more than one million working hours per year.

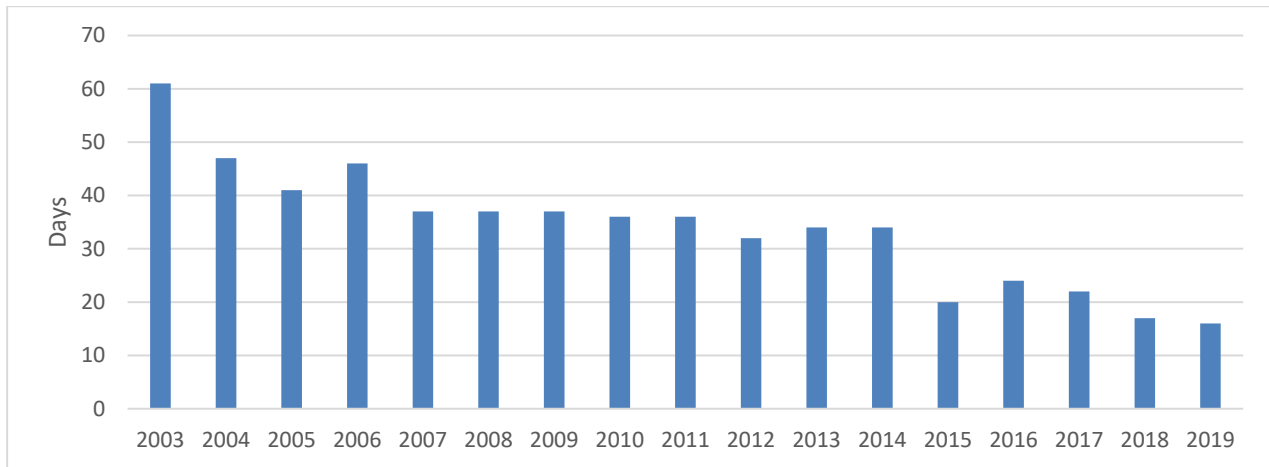
The extent of adoption of electronic registration differs across provinces. There is a big difference in adoption of electronic filing between larger urban cities/provinces such as Hanoi and HCMC and the smaller and more rural provinces. In the case of the former, the number of dossiers that need to be reviewed by BRO staff every day is very large. For example, Hanoi BRO has processed 800-1,000 dossiers and HCMC about 1,500 dossiers per day. However, in medium sized cities such as Bac Ninh or Hai Phong, the daily workload for their BROs is about 60-70 dossiers and in less urbanized provinces such as Thua Thien Hue, the workload falls substantially to only ten dossiers per day. BROs in large provinces are thus under pressure to increase efficiency and adopt electronic filing. This is also feasible because many applicants have sufficient computer literacy. In smaller rural cities BROs are under less pressure to move to fully electronic. Applicants in rural areas also tend to have a lower computer literacy and typically require more assistance in filling in the dossiers. Under these conditions, paper filing is deemed more convenient. There is also a substantial difference in the speed of adoption of electronic filing between Hanoi and HCMC. By November 2020, the project reported that, Hanoi and HCMC had achieved online submission of dossiers of 99% and 89% respectively. This difference between the two major cities is explained by the strong push of Hanoi's authorities in favor of e-government, which is not perceived as much of a priority by the authorities in HCMC (see Box 3). The national online registration rate was reported at 77%.

- **Improvements in the Viet Nam Doing Business Index**

The Doing Business Index is a tool created by the World Bank to rank and compare ease of doing business in 190 economies around the world. A higher ranking, which is indicated by a lower numerical value, indicates a more conducive environment to do business and vice versa. The Doing Business Index includes ten dimensions in the ranking on the "ease of doing business". They are: (i) Starting a business; (ii) Obtaining a building permit; (iii) Connecting to electricity; (iv) Transferring ownership; (v) Getting credits; (vi) Protecting minority investors; (vii) Payment of taxes; (viii) Cross-border trading; (ix) Enforcing contracts; and (x) Resolving insolvency. Among them, starting a business is directly related to the ABR's mandate, since its score is made based on relevant measures including number of procedures, time and cost for business registration. Given their close relation, the GoV has long used this index to measure its efforts in creating an enabling business environment as it allows to compare progress with other countries.



**Figure 3: Time required to Start a Business in Viet Nam**

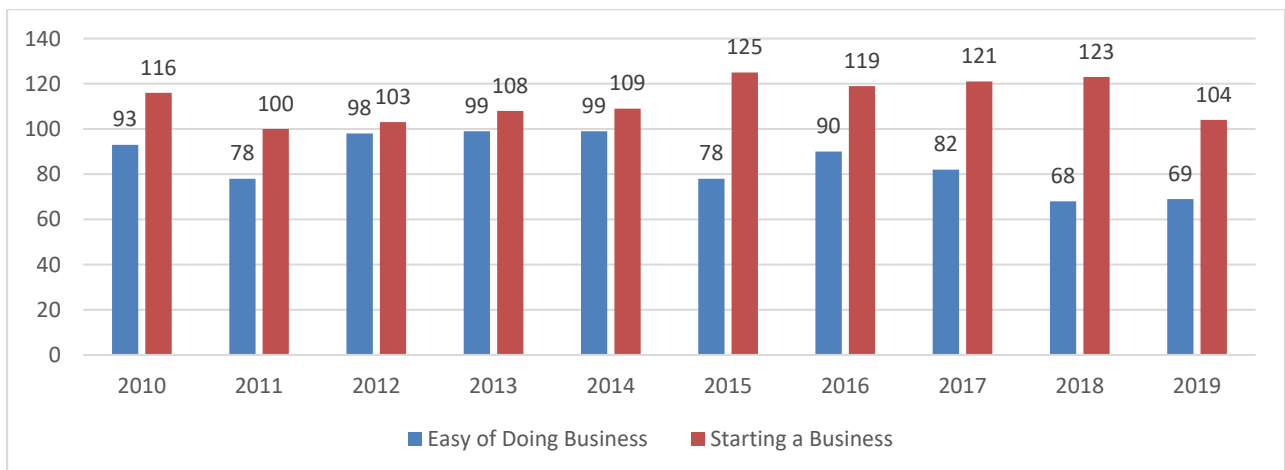


Source: <https://data.worldbank.org/indicator/IC.REG.DURS> consulted October 20, 2020.

The World Bank Doing Business data portal reports a reduction of the time it took to start a business (as defined by the Doing Business Index) over the last 15 years from 60 days in 2003 to 16 days in 2019. The figure also shows a sharp reduction in registration time from 2014, the year that the Law on Enterprises 2014 supported by the project took effect. During the duration of the project the drop was from 34 days in 2014 to 16 days in 2019 (**Error! Reference source not found.**).<sup>15</sup> The 2018 *Doing Business Report* cited three reforms for these changes, two of which pertained to improvements achieved by the ABR with the support of the project. One reform allowed enterprises to publish the notice of incorporation online which decreased 5 days in the business start-up process. The other reform is the 50% reduction of the cost of business registration.<sup>16</sup>

**Error! Reference source not found.** presents Viet Nam’s rankings on the ease of doing business index and on the component indicator of starting a business. According to the World Bank’s Doing Business 2020 Report, Viet Nam’s rank among the world economies was of 69/190 on the ease of doing business but 104/190 in starting a business, and ranked 6th in ASEAN with 8 procedures to be completed within 16 days. The relative lower ranking in starting a business than in the ease of doing business as a whole implies that despite government’s efforts to simplify business registration procedure, there is still a great obstacle in creating an enabling environment for business operation.

**Figure 4: Viet Nam ranking: Ease of Doing Business**



Source: World Bank (2020), *Doing Business 2020 Report*.

15 <https://data.worldbank.org/indicator/IC.REG.DURS> consulted October 20, 2020

16 <https://www.doingbusiness.org/content/dam/doingBusiness/country/v/vietnam/VNM.pdf>

Reducing time to register a business by BROs. The Law on Enterprises 2014 reduced the statutory business registration time from 5 days to 3 days. In addition to business registration time measured by the World Bank, the NBRS keeps record of the length of time for registration via NBRS process. The ABR's record on business registration time differs from the "Starting a business" dimension used by the Doing Business Index in three ways:

- (i) The registration procedures captured by the Doing Business index include other steps in addition to those of business registration (e.g. opening a bank account, making a seal, buying pre-printed VAT invoices from the Municipal Taxation Department (MTD) or obtaining and printing self-printed VAT invoices; and making registration of labour and social insurance). ABR only includes steps and time that reflect the registration procedures at BROs.
- (ii) The Doing Business Index includes the time an applicant enterprise takes to update the dossier when updates are needed, while ABR measures only BROs turnaround time.
- (iii) The Doing Business Index estimates a standard for SMEs in the largest city (in the case of Viet Nam this is HCMC) while the ABR presents an average across the country.

### **Box 3: Hanoi pushed for online business registration**

Within a short period of time, Hanoi has been putting a great deal of efforts in achieving the target of full online business registration service. Strongly supported by the city leaders, who saw adoption of e-government as the fastest vehicle to create enabling business environment in Hanoi, the DPI staff strongly encouraged enterprises to learn about and conduct business registration online. As a result, by 2018 uptake of online business registration in Hanoi increased sharply by 59.33%, reaching 99.7% of the total business registration dossiers submitted.

The city authorities developed a concrete roadmap for gradually moving from paper-based to online registration. In 2015, with the Scheme 40, the first 12 procedures were served on the digital platform, and applicants could access to the online service for free. The Scheme 50 in 2018 had pushed up to 100% of business procedure being served in digital platform.

In order to achieve such ambitious goals, Hanoi authorities have been proactive in raising awareness of the community about the benefits of online services including hosting meetings, conducting various dialogue sessions and training courses on online registration. The city authorities also emphasized the importance of better customer service and promoted consultancy services to support online applicants. The authorities viewed consulting companies as allies in its campaign who could provide coaching or online registration services for business owners. The convenience of electronic filling allowed consultants to serve dozen of enterprises per day, without having the office hours constraints that limited paper-based filling. Hanoi BRO had also set up a supporting centre that not only provides guidance on business registration but also consultation on starting a business. In addition, Hanoi BRO had implemented other measures to encourage online registration and further reduce administrative burdens on enterprises, including: (i) reducing the time-limit for handling online dossier to 2 days as opposed to 3 days as stipulated by law, and (ii) offering free-of-charge service applicable to various registration procedures. As a result, the proportion of online registration in Hanoi increased from 40% in 2015 to nearly 100% in September of 2019.

This sets a remarkably good example for proactively improving market entry conditions at the local level and has the potential for creating spill-over effects and replication in other localities. The aggressive promotion of online registration is particularly important in the larger cities such as Hanoi and HCMC as these two cities account for more than 80% of the enterprises nationwide.

Source: Summary from the interview note with Hanoi BRO

Though it is stipulated by law that business registration time-limit is 3 work days (in ABR measurement), according to data generated from the system, in 2018, the processing applications in average took less than 3 days, despite a sharp increase in the number of business registration applications. The average processing time for an application decreased from 4.24 days in 2014 (Law on Enterprises 2014 took effect in July 2015) to only 2.3 working days in 2018. The extent of reduction of processing time varied across provinces and cities. For example, in Hanoi the local authorities strongly support the transition to e-government the city adopted a two-day statutory time for processing dossiers and offered free-of-charge services for 12 application procedures for electronic registration.

### Capable Institutions and Mechanisms for Institutional Coordination

- **Capacity development in the ABR and BROs**

The project supported the ABR in designing and setting up a more comprehensive managerial accounting and performance evaluation system to improve transparency and professionalism in the organization. The project also addressed several aspects related to the capacities of the ABR and the BROs. The project carried out several rounds of workshops with the ABR, BROs and other stakeholders that addressed different aspects of the Law on Enterprises and the subsequent decrees and circulars. Training also included technical aspects of the operation of the NBRS such as standardization of data and post registration application management and issues such as the new roles of the NBRS and problem solving during the deployment of the changes of the NBRS. The workshops promoted service and client orientation as a major shift of the way in which the ABR and BROs would conduct business to be more responsive to the needs of the enterprises. The project also supported training on different aspects related to the NBRS to District People’s Committee and to foreign investors. In total the project organized 46 workshops around 17 different topics and reached 3,936 participants (Table 3).

**Table 3: Training Workshops on NBRS 2014-2019**

Related Project Output	Topics	Events	Participants
Output 4. Capacity building to improve performance	12	28	2550
Output 8. One-point registration mechanism, introduction to foreign investors	3	8	1311
Output 10. Cooperatives Registration	2	10	75
<b>Total</b>	<b>17</b>	<b>46</b>	<b>3936</b>

Source: Project Database

- **Inter-ministerial coordination and information sharing**

Inter-ministerial coordination was critical to implement one-stop registration system and to run the NBRS due to the need to develop protocols, harmonize databases and share information across agencies. The coordination between MPI and Ministry of Information and Communication (MOIC) was particularly successful. In this regard the importance of having a clear and robust legal framework for the NBRS cannot be overstated. The guidance provided by the legal framework called for the clear roles among the different ministries and to harmonize practices across the 63 BROs. The Joint Circular between the MPI, MOF, and Ministry of Home Affairs (MOHA) issued in April 2015 provided a model regulation on coordination among functional agencies in provinces and centrally governed cities in post-registration corporate governance.

Given the decentralized public administration structure in Viet Nam, without the Law on Enterprises 2014 it would have been up to the Provincial People’s Committee (PPC) to integrate its business registration to the NBRS. DPI – the supervision agencies of local BROs in each province/city – are accountable to the PPC. Opposition to the NBRS requirements by local officials would have likely prevented, or at least would have

greatly delayed, the deployment of the system across the country. But the law requires all provinces to join the NBRIS, consequently steps have been taken by all 63 provinces in the country to link to the NBRIS.

Article 3 of the Law on Enterprises 2014 indicates that if a sector law has specialized regulations on the establishment, management, re-organization, dissolution and related activities of enterprise, those laws shall apply. Since the expansion of the NBRIS pertained to enterprises established under legal frameworks governed by other specialized ministries, the implementation of the new legal framework required negotiations and a close coordination between the ABR and the relevant ministries. The consultations undertaken during the development of the regulatory framework helped the ABR establish relations with the different line agencies engaged in the NBRIS. This was helpful during the deployment of the system as it helped to negotiate roles and responsibilities between the ABR and the other central agencies operating under different ministries.

Sharing information across agencies was important to eliminate redundancy among agencies and to simplify the registration process and reporting requirements from enterprises. Having first codified into laws and regulations the roles, responsibilities and procedures of interactions among the different ministries, the ABR proceeded in mid-2015 and 2016 to design and deploy a mechanism to reduce duplication of functions, to facilitate information sharing and coordination with the different ministries, and to enhance post-registration operation of the expanded system. Based on the regulations, the ABR developed the protocols and electronic instruments to implement data conversion and sharing information on FIEs, Credit Institutions, SOEs, and Scientific Technological Enterprises and enterprises registered through the Management Boards of Industrial Zones and Export Processing Zones. Digital tools to improve data quality were also integrated into the system. The system was also upgraded to address slow connectivity problem from BROs and other users, and to improve speed of communications. The upgraded NBRIS was fully operational in October 2016 and was linked to the Public Procurement Agency and the Ministry of Transport (MOT). In 2019, the ABR officially linked the NBRIS to the National Government Service Platform (NGSP) which was run by the MOIC to link the databases across ministries. The NBRIS is among two of six strategic databases that have been connected to the NGSP. Once fully operational the NGSP will link the NBRD and can link to other key government databases which will help make information in the NBRD more accessible to all interested parties. In 2020, a link between the NBRIS and the Social Insurance Database has been ready for operation.

Once the NBRIS is linked to databases of several central agencies and to the NGSP, stakeholders reported that there are opportunities to improve efficiency across the different central ministries by linking the NBRD to the databases of additional ministries. One example is the MOIT which keeps a database of enterprises for procurement purposes. As part of its procurement process the MOIT needs to verify whether the information on enterprises is legally valid. The MOIT carried out this verification by consulting the NBRD case by case. Linking the MOIT database to the NBRD would allow for automatic verification and would reduce the time and costs for the MOIT. At the same time this verification would enhance the quality of enterprise information in the NBRD. This evaluation finding is consistent with the conclusion of the 2018 Data Quality Report commissioned by the project management indicating the need to strengthen mechanisms for interinstitutional coordination and information exchange.

A key obstacle preventing an improvement of Viet Nam's ranking is that administrative agencies still required enterprises to provide duplicated or unnecessary information, creating a burden of time and cost for businesses. The GoV has recently taken several steps to address this obstacle. Resolution No. 02 / NQ-CP, dated 01/01/2020 on further improving business environment requires that in 2020, Viet Nam's ranking in the ease of doing business must increase by 10 ranks, and that of starting a business by 10-15 ranks. To achieve those targets, the GoV is introducing further changes including the adoption of digital invoicing, online reporting on labor use, and amendment of Law on Enterprises to further cutting down unnecessary administration procedures, among others. In October 2020, the GoV promulgated Decree 122/ND-CP to integrate into the business registration three additional processes. These are the application for social security identification code, labor use reporting, and invoice registration. Under these new regulations,

business will only prepare a single set of documents, file a single return, make transactions with a single agency – the BRO.

The integration into the business registration process of reporting on the total number of expected employees at the time of business starting up, modalities of social insurance payment, use of self-printed invoices helps to significantly reduce the time and efforts of businesses. The Decree aims to reduce time to follow those three processes from 13 days to only 3 days (See the first procedure in **Error! Reference source not found.**).

**Table 4: Procedure for starting-up business after Decree 122**

	<b>Procedures</b>	<b>Responsible Agency</b>	<b>Maximum days to complete</b>
1	Business Registration + Labor use reporting + Application for SII Code + Registration for using self-printed invoices	BRO (DPI)	3
2	Open banking account	Commercial Bank	1
3	Issue invoice books/Purchase invoice book	Tax agency	2
	<b>Total</b>		<b>6</b>

The objective of the Decree is to remove duplication and facilitate business operations without interfering with the function of the line agencies. Further integration in the management of information will benefit line agencies by enabling electronic exchange and access to information and by providing more reliable and timely information for management and decision making.

#### **Reliable Information on Businesses**

- **Expansion of the NBRS to new business entities**

During 2010-2013 the first UNIDO project helped design and establish the NBRS. This system included around 800,000 private enterprises and subordinate units registered at provincial BROs. The system had also recently linked to the system of the General Department of Taxation (GDT). The link to the GDT was particularly important because it provided a unique ID code for each enterprise and provided incentives to enterprises to register and keep current the information in the NBRS. But at the time being in Viet Nam enterprises could be registered under different ministries, all of which had different requirements and procedures. The NBRS was also not electronically linked other networks that would facilitate the accessing and use information.

**Table 5: Number of business in the NBRS by type by August 2020<sup>17</sup> (Based on registered main business activities)**

<b>Type of business in the NBRS</b>	<b>Number</b>	<b>%</b>
FDIs	24,424	1.68%
SOEs	2,842	0.20%
MBIEs	6,570	0.45%
Scientific and Technology enterprises	4,450	0.31%
Banks/credit institutions in the NBRS:	7,346	0.50%
Other enterprises	1,409,713	96.86%
<b><sup>18</sup>Total number of enterprises and sub-ordinate</b>	<b>1,455,345</b>	<b>100%</b>

<sup>17</sup> The evaluation team tried to calculate the proportion of existing enterprises in the country that were registered in the NBRS by using data from the GSO. This analysis was not possible due to a lack of comparability between the ways the NBRS and the GSO records information.

One of the important accomplishments of this project was to expand the NBRS to include businesses registered under different ministries and link more than 700 district-BROs to the NBRS (for registration of cooperatives). By 2017 the NBRS had linked with the Foreign Investment Agency. By September 2020 and to a total of 8 government agencies or ministries.<sup>19</sup> The enterprises registered went from 806,199 in September 2013 to 1,455,345 by September 2020, which surpassed by far the GOV's target of one million enterprises by August of 2020 (**Error! Reference source not found.**).

The expansion of the electronic connectivity of the NBRS across 63 BROs and other ministries led to a rapid increase in the number of enterprises included in the NBRS.

- **Improvement in data accuracy**

Data accuracy and completeness is critical for the reliability and usefulness of the NBRS. Since 2011 the ABR begun to address data inconsistency issues when linking the NBRS to the system of the GDT. The final evaluation of the preceding project pointed out that there was still a need to complete digitalization of data and to fill in data gaps. Digitalization is important because it facilitates the management, access and use of information. The ABR with the support of the project conducted a baseline review of the quality of information in the NBRS in 2015. At this time there were 900,000 enterprises and subordinate units in the NBRD, more than 500,000 were transferred from databases kept by BROs<sup>20</sup>. Much of these transferred data was compiled prior to the establishment of the NBRS, at different times, and under different legal frameworks. As a consequence, there were many inconsistencies in the data, quality varied greatly, and there were many duplications. For example, there were often gaps in the information records and records often had inaccurate or outdated information on enterprise codes, enterprise addresses, and links between subordinate and mother enterprises.

The project supported the ABR to update its system and train BROs staff to manage errors in data transfers from other ministries and prevent gaps and inconsistencies in the data of new registrations. To assess the efficacy of this measures, the project hired a firm to do an assessment of the quality of the data on enterprises available in the NBRS. A baseline survey was carried out in 2015 and a follow-up survey in 2018. The assessments used four criteria to evaluate data quality:

- Data sufficiency. Enterprises were considered to have sufficient data when the required registration information fields of the business were filled. If any mandatory fields were empty, the enterprise was considered with insufficient data.
- Data accuracy. The data accuracy was assumed to be influenced by two factors: (1) the reliability of the input source and (2) the process of putting data into the system. Data was considered inaccurate when it had the wrong digital format, wrong date month format, wrong special characters, and wrong capitalization characters.
- Data consistency. Registration information was expected be consistent and logical meaning that the sum of a set of related entries should add up to the total. Data consistency was applied to fields such as capital and ratio of contributed capital to detect errors during data creation.
- Data timeliness. Data timeliness is a criterion to define how current is the data and the timeliness by which enterprises reports are updated. Data "timeliness" was assessed based on the latest update.

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19 The eight agencies or ministries included: GDT; Foreign Investment Agency; MOIC; MOT; One Stop Shop IT system of Thua Thien-Hue, Bac Giang; MPI's Procurement Management Department (the National Center of Procurement), and the National Public Services Portal operated by the government office.

20 Report on Quality of Business Registration data in the National Business Registration Database, 2018.

**Table 6: Data quality assessment (unit: percentage)**

Criteria	Type of business	2015	2018
Data completeness (Ratio of enterprises with blank information)	Type of business Transferred enterprises	81.7	29.4
	Newly-registered enterprises in the System	2.5	0.41
Data accuracy (Ratio of enterprise with Inaccurate data)	Transferred enterprises	12.9	6.5
	Newly-registered enterprises in the System	1.2	0.3
Data consistency (Ratio of enterprise with inaccurate data)	Transferred enterprises	16.4	9.6
	Newly-registered enterprises in the System	15.6	2.6
Data timeliness (Ratio of enterprise that registered for changes)	Transferred enterprises	49.7	66.5
	Newly-registered enterprises in the System	53.05	77.91

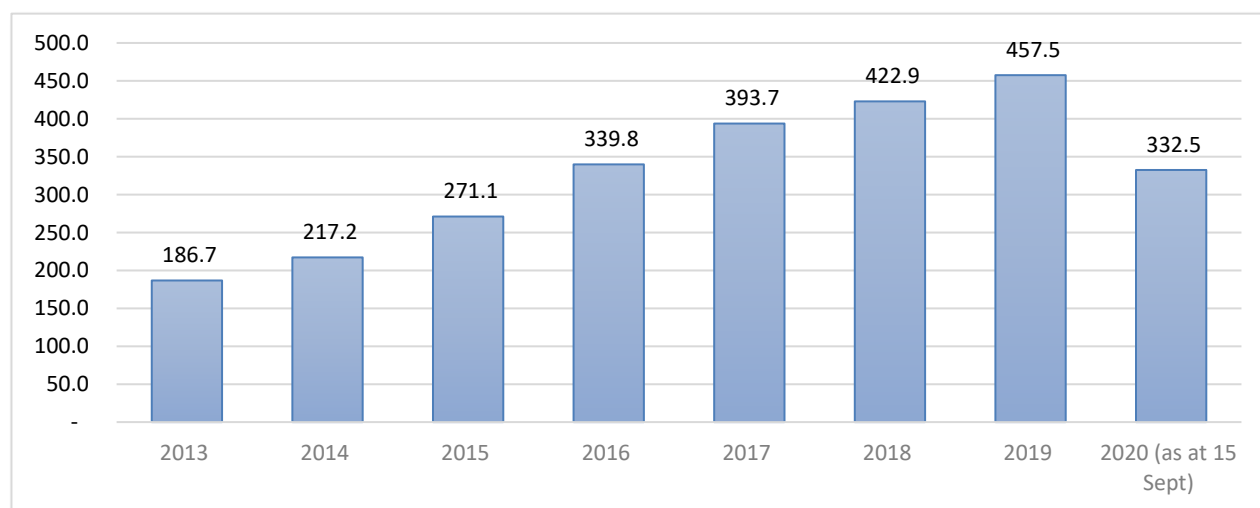
Source: Report on Quality of Business Registration data in the National Business Registration Database, 2018.

Table 6 shows the data quality between the transferred enterprises and newly-registered enterprises in the system.

The four assessment criteria show a marked improvement on the data quality for enterprise registered in 2018. Specific statistics point out a positive increase in the level of completeness and accuracy, integrity and data timeliness. This is a result of better systems to capture and transfer information. Nonetheless these assessments also indicate that there are considerable inaccuracies of data transferred during the early years and in data transferred more recently (for example over 29 % of the transferred cases still missed at least one required field). Application amendments also contributed to more accurate and up to date information in the NBRD.

Over the years the ABR streamlined procedures and the increased use of the internet has also facilitate the registration application amendments which has gone from 186,700 in 2013 to 457,500 in 2019 (**Error! Reference source not found.**). Despite these growing number of amendments, the data quality review still found that 33% of transfer cases and over 20% of the newly registered enterprises had information that was out of date.

**Figure 5: Number of amendment registration application**



The 2018 Report on data quality identify several shortcomings affecting the data quality in the NBRD<sup>21</sup>:

21 “Report on Data Quality of the Business Registration Data in the NBRD”, 2018: 62-64

- Capacities and resources in some BROs have not kept up with the increase and the types of business registering which leads to some problems in data management.
- The BRRs have resulted in significant benefits to individuals and organizations registering business. However, insufficient compliance of enterprises with their responsibility to update information continues to affect NBRD data quality.
- The BRR has focused mainly on capturing data on market entry procedures but has paid less attention on aspects related to the management, sharing, and use of information in the database. There are still regulatory gaps that negatively affect the management, access, use and sharing of information. There are also coordination mechanisms in paper that have not been fully implemented.
- While the law requires enterprises to update their information in the NBRD, there is a need to clarify the authority of BROs and other agencies to compel enterprises to update their information in the NBRD.

### **Public Awareness and Demand for NBRD Information Services**

The consultation and training workshops carried out by the ABR made important contributions to the raised awareness within the ABR and BROs and among other stakeholders. The ABR followed a participatory process in the development of the legal and regulatory reforms that helped stakeholders understand the purpose of the reforms, their effects and their roles and encourage them to input into the content of reforms.

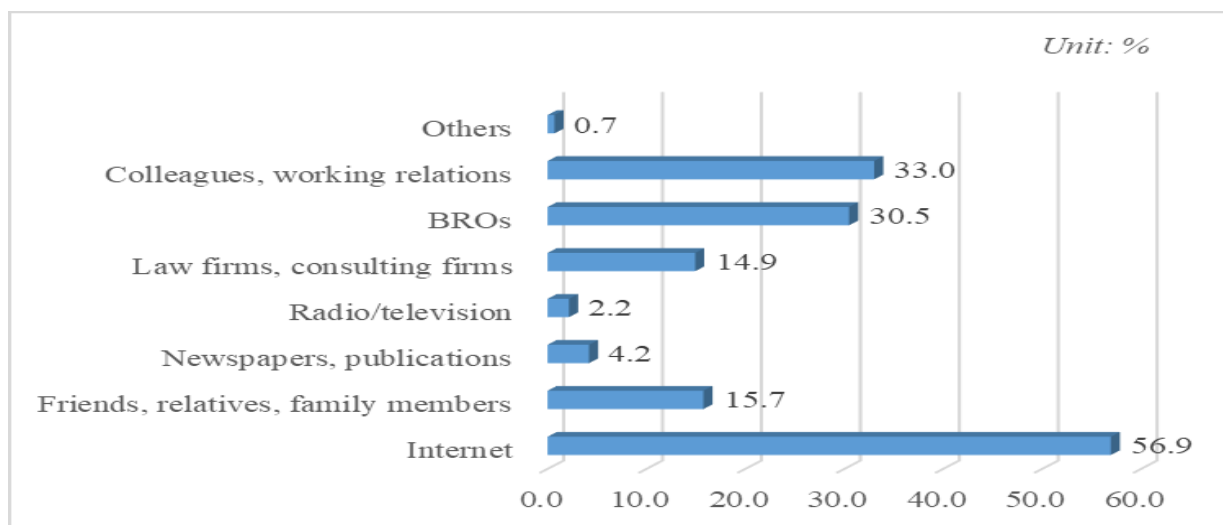
The training workshops demonstrated the need for client-oriented services and attitude by service providers and its staff which is new to the ABR and BROs staff. The changes in behavior and improved professionalism by the ABR staff coupled with the simplification of registration procedures and electronic facilities to access information contributed to improvements in client satisfaction from 2015 to 2018. A client satisfaction survey conducted by the ABR in 2018 reported important improvements in the ABR client orientation: “100% of respondents said that information was provided in accordance with the agreement between the two parties. 96% said that the information was provided according to the agreed timeline and 92% said that information accuracy was ensured. It can be said that these are incredibly positive comments for the information services provided by the ABR, and this is also the foundation to develop the trust of service users”. Similarly, with regards to the use of the information portal in the website, most users reported that they were satisfied (70%) or very satisfied (30%) with the interface, the portal layout, easiness to understand instructions, transmission speed, and usefulness of information.<sup>22</sup>

**Figure 6: Sources of information about the NBRD Portal**

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<sup>22</sup> UNIDO. 2019. Report on the Survey Results of the National Business registration System Customer Satisfaction 2018: 76





Source: UNIDO. 2019. Report on the Survey Results of the National Business Registration System Customer Satisfaction 2018 p. 76)

The consultation and training workshops directly reached many stakeholders. To complement these efforts the project hired Viet Nam Investment Review, a news outlet that specializes on business sector news, to publish a series of articles on the revised legal framework for the period from Oct 2016 to Feb 2017. This included 67 online news reports that were published in media outlets that targeting both businesses, investors and wider public such as baodautu.vn, vnexpress.net, dantri.com.vn, Vneconomy.vn and dddn.com.vn. The project also supported the publication of 53 in-print articles that were distributed among 10 publishing outlets including Viet Nam Investment Review, Investment Bridge, Thời báo kinh tế Việt Nam (Viet Nam Economy Times), The People, The Hanoians and Bank Times.

The web portal is a particularly important tool making data available to a boarder public. **Error! Reference source not found.** indicates how visitors not registered in the portal found out about the NBRS. Among 3,741 such visitors, 57% learned about the portal directly on the internet which is reasonable given the high use of internet in Viet Nam. 33% of the respondents learnt from colleagues, 30% from BROS, and 16% from friends, relatives, and family members.<sup>23</sup> This indicates that a significant amount of the respondents had learned of the portal from personal referrals, which can be interpreted that the portal sufficiently met the expectations to warrant a recommendation. Only a few respondents had heard from radio, television and newspapers. The survey report indicates that these channels might reach a different audience and more attention to them might help increase the awareness of the NBRS among a broader population.

## 5.2 Progress towards impact

The project impact pertains to the environmental, economic, and social long-term changes the project helped bring about or changes that are expected to take place and to which the project has contributed. Impacts can be positive (when they enable a development trajectory toward the long-term goals) or negative (when they hamper progress in the desired trajectory), and intended or unintended. The project seeks to support a longstanding reform of the government of Viet Nam that aims at a fundamental transformation of the country's economy. More specifically the project seeks to contribute to an enabling business environment for the private sector to thrive. This transformation started before the project began and will continue long after the project ends. It is also a process that is influenced by many different conditions most of which were not and could not be addressed by the project. Thus, a modern, well-functioning and effective national business registration system is but one factor affecting the business environment conducive to develop the private sector. Moreover, the NBRS was designed to provide information on one of many aspects of private sector development: business registration.

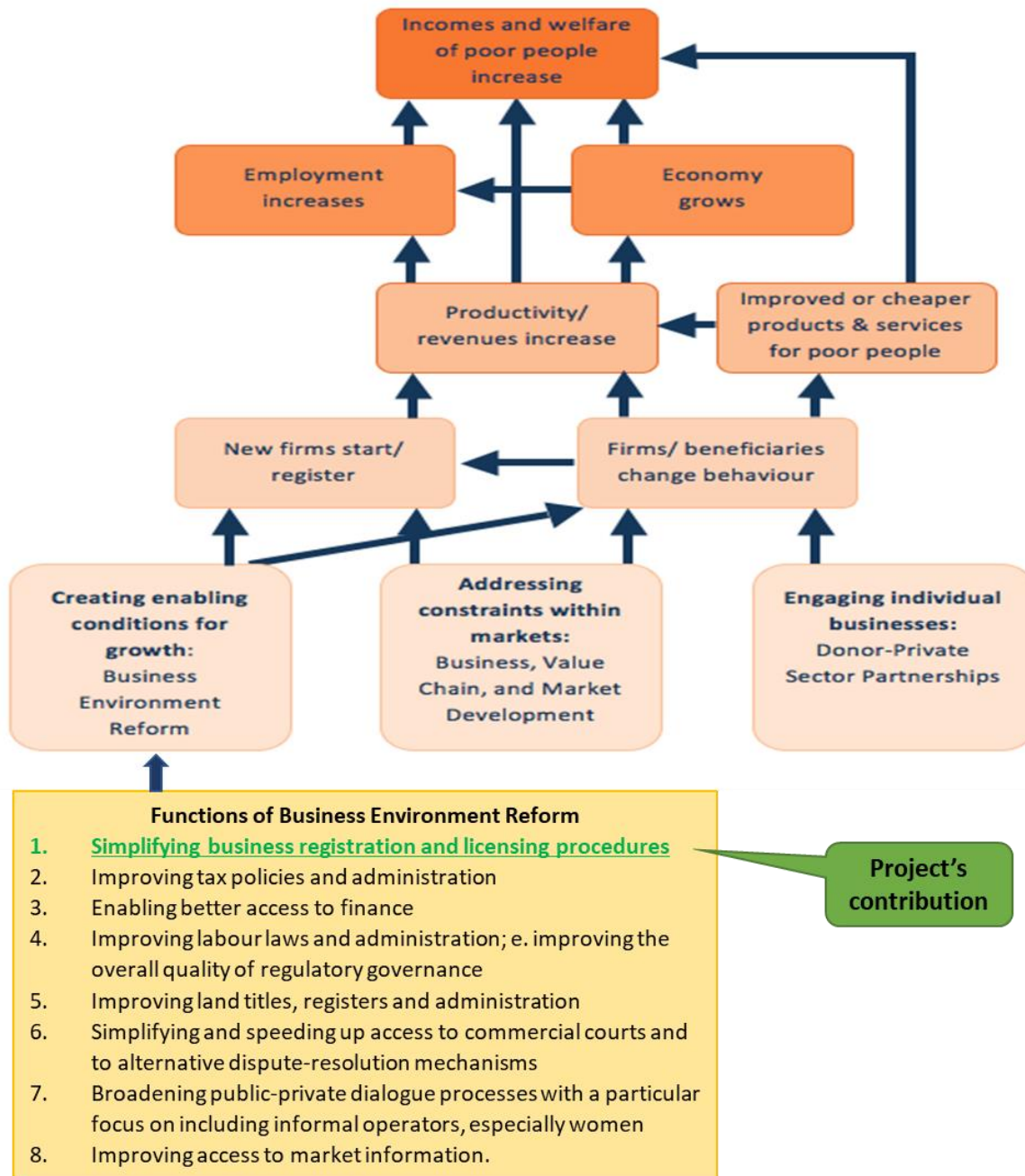
<sup>23</sup> Total of responses does not add to 100% because respondents found out about the portal from more than one information source.

The Donor Committee for Enterprise Development (DCED), whose expertise on private sector development has been widely acknowledged, has developed a results framework for private sector development to guide results measurement and evidence finding to support what works and what does not work (see Figure 7). The results framework has clearly demonstrated the long results chain from improved business environment to long-term impacts on employment creation, economic growth, and ultimately increased incomes and welfare of poor people. The longer the results chain is, the more difficult it is to attribute the contribution of any intervention to the impacts due to multiple factors and actors at play. Along this long results chain, it become apparent that interventions in many areas and changes in many actors and institutions are needed to achieve these impacts. On top of this, business environment reform, which aims to reduce the costs and risks of business activity by improving poor government policies, laws and regulations, and by stimulating competition through new market entrants (DCED, 2008), include at least eight functions among which business registration reform, which is targeted by this project, is only one among many. Due to counterfactual and attribution issues, it is therefore not possible to establish a meaningful linkage between the performance and results of an individual project addressing business development reform to the broader development objectives such as job creation and economic growth. This is echoed by the 2011 Independent Evaluation of SECO 'The Role and Effectiveness of SECO Cooperation in Business Environment Reform'<sup>24</sup>.

**Figure 7: Result chains for private sector development**

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<sup>24</sup> SECO 2011, Independent Evaluation - The Role and Effectiveness of SECO Cooperation in Business Environment Reform (July 2011).



Source: Based on the results framework for Private Sector Development by the DCED (Donor Committee for Enterprise Development) on its Evidence Framework website at <https://www.enterprise-development.org/what-works-and-why/evidence-framework/>, and DCED 2008, *Supporting Business Reform: Practical guidance for development agencies*.

Given that the project is a part of a much broader process it is not advisable to attribute changes in the broader private sector environment to the project. Instead it is more realistic to seek to identify the benefits that the project has generated for the various stakeholders and to assess the extent to which the benefits generated by the project contribute to conditions that support the trajectory of the desired policy, which has been discussed in earlier section of this report on Theory of Change. This section of the evaluation report identifies the specific benefits generated by the project and the extent to which the project contributed to changes in a business environment conducive to the private sector development.

Overall the inclusion of more and new types of enterprises to the NBRS and the improved reliability of the NBRD have been noted by policy and decision makers who are increasingly using the information from the databased to generate policies and plans. Enterprises have benefited from lower costs of business start-up. Businesses have also benefited from the access to legally binding information on other businesses, which

helps to mitigate the risks of doing business. The sharing of information across ministries and the linking of their databases have contributed to a more effective and efficient public administration by eliminating redundant procedures and reducing the time required to verify information. The exchange of information between the ABR and other agencies has also facilitated the monitoring of business to uphold the rule of law, which also cultivates trust in the business community. One important unintended consequence of the project is that it has triggered an increasing demand for quality information related to enterprises in Viet Nam by decision makers in government and the private sector. While the project made substantial contribution to the development of the NBRIS, it has also made plain the information gaps related to enterprises and doing business in the country. In addition, the project has helped bring to light the need for more effective inter-ministerial coordination, the need for more precise regulations pertaining information sharing, use, and disclosure and the need to further engage enterprises in timely manner and regulatory reporting changes required by the law. All the changes resulting from the project have contributed to enable business environment conducive to private sector development.

### **Policies and plans increasingly based on evidence**

The changing economic environment and increasingly fiercer competition among economies and among provinces within the country have forced policy makers to make their decisions faster, but quick decisions require information that is timely, reliable, and readily available. With accurate and real-time multidimensional data on businesses, the NBRIS is helping to address such information needs, contributing to better quality and evidence-based policies and plans. During the evaluation interviews, several provincial leaders indicated that they highly appreciate the information provided by BROs. Provincial leaders also expressed the need for more detailed information on enterprises (such as disaggregated data by type of enterprises, nationalities of the enterprise owners, linkage to their financial performance or creditability status, or employment size). This would provide local access to other relevant database giving them a more comprehensive overview of the sector when setting needed policies. Linking the NBRIS to other databases is key to increase its utility and relevance for policy making. This is likely to take place in over time. For example, as financial data gets populated in the NBRIS this database can be used to conduct in-depth analyses on economic trends and business intelligence. Currently, the NBRIS contains financial statements of all types of enterprises from 2013 onwards.

### **Lower transaction costs and risks of doing business**

The business registration reforms have also resulted in direct and concrete reductions on transaction costs to enterprises. The Efficiency section of this report estimated some of the economic benefits brought about by the registration reforms to private businesses in the form of monetarized time savings for a typical newly registered enterprise. Businesses also benefited from a real saving from government lowering fee and charge with online business registration. The calculations presented in Table 7 shows that during 2018, 2019 and 2020, businesses saved almost VND 53 billion in lower fee and charge related to online business registration.

The NBRIS provides legally valid and binding information on the businesses to the public at no cost. This information can be used by enterprises and other stakeholders to reduce risks in the business transactions. Prior to the online portal, most stakeholders only had access to anecdotal information on stakeholders that was often word of mouth. The NBRIS allows businesses and the public to easily verify key information on businesses such as the legal status of a business, to confirm who are the responsible parties, and to know the location of the business.

**Table 7: Business registration cost saving for business sector due to lowering fees and charges**

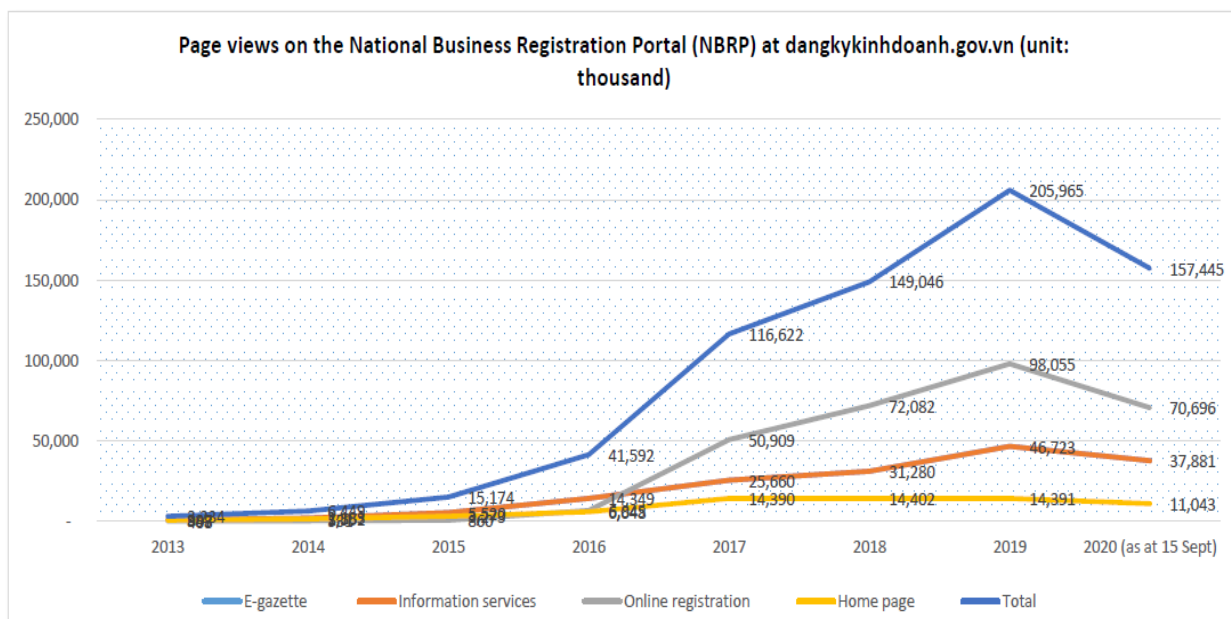
	Period	Number of paper dossiers	Registration fee for paper dossier (VND/dossier)			Cost saved per dossier (VND)	Total cost saved (million VND)
			Type of dossier	Old BR fee	New BR fee		
		[1]				[2]	[3]=[2]x[1]
<b>2018</b>				<b>Circular 215/2016/TT-BTC</b>	<b>Circular 130/2017/TT-BTC</b>		
<b>Number of paper dossiers (exclusive of free-of-charge cases: Dissolution; suspension of business; termination of operation of branch/representative office/business location; conversion of household business into enterprise)</b>							
New registration + Amendment registration of enterprises		<b>385,161</b>	New registration, Amendment registration, Re-issue of BRC	200,000	100,000	100,000	38,516.1
New registration + Amendment registration of subordinate units	From 20 Jan 2018 to 19 Sep 2019	<b>94,403</b>	New registration, re-issue of Operation certificate, amendment registration of branch, representative office, business location of enterprise	100,000	50,000	50,000	4,720.2
<b>2019- 30 Sep 2020</b>				<b>Circular 130/2017/TT-BTC</b>	<b>Circular 47/2019/TT-BTC</b>		
<b>Number of paper dossiers (exclusive of free-of-charge cases: Dissolution; suspension of business; termination of operation of branch/representative office/business location; conversion of household business into enterprise)</b>							
New registration +Amendment registration of enterprises	From 20 Sep 2019 to 30 Sep 2020	<b>195,163</b>	New registration, Amendment registration, Re-issue of BRC	100,000	50,000	50,000	9,758.2
<b>Total</b>							<b>52,994.4</b>

Source: Estimated by BRSC

There are clear indications that stakeholders are increasingly consulting and using the information generated by the NBRS since 2015. Visits to the NBRP increased by more 13 times in four years, from 15,134 visits in 2015 to 205,965 in 2019. The drops in the portal visits in 2020 are accounted for by the social restriction caused by COVID19 (Figure 8). The customer satisfaction survey commissioned by the project management also indicates that a considerable proportion of users visit the portal in a regular basis. The report shows that 57 percent of the users visited the portal more than once a month and 20 percent at least once a month.<sup>25</sup>

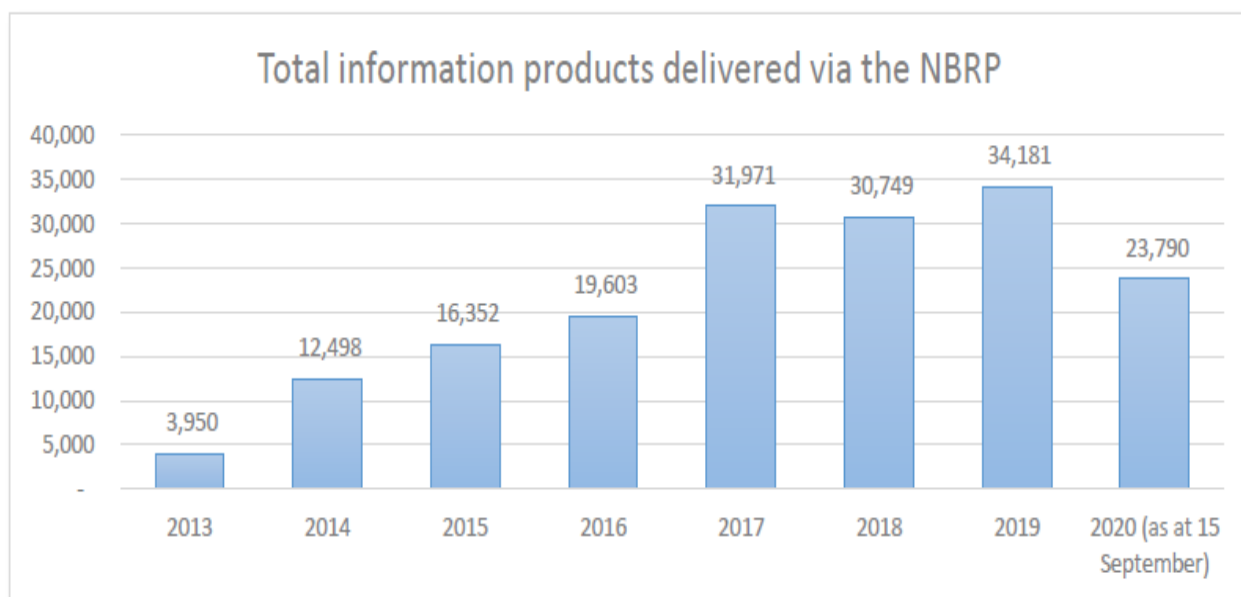
**Figure 8: Page views on the National Business Registration Portal (NBRP) at dangkykinhdoanh.gov.vn**

25 UNIDO. 2019. Report on the Survey Results of the National Business registration System Customer Satisfaction 2018:86



Private enterprises have also benefited from information products delivered by the ABR upon request. As indicated in Figure 9 the information products provided by the ABR to different enterprises more than doubled from 2016 (16,352) to 2019 (34,181).

**Figure 9: Total information products delivered via the NBRP**



Source: Project management

### Increasingly effective and efficient public administration

While it is difficult to measure precisely the time and money saved by participating ministries, the evaluation observations and interviews produced compelling qualitative and anecdotal evidence of the benefits brought to BROs in the adoption of electronic filing and archive of registrations. Firstly, the cost for BROs in archiving paper-based enterprise profiles is extremely high. Given poor archive facilities and damaging effects of tropical climate, document losses and deterioration are also unavoidable. Secondly, time and efforts of BRO staff to look for and extract enterprise information upon enquiries are also high, while data accuracy is not guaranteed. Thirdly, manual data cross-checking between BROs and tax agencies

or other relevant organizations is extremely time consuming.

The ABR contributions to a more efficient public administration have increased as the NBRS develops and is further integrated with other databases in the country. In so doing the NBRS is contributing to a more efficient and effective state agencies that service the private sector. For example, in the transportation sector there is a high turnover in the transportation businesses. Registration of transportation enterprises has been cumbersome as it requires cross checking information with different databases and visits by applicants to multiple state agencies. In October 2018, the Ministry of Transport (MoT) sent the official letter No. 11185/BGTVT-TTCNTT requesting to the MPI and MOIC access to the NBRD. The NBRD and the MOT database was linked in January 2019 via the NGSP managed by MOIC. From that time, all transportation servicing businesses can apply for new and renewal transportation permits and/or car badges online, with a single application profile. Information pertaining the establishment of business can be directly obtained from the NBRS which reduces the documentation that transportation enterprises need to submit in these transactions. However, since a large portion of transportation services are provided by household businesses, the fact that they are not yet subject to be registered in the NBRS has limited effectiveness of the system.

More recently the Decree 122/2020 has mandated the integration of the NBRS, the Social insurance Agency's database and the Ministry of Labour, Invalids and Social Affairs (MOLISA). These new links of the systems are expected to give the Viet Nam Social Insurance access to precise information on enterprises and on extent to which enterprises meet their obligation to pay insurance premiums for their employees.

While the NBRS is linked and exchanges information with 8 other databases and to the MOIC NGSP, there is still much work that needs to be done to facilitate information sharing with other ministries (such as the MOIT). Enterprise information sharing practice among government agencies is still deficient because of inconsistent enterprises classification due to the differences in management purposes of the information. The existing regulations direct the GDT to send all financial statement data to the NBRS when such data becomes available<sup>26</sup>. Nevertheless, the conditions governing the sharing and management of confidential information still needs to be further defined. Financial information has also been reported among the most discrepant data, which should be improved in the future.

### **Diminishing corruption and upholding the rule of law**

The NBRS has supported necessary state functions to foster trust in the private sector by preventing fraud, tax evasions or other types of legal violation in business sector, making the business environment more transparent and fairer. The ABR coordinates with several state agencies that have functions in upholding the rule of law to cultivate trust in the business community. One example is the Credit Institution Centre (CIC). The CIC provides oversight functions for the State Bank of Viet Nam (SBV) and has the mandate to collect and make available to credit institutions information on the reliability of clients. Data accuracy and comprehensiveness are key for the credibility of CIC's services. Prior to the existence of the NBRS, the CIC relied on anecdotal and fragmented data on enterprises. Minute dated 14 May 2019., the CIC can draw information from a single and legally binding database managed by an authorized public agency. So far, the NBRS has covered 70% of business/economic entities for which CIC has required information. CIC has filled in information gaps in the NBRS from its own data coming from its system and has shared the missing data with the ABR. When CIC identifies high risk cases, this information is shared to the ABR and is also transmitted to the GDT. The current mechanism for data sharing and exchange between the NBRS and tax

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<sup>26</sup> Article 7 of the Joint Circular No. 01/2016/TTLT-BKHDT-BTC dated 23 February 2016 between MPI and MOF has defined statutory information on enterprises and subunits being shared between the NBRS and GDT including: (i) system of commonly used list (or the list agreed by GDT and the ABR to use in order to ensure database synchronization for information exchange between two systems); (ii) new registration of enterprises and subunits; (iii) their amendment registration; (iv) their business operation and tax violations of business owners, founders and managers; and (v) their financial statements.



system is regulated by the inter-ministerial Circular 01/2016/TTLT-BKHĐT-BTC between the MPI and the MOF. The Circular specifically required exchange of information on tax violations of enterprises' founders, managers, and financial statements of all legal types of enterprises. The project document indicated that the inclusion of SOEs in the NBRS would strengthen public supervision of SOEs operations and investments and that public ledgers of SOEs would also help to improve efficiency in the use of public resources and reduce corruption. Action on this point is under the mandate of the Agency for Enterprise Development who has drafted the Decree replacing Decree 81/2015/NĐ-CP on publishing SOEs' information.<sup>27</sup>.

### **Promoting exploration of potential cooperation opportunities in the private sector**

Access to the NBRS also helps private foreign enterprises have more reliable information to find potential business partners in the domestic market. This new opportunity for cooperation is, in its turn, can open new entries for local businesses to connect to the international market. Box 4 below illustrates a typical case of this effect.

#### **Box 4: Benefits gained by DUN and BRADSTREET from the NBRS**

The Dun & Bradstreet Corporation (D&B) is a company that provides commercial data, analytics, and insights for businesses. It is headquartered in Short Hills, a community in Millburn, New Jersey, U.S. The company offers a wide range of products and services related to risk and finance, operations and supply, sales and marketing, and research on global business issues. D&B services customers in government and a wide variety of industries. D&B Viet Nam (DBV) is an affiliate of its worldwide network across more than 220 nations. Accessing to a broad, legally reliable, and updated enterprise database, therefore, is crucial for its business.

In 2013, DBV made its first contract with the ABR for business data provision. The contract stipulated that DBV was not allowed to sell information on business registration to a third party without the ABR's approval. In exchange, the DBV could mine dataset from the portal for its agreed own purposes. Payment was made based on monthly basis.

From July to September 2014, DBV solicited the acquisition of two data packages. One package was on registration information of joint stock companies and limited liability companies. This package was also to be renewed in two years. The other package was on registration information of private enterprise (sole proprietorship) and branches. The first package was delivered by the BRSC with more than 900,000 records for the first order in October 2014. This package was also updated four times during 2015. This year, the DBV contracted an additional data package on information of FIEs. Via the BRSC, the DBV could also access financial information of actively companies, including their balance sheets, profit and loss statements and cash flow reports. During 2014 DBV had access to financial information of 402,000 actively operating businesses. This information was automatically updated after two years (2016).

DBV's access to the NBRS allowed it to expand its database from 130,000 to one million files in two years (2014 to 2016). This made DBV the Best Performer of the Year in the D&B global network. DBV staff reported that this excellent performance convinced D&B headquarters that the Government of Viet Nam was taking serious action to create a conducive business environment and that the government was working closely with private sector to address their needs for transparent and reliable information. The case of the DBV illustrates how the NBRS could make the unintended impact on increasing credibility of the Government of Viet Nam in the international arena, which potentially could attract more FDIs into the country, and increase opportunities for domestic businesses to connect with the international market.

*Source: Summary of interview note with D&B Viet Nam.*

<sup>27</sup> The draft of the decree can be found here: <http://www.mpi.gov.vn/Pages/tinbai.aspx?idTin=47431&idcm=140>.



### 5.3 Efficiency

The efficiency analysis pertains to how economically the resources mobilized by the project (mostly time, money and expertise) were converted to the expected results. The effectiveness assessment in the previous section provides evidence that the project achieved almost all its expected outputs and outcomes.

The project was granted four extensions and was ultimately completed in 6.3 years instead of 4 years as originally planned. However, the delay was justified by the fact that two extensions included additional budget (of more than USD 1 million) to implement two additional outputs, time needed to consult with other ministries for the passing of legal decrees and circulars and time-consuming inter-ministerial coordination, and the sheer complexity of the undertaken and delays caused by the COVID 19 pandemic since early 2020. Nonetheless, these extensions were important to achieve the expected results.

This section of the evaluation will go a step forward to do an analysis of value for money.

The project value for money is evaluated based on its financial and its economic efficiency. The financial efficiency focuses on the relationship between investment cost and revenue generated from the NBR. Economic efficiency analysis considers the monetary value of time and other savings by enterprises, in addition to the project financial benefits. The payback period is estimated in both financial and economic terms, with a discount rate of 12%. This discount rate is commonly used by different donors including the World Bank and Asian Development Bank. The payback period is an indicator to show when an investment will pay off, meaning when the cash flows generated from the project will cover the investment cost of the project. This is particularly useful to measure project efficiency. The shorter the payback period an investment project has, the higher the efficiency it incurs. And it should be shorter than the life of the project – in this case the life of the NBR. The basic method of the discounted payback period is taking the future estimated cash flows of a project and discounting them to the present value. This is compared to the initial outlay of capital for the investment.

There are two assumptions behind this estimate. First, an enterprise is successful in the first transaction and does not need to return to the BRO. If not, the enterprise may have to return to the BRO one or more times until the dossier is correctly filled. In this case, cost saving could be higher. Second, other indirect cost savings such as archiving cost of paper-based dossiers and problems in the case of paper loss, were not counted. This estimate therefore is the minimum cost saving per an average business.

In summary the value for money analysis below concludes that the project is highly efficient. The financial efficiency analysis indicates that by about mid-2019, the total retained revenue fully covers the total investment costs, implying its payback period of 9.5 years. The economic payback period of the project is even shorter, only more than 4 years. The project is good value for money, more so considering that even during the investment period revenues outstripped investments (See Annex columns “d” and “g”). Normally most of development projects would have payback periods that go beyond the investment phase, since in the investment phase, only costs, not benefits incur. This project is unique in the sense that costs could be paid back right during the investment phase. This is because it can generate revenue in parallel with additional investment. In the last few years, the project generated more than enough revenue to cover investment costs. This implies that investment costs are relatively smaller than benefits generated (even with very prudential estimates of the benefits). In other word, value for money is good.

#### ***Financial efficiency***

With the introduction of the revised legal framework on fees and charges (Law on Fees and Charges becoming effective from 1 January 2017 and the guiding Decree 120/2016/ND-CP dated 23 August 2016 by the Government (effective from 1 January 2017) and Circular 47/2019/TT-BTC dated 5 August 2019 by MOF (effective from 20 September 2019), the regulations on retaining fees and charges are as follows:

- (1) *Fees and charges collected by BROs:* 100% of fee revenue will go to the State budget; 30% of charges will go to the State budget, 70% will be transferred to the Business Registration Supporting Centre (BRSC) under ABR.
- (2) *Charges collected by the BRSC:* 15% of charge revenue will go to the State budget and 85% will be retained by the BRSC.

Revenues retained from charges and information services are the source of the financial benefit. Since the portion of revenue transferred to the state budget will be used for various purposes of public expenditures, it is not reasonable to claim that revenue to cover investment cost of the project. Thus, in this calculation, only fee and charge revenue retained in the BRSC, which is used for operating and maintaining the system is included in the payback period estimation. Total financial benefit is presented in column (f) of Annex 3: Efficiency Analysis.

Project investment cost refers to the cost for development of hardware, infrastructure, software and connection lines of the system. It came from two sources: donor funding and state budget funding. Donor funding terminates in 2020, while state budget funding can go along with the life-cycle of the system. Total investment cost is presented in column (b) of Annex 3.

Annual net financial benefit is the difference between total financial benefit and total cost, which is shown in column (n) of Annex 3. At the discount rate of 12%, the accrual value of discounted net benefits shows that by about mid-2019, total retained revenue fully covers total investment cost, implying its payback period of 9.5 years which is much shorter than the life of the NBRS.

### ***Economic efficiency***

The economic analysis adds to the financial efficiency analysis the monetized value of the time saved by enterprise with by the changes that took place in the NBRS. In this analysis we use the criteria developed by the report on two-year implementation of the digital public service in MOT, the economic benefits of time savings for transport enterprises when using the NBRS were estimated in Table 8:

**Table 8: Economic benefits of time savings for transport enterprises when using the NBRS**

No.	Activities	Amount	Unit	Unit cost (VND)	Value of benefit	Source of estimation
1	Cost saving for not printing copy of BRC	1	copy	4,000	4,000	Average cost of photocopying
2	Cost saving for not going from home to notarization office	1	km	5,000	5.000	GrabBike cost
3	Cost saving for not going from notarization office to BRO	1	km	5,000	5.000	GrabBike cost
4	Cost saving for not going from BRO to home	1	km	5,000	5.000	GrabBike cost
5	Saving of traveling time	15	minute	625	9,375	Daily wage rate of VND 300,000 (8 hours/day)
6	Saving of waiting time at BRO	5	minute	625	3,125	
<b>TOTAL</b>		<b>1</b>	<b>folio</b>		<b>31,500</b>	

In Annex 3, the total number of cases making new and amendment of business registration is provided in column (k) and their monetarized value of cost and time savings is estimated in column (m), resulting in total economic benefits as a sum of financial benefits (column f) and value of cost and time saving (column m) being shown in column (e). As shown in Annex 3, the economic payback period for the project is even shorter than the financial period, only slightly over four years. In short, with the most prudential estimations, it is evident that the project is highly efficient and is good value for money.

#### **5.4 Relevance**

The project and its results are highly relevant to Viet Nam, the relevant stakeholders, UNIDO and SECO. The project contributes to the Government of Viet Nam “Doi Moi” – “Renovation”- policy which since 1986 has promoted a set of reforms to transition from a centralized economy dominated by SOEs and cooperatives to a market economy with an increasingly important role of the private sector. The project helped established a durable system to provide accurate and legally binding information on commercial entities to the business community, government agencies and the public. Information that is key for the development of policies and regulations as well as to foster trust among actors in the private sector. More specifically the project has made major contributions to the formulation of the Law on Enterprises 2014 and helped the GoV to implement this law by putting in place the mechanisms and capacities across ministries and levels of administration to execute key aspects of the law.

The project is highly relevant to SECO’s orientation to “private sector development which focuses on supporting the local private sector by improving the business environment or strengthening entrepreneurial skills in partner countries”(SECO, 2019). The project is also fully consistent with SECO’s objectives in Viet Nam as it promotes a business enabling environment through policy dialogue and capacity building activities to simplify business- related administrative procedures, which was one measure used by SECO at the time the project was designed in 2013.

The project is relevant to UNIDO private sector and industrial development mandate. This project was also part of a long term UNIDO support to Viet Nam in private sector development.

#### **5.5 Sustainability**

Sustainability refers to the likelihood that the project results will last. This assessment includes the analysis of the extent to which risks can affect the development trajectory of the NBRS after the project ends. In the case of projects supporting transformational processes it is also important to assess the extent to which mechanisms are in place that can ensure progress in the desired development. The NBRS has a legally constituted and well-established institutional structure with clear roles across Viet Nam public administration. There are no apparent legal or institutional risks to the system. The NBRS is widely considered as important source of information for policy making in Viet Nam because it is the only official and national system that provides data on enterprise registration to the National Assembly, the GoV, other state agencies and private parties so far. As indicated earlier, the NBRD is listed as one of the six prioritized national databases which form the foundation for e-government in Viet Nam.<sup>28</sup> It is also one of the two databases that has been fully functional to date.

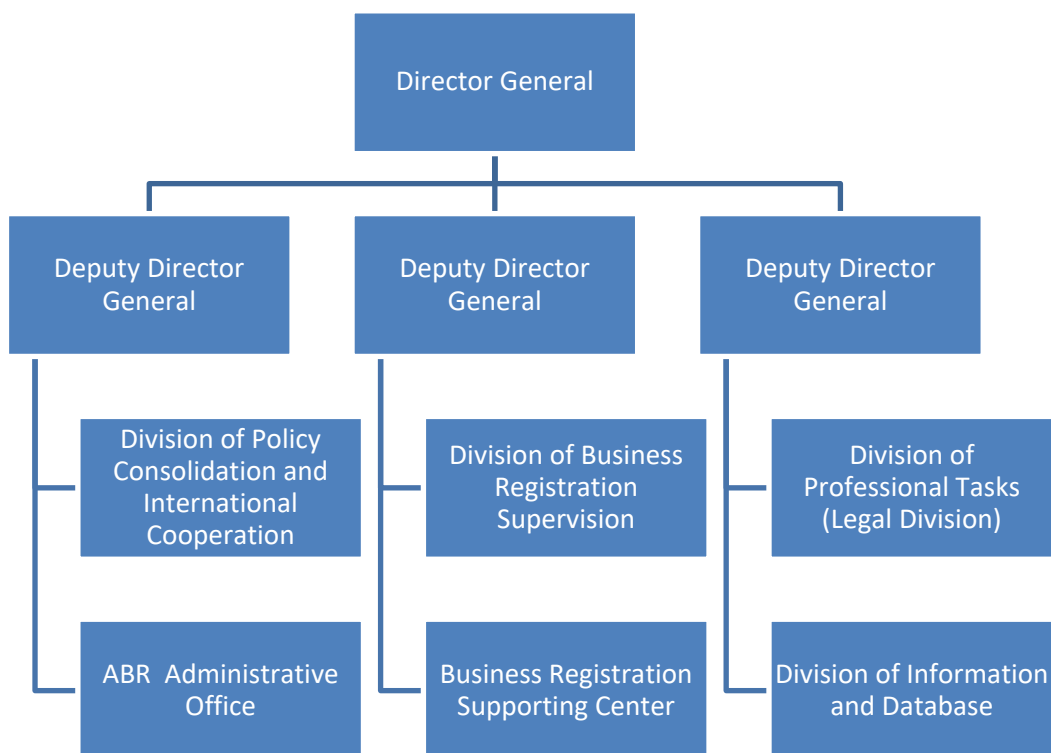
At the core of the NBRS are the ABR at the national level and BROs at the provincial level. As indicated earlier, the ABR is an agency under the MPI and is the host unit of the NBRP. The ABR was established in 2010 under the Prime Minister’s Decision No. 1659 / QĐ-TTg dated 9/9/2010. The Agency has a mandate to support the MPI in exercising state management function over the business registration service.

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28 Decision No. 714/QĐ-TTg of the Prime Minister

The ABR has 54 public officials, including one Director, three Vice Directors, and 6 middle managers. The ABR’s organizational structure is diagrammed as in Figure 10. Only the BRSC is a financially autonomous public service delivery unit, whose O&M cost is funded by its own revenue generated from retaining business registration fees and service charges for its information provision services. The remaining units under the ABR are state agencies, whose annual budget is allocated from the MPI’s budget. Currently, the routine operation of the NBRIS is secured by revenue source of the BRSC. Therefore, financial sustainability of the system depends on that of BRSC.

**Figure 10: ABR organization chart**



Source: the ABR website

The BRSC mandate is stated in Decision No. 573/QD-BKHDT dated 04/5/2018 on BRSC’s functionalities, tasks and organizational structure. In general, it is in charge of providing business registration support to organizations, individuals nationwide; maintaining the NBRIS via generating revenue from legitimate fee and charge collection; and providing information and training services to concerned parties. Currently, the BRSC has 30 staff, of which 7 are technical staff members. Its current financial performance is provided in Table 9.

**Table 9: BRSC revenue and expenditure 2020 (VND million)**

Indicator	Amount
BRSC revenue <sup>(a)</sup>	40,000
BRSC expenditure	21,700
Salaries and all kinds of allowances	4,600
System Operation and Maintenance <sup>(b)</sup>	15,500
Other expense (social security, union, telephone, hiring consultants/experts, cleaning)	1,600
<b>Surplus</b>	<b>18,300</b>

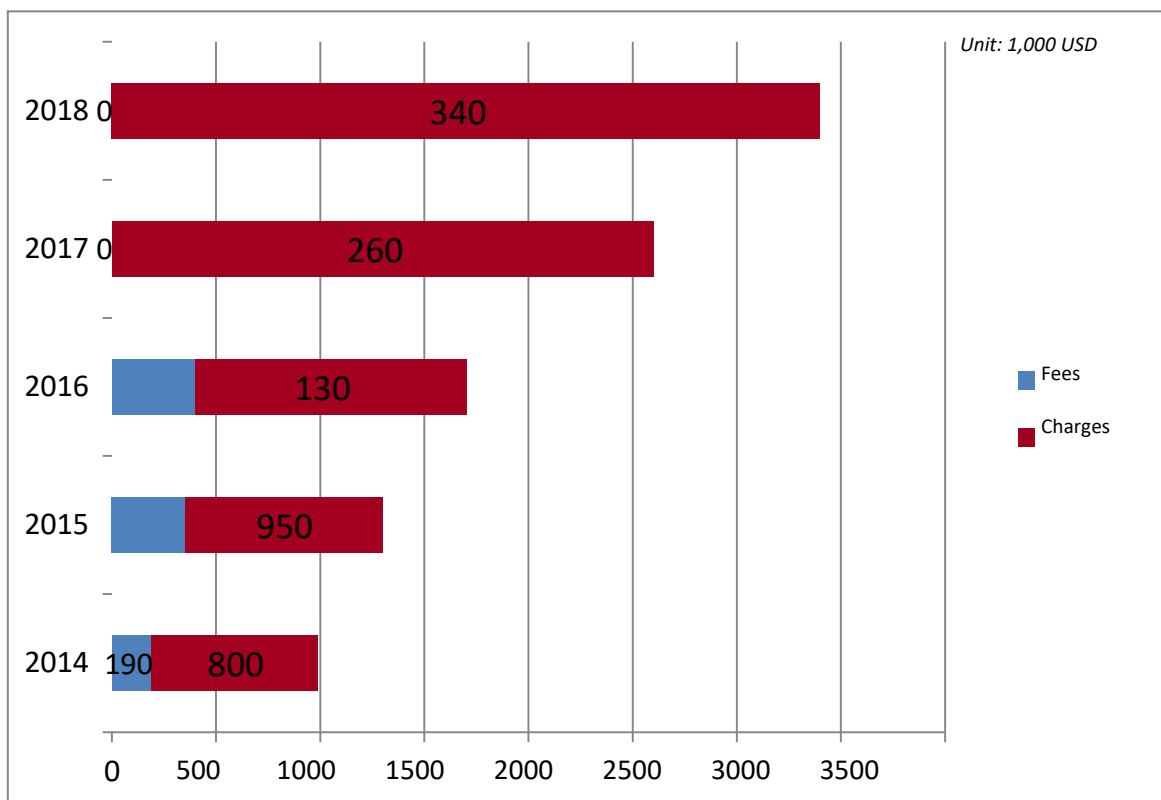
Source: BRSC financial statement.

Note: (a) Projected for the entire year 2020. Actual revenue as of 15 Oct 2020 is VND 35.4 million.

(b) Actual 2019 O&M cost. It is assumed that 2020 O&M cost is at the same level of 2019’s

The evaluation did not find any financial risks to the NBRS. The table shows that in 2020, the BRSC is expected to have a surplus of VND 18.3 million, after covers all O&M costs. In addition, the BRSC currently has an accumulated surplus of VND 160 billion from previous years. The fact that the Center has always generated a surplus every year implies that funding reserved for large system updating cost, if needed, is always available. In April 2019, MPI issued the Decision No. 408/QD-BKHDT approving the *NBRS Development Plan for the period 2019-2025*, which specifies requirements for NBRS development and the relevant budget in each year. The plan indicates that system O&M in the long term will be outsourced and software as a service-orientated, including both technical infrastructure and software development. A team of ICT experts within the ABR will ensure a high level of operational continuity and quality control of services delivered by vendors. The revenues collected from fees and charges of information services and notices posted in the portal have steadily increased from 2014 to 2018 (see Figure 11). This trend is expected to continue as the information in the NBRS improved. The well resourced NBRS Development Plan 2019-2025 makes provisions for ensuring that the NBRS has access to the necessary modern technology and and experts to maintain, update and expand the system as preprojected.

**Figure 11: NBRS Revenues 2014-2018**



Source: Project progress report April 2019

At the provincial level, each BRO is established in every province under supervision of provincial DPI. A BRO is responsible for collecting business registration fees from clients, but fee revenue must be fully sent to state treasury, not retained at the BRO. The BRO’s expenses, therefore, is fully covered by state budget via DPI’s budget. This arrangement means local government’s funding commitment to ensure routine operation of business registration service at provincial level.

The current plan to expand NBRS outreach to cooperatives and HHBs will require the registration system to connect further to district level via District Division of Finance and Planning. That is because both cooperatives and HHBs are under state management of district authorities in alignment with current decentralization arrangement. Like the ABR in the central level or BROs in the provincial level, public unit in charges of this business registration service for cooperatives and HHBs is public agency funded by district state budget.

In short, the NBRS is legally constituted and robust institution that is perceived as highly effective and important source of information on business registration in Viet Nam. It integrates operation which are managed by public agencies at different national and sub-national governments levels. Its O&M cost is covered by the BRSC's retained service revenue at the national level and by local government budget at the local levels. The financial viability of the BRSC's revenue sources and funding commitment of provincial governments for BRO operation has also secured access to the necessary technology and knowledge as the needs of the system development.

Country ownership of the NBRS in Viet Nam is also high. The NBRS is highly appreciated by GoV because it is one of two priority databases that are now fully operating in the country (6 databases were declared as priority). The NBRD is also continually expanding its links to other databases in the country and is also making available useful information to the private sector. This has led to a growing appreciation and support of the work done by the ABR among other agencies and the private sector.

Overall the sustainability of the reform process supported by the project is high. The project results and benefits will be sustained when the project ends in December 2020. The network of institutions responsible for business registration in Viet Nam, including the ABR and 63 BROs has already been institutionalized in the structure of the government and is fully owned by the GOV. In terms of financial sustainability, mechanisms are in place to finance the operations of the ABR, BROs and the NBRS, to upgrade the system and to ensure access to technically qualified staff and experts and continuous improvement of the system in the future. The ARB has generated more than enough revenue to fund the investment costs in recent years. In terms of institutional framework and governance, robust legal framework and institutional capacities have been established to ensure the continuity of the NBRS, the ABR and BROs. Regarding socio-political sustainability, there is a growing demand for the information generated by the NBRS and an appreciation among policy makers and businesses of the value of reliable data. Most importantly there is a strong government commitment in support of the transition to a digital government and the fostering of a business environment conducive to private sector development and the NBRS is widely seen as a tool for these two objectives.

## **6. Factors favorable and hampering project performance and results**

### **6.1 Factors internal to the project**

There were several factors that affected the development of the NBRS. These include:

**The vision, determination, and commitment of policy makers in government agencies**, typically the MPI and the MOF. Policy makers in these ministries aggressively pursued the e-government policies of Viet Nam which was a key factor contributing to the reform of the Law on Enterprise 2014 and the subsequent decrees and circulars required for the implementation of the law. The achievements of the ABR have also been recognized and have received important support from the Prime Minister's Office as the NBRS is one the first fully operational national priority online databases. Commitment of policymakers was also a factor in the progress made at the provincial level. For example, as indicated earlier in Hanoi where the city authorities adopted an aggressive drive towards e-government in 2019, almost 100% of the dossiers of businesses registration were filed electronically. In other provinces, where online registration has not been seen as a priority relative to other digitalized public services, the coverage is substantially lower.

**Good project preparation and design, building upon the achievement of the previous work.** The project focused on removing barriers to a more efficient and reliable BRS, which had been identified in the preceding project. Most of the recommendations of the independent terminal evaluation of the preceding project were addressed in the design of the follow-up project. The project focused first in establishing the necessary framework for the Law on Enterprise 2014 and guiding documents that would compel different ministries to work with ABR and provide the basis for simplifying registration processes. Establishing a solid

legal basis for the NBRS was a key strategic decision as the construction of the NBRS is a long-term project and the law would require subsequent administrations in the MPI and the ABR to continue building and operating the system.

**Stakeholder engagement.** Project preparation included consultation and engagement of key stakeholders such as the GDT in the MOF. The project also strategically chose to initiate deployment of the electronic system in the large provinces such as Hanoi and HCMC, where pressure of the high workload for BROs is strong, to motivate other provinces to adopt the system. It is also in the large cities where the larger number of enterprises operate and where the capacities and the computer literacy among the public and civil servants made quick progress more likely.

**Sound implementation strategy and adaptive management.** The project was structured to build in country capacities by working through the ABR. The project was fully embedded in the ABR. The project director was the director of the ABR. Thus, the ABR was in full control of all operational decisions. When needed, the project provided technical support by hiring teams of experts, including both national and international experts, thus helping to build capacity in the country. Study tours to other countries helped policymakers and stakeholders learn from experiences in other countries. Flexibility during implementation was also key as it recognized key differences among BROs and avoided a “one size fits all” approach to the adoption of electronic registration, allowing BROs in rural areas with low dossier submission to retain a mixed paper base/electronic registration process which was also better suited to the levels of digital literacy in rural areas. Monitoring activities and regular PSC meetings were key to keep policymakers at the MPI, SECO and other key stakeholders informed on the progress and challenges and to make timely decisions on the actions to be taken by the project management. In particular, the decentralized approach characteristic of SECO projects provided for sound oversight and flexibility.

**SECO/UNIDO’s long term engagement and partnership building in Viet Nam.** UNIDO support on private sector development and business environment reform to Viet Nam dated from 2009 and SECO’s engagement from 2013. The SECO/UNIDO partnership and long-term commitment to helping the government of Viet Nam build the NBRS was key to develop good communication with the ABR and other policy makers and to see through processes in the timeframe that were difficult to predict.

## **6.2 Project Monitoring and Evaluation (M&E)**

The project document had a logical framework included indicators for the different project results. The project document also included a section that describes the monitoring activities which were the joint responsibility of UNIDO and the ABR. Indicators were straight forward and mostly readily quantifiable. In addition to the tracking of indicators, the UNIDO and the ABR project management submitted progress reports on March and September every year to the PSC. A mid-term review was conducted as planned and the recommendations raised in the review have been addressed. The progress report presented a narrative that included aspects related to relevance, effectiveness, efficiency, and likelihood of sustainability. This approach kept the PSC informed about conditions that were affecting the projects ultimate objectives.

As indicated earlier the PSC was formed by representatives from UNIDO, the MPI and SECO and was regularly attended by several stakeholders representing other ministries and private sector organizations who de facto also fulfilled an oversight function and rendered the project decision making more transparent. The PSC was responsible for closely tracking the progress and providing direction to the project management. It also played an important role in changes adopted by the project and when necessary recommending to SECO modifications of the original timeline or budget. In addition to the activities and project outputs, such as number of workshops and trainees, news publications and other outputs, the project also tracked the extent to which the project was contributing to results. The project carried out a review on the quality of the data in the NBRD during the first year of project operations (2015) and in late 2018 to assess the extent to which data reliability had improved. Similarly, the project carried out before (2015) and after (2018) surveys with stakeholders to assess levels of satisfaction with the ABR and the use

of the internet portal. In addition to tracking progress, these surveys identified areas to focus continuous improvement of the data quality and the utility of the portal for the users. The monitoring and evaluation of the project was also sufficiently funded.

In summary, the project M&E has been designed and implemented well to allow the project to be managed effectively.

### **6.3 Performance of partners**

The ABR, the MPI and in general the GoV performance is highly satisfactory. The performance of the national partners was highly satisfactory. As indicated the support, commitment and ownership of the government and specifically from the MPI and the MOF were critical for the project achievement. The ABR has delivered almost all the project activities and outputs and made a very efficient use of resources. The ABR reported regularly to the PSC on project advances and was responsive to the guidance provided by the PSC. The government of Viet Nam has also made provisions to ensure that funding is available for the operation of the NBRS by allowing the ABR to retain a considerable portion of the income generated by its information services. This income has allowed the ABR to pay honorarium levels that will guaranty access to national technical experts needed to operate and upgrade the system.

SECO's performance is highly satisfactory. SECO's approach to project oversight ensured flexibility required for project adaptive management, good understanding of the progress and challenges faced during its implementation. SECO's engagement with the project during implementation was through the PSC. Regular PSC meetings provided SECO the opportunity be informed on the progress of the project and to respond in a timely manner to needs that developed- such as the granting of project extensions.

UNIDO's performance is also rated as highly satisfactory. Project preparation correctly identified the key barriers to the expansion of the NBRS and the technical and capacity needs required by the ABR to operate and expand the NBRS. UNIDO also implemented the project in ways that would build national capacities (such as having joint consultant teams – international and national experts- and phasing out the CTA at midterm to allow the National Project Director to assume full leadership of the project, recruitment of good project staff who could continue working for the ABR, etc.). At the same time, UNIDO provided sound strategic advice to the ABR and facilitated access to experts and international experience relevant to the needs of Viet Nam.

### **6.4 Gender mainstreaming**

The extent to which the project addressed gender was also explored during the evaluation's assessment. The evaluation found that gender considerations were embedded in project design, with plans to monitor gender information in the national business registration database and maintain the gender balance of project stakeholders in capacity building activities and of staff at the ABR and project management. As the project was designed before the UNIDO 2015 Policy on Gender, it does not include the gender marker which is required by UN System-wide action plan (SWAP). In any case, the project has some limited attention to gender, and has neither any objective nor budget allocated to gender mainstreaming. The project results do not affect women and men differently.

The consideration of gender during project design was carried over to project delivery. The gender balance throughout delivery of activities and among the staffing of ABR and BROs has been relatively good. Monitoring of project activities and indicators was also consistently gender-sensitive, whenever feasible.

The NBRD system is designed to allow gender information of business owners and business representatives to be provided and recorded. This allows an analysis of business registration status via a gender lens. In addition, the NBRD system also records information on the ethnicity of business owners and business



representatives, allowing for the analysis of business registration information by ethnicity. If policy makers want to develop policies to support businesses owned by women or ethnic minorities, they can fully exploit information on the system. At the same time, in the process of implementing activities, the project often focuses on capacity building activities for local and central female cadres. Table 10 shows the number of participants (with repetition) involved in the activities (according to the outputs) that the project has organized. Overall, female participation is high at 43%.

**Table 10: Participants by gender**

Output	Number			Percentage	
	Male	Female	Total	Male	Female
Output 4	1414	1136	2550	55%	45%
Output 5	98	118	216	45%	55%
Output 8	704	591	1295	54%	46%
Output 9	402	221	623	65%	35%
Output 10	582	356	948	61%	38%
<b>Total</b>	<b>3200</b>	<b>2422</b>	<b>5632</b>	<b>57%</b>	<b>43%</b>

Source: Project M&E

In regards to the gender distribution among the 488 staff of the ABR and BRO, the division is almost equal (as indicated in **Error! Reference source not found.**), while there is a dominance of males in leading position in both entities. This distribution is more or less similar to that of 2013 when the independent terminal evaluation of the preceding project was conducted. The gender division among the staffing of the project is not very balanced, there is only one female staff among seven.

**Table 11: Gender distribution in ABR and BRO (%)**

	ABR	BRO
Female staff	39	38
Female leader	9	13
<b>Total female</b>	<b>48</b>	<b>51</b>
Male staff	37	28
Male leader	15	21
<b>Total male</b>	<b>52</b>	<b>49</b>
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Project management office

## 7. Conclusion and recommendations

In conclusion, the project is highly effective as it has achieved most of its expected results, in some areas overachieved the target. The key intended outcome of the project was the expansion of the National Business Registration System (NBRS), which was developed in the previous phase (with the support of UNIDO and SECO), to include enterprises registered under different ministries other than the MPI.

The project assisted the ABR to increase the number of enterprises registered in the NBRS from around 800,000 in September 2013 to 1.4 million in September 2020. As of November 2020, all enterprises in Viet Nam are included in the NBRS, except household businesses and businesses registered under the Ministry of Justice. The project helped the Government of Viet Nam (GOV) in establishing inter-ministerial coordination to share information and increase efficiency. It supported extensive training of the staff from the ABR, BROs and other relevant ministries and stakeholders to build capacities to implement the new regulations and the operation of the systems. It facilitated broad consultations with stakeholders and awareness raising activities targeting trade institutions and enterprises. It also assisted the establishment of a single-point-registration cooperating mechanism for business registration and helped the ABR in developing a sustainability strategy for the national system.

These achievements required the adoption and implementation of 11 legal and regulatory reforms that provided the foundations for the expansion of the NBRS. The legal framework and institutional capacities have been established to ensure the sustainability of the NBRS. The web-based system was upgraded and staff was trained on new procedures and operation of the enhanced system in the ABR and in all 63 provinces in the country. In addition, systems were put in place to improve the reliability of data in the database and inter-ministerial mechanisms for coordination were established to ensure the smooth running of the NBRS. By the end of the project in late 2020, the NBRS has been linked to eight other digital databases in the country. The ABR has developed and implemented a strategy that is highly likely to ensure the operational and financial sustainability of the NBRS without further donor support. The project has helped to bring about some changes to make the business environment more conducive to the private sector development in the country, such as lower costs and risks of doing business, more evidence-based policies, more effective and efficient administration, and diminishing corruption and upholding the rule of law.

The project was highly relevant to the e-government policies in Viet Nam and to the government's long-term policies moving from a centralized managed economy to a market-based economy with strong participation of the private sector. It was relevant to SECO and UNIDO as far as it supported the development of the private sector in Viet Nam.

The project is highly efficient. It made very efficient use of resources delivering training, technical assistance, and support to improve the electronic business registration system as well as assistance for stakeholder engagement. The financial efficiency analysis indicates that by about mid-2019, the total retained revenue has fully covered the investment costs, implying a payback period of 9.5 years. The economic returns of the project are expected to match investments within more than 4 years. The project is good value for money, considering that even during the investment period revenues outstripped investments. Normally most of development projects would have payback periods going beyond the investment phase, since in the investment phase, only costs, not benefits incur. This project is unique in the sense that costs could be paid back already during the investment phase. This is because it can generate revenue in parallel with additional investment. In the last few years, the project generated more than enough revenue to cover investment costs. Even with prudential estimates of the benefits, this implies that investment costs are relatively smaller than benefits generated.

The sustainability of the reform process supported by the project is high. The project results and benefits will be sustained when the project ends in December 2020. The network of institutions responsible for business registration in Viet Nam, including the ABR and 63 BROs has already been institutionalized in the

structure of the government and is fully owned by the GOV. In terms of financial sustainability, mechanisms are in place to finance the operations of the ABR, BROs and the NBRS, to upgrade the system and to ensure access to technically qualified staff and experts and continuous improvement of the system in the future. The ARB has generated more than enough revenue to fund the investment costs in recent years. In terms of institutional framework and governance, robust legal framework and institutional capacities have been established to ensure the continuity of the NBRS, the ABR and BROs. Regarding socio-political sustainability, there is a growing demand for the information generated by NBRS and an appreciation among policy makers and businesses of the value of reliable data. Most importantly there is a strong government commitment in support of the transition to a digital government and the fostering of a business environment conducive to private sector development and the NBRS is widely seen as a tool for these two objectives.

In summary the project has helped the Government of Viet Nam to put in place the legal, institutional and technical conditions to expand the coverage of the NBRS. The ABR and the BROs have further developed their capacities to provide increasingly “accurate, legally binding information on commercial entities to the business community, government agencies and the public in general”. Overall public sector and private sector stakeholders have expressed high level of satisfaction of the NBRS. Financial mechanisms are in place to sustain the operations of the ABR (from the national budget and income from NBRS information services) and BROs (from provincial budgets) to upgrade the system, and to ensure the ABR’s access to technically qualified staff and to continue improving the system, independently from further international donor support. Looking back at the assessment of the independent terminal evaluation of the preceding project (2008-2013) in 2013 when it indicated that ‘the business registration reform is unfinished’, the current project has managed to leap forward and complete many aspects of the ‘unfinished’ reform, except the inclusion of the household businesses. While it is highly likely that some of these accomplishments could have taken place without the project support, it is also clear that the project has contributed to speeding up the reform process and to enhance the quality of the reform. Without the project, it is likely that the achievements would have taken a longer time. The quality of the NBRS has been strengthened thanks to access to lessons and experiences from other countries through international experts and study tours abroad supported by the project.

Naturally as reforms of this nature run over many years and in certain ways are never fully finished, there is still a need to ensure enterprises keep information updated, improve the quality and accuracy of the data, to improve the portal inter-phase and linkage between the National Business Registration Database (NBRD) and other databases of other ministries. Yet, these improvements can only take place over time and should be approached as ongoing tasks to continuously improve the system. These are also tasks that the ABR and BROs can carry out as part of their normal operations given that they have developed the necessary capacities and have secured the necessary funding.

An important unintended consequence of the high level of achievement of the ABR and BROs is that stakeholders, both from the private and public sectors, now appreciate the value of reliable information and are demanding quality information related to enterprises in the country. While the project made substantial contribution to the development of the NBRS, it has also made plain the information gaps related to enterprises and doing business in Viet Nam. Much of such information such as enterprise capital, balance sheets, credit worthiness, employment and other information require further regulation on sharing, disclosure and use. While it is important for the GOV to address such information needs, care should be taken not to over-extend the functions of the ABR beyond its mandate on business registration. Instead GOV could explore ways to address such information needs within the context of its broader digital policies and further definition of information roles and responsibilities across the public and the private sectors.

The project has been rated as follows:

### Project ratings

	Evaluation criteria	Rating
<b>A</b>	<b>Progress to Impact</b>	5
<b>B</b>	<b>Project design</b>	6
1	● Overall design	6
2	● Logframe	6
<b>C</b>	<b>Project performance</b>	
1	● Relevance	6
2	● Effectiveness	6
3	● Efficiency	6
4	● Sustainability of benefits	6
<b>D</b>	<b>Cross-cutting performance criteria</b>	
1	● Gender mainstreaming	5
2	● Environment and socio-economic aspects	5
2	● M&E: (focus on Monitoring) ✓ M&E design ✓ M&E implementation	5
3	● Results-based Management (RBM)	5
<b>E</b>	<b>Performance of partners</b>	
1	● UNIDO	6
2	● National counterparts	6
3	● Donor	6
<b>F</b>	<b>Overall assessment</b>	6

This section identifies follow-up recommendations for the ABR, UNIDO and SECO. When applicable, the evaluation will also provide strategic recommendations with broader applicability.

## 7.1 Recommendations

The evaluation presents three sets of recommendations addressing three administrative levels. Recommendations 1 and 2 are directed to the Government of Viet Nam, SECO and UNIDO. Recommendation 1 is strategic in nature and pertains to setting up a path that would respond the need and increasing demand for more information on enterprises, additional to what the NBRS provides. This recommendation is potentially outside of the ABR's mandate. This recommendation is casted broadly and raises the scope of UNIDO and SECO engagement in Viet Nam to a higher policy and administration level that addresses more comprehensively the information needs for a sound and equitable industrial development in the country. UNIDO in cooperation with the MPI and relevant donor organizations should take the initiative for a broader look at the Business Environment in Viet Nam, with the long-term perspective of reducing the most critical bottlenecks for the country to become internationally more competitive both for domestic and foreign enterprises. Recommendation 2 pertains to the expansion of the NBRS to include household businesses (HHBs). This recommendation is about moving the initiative to a **lower institutional level in the administrative scale**, working with district authorities which represent

different and additional challenges of working with provincial authorities. Recommendations 3, 4, and 5, remain within the scope and the mandate of the ABR, the administration level of the current project, and pertain to ongoing activities to “solidify” and continuously improve the accomplishments achieved in the current project. These recommendations directly address to the ABR under the MPI.

### **Recommendation to the Government of Viet Nam, SECO and UNIDO**

**Recommendation 1: Develop and implement a strategy to build a comprehensive architecture of a user-oriented national information system on enterprises.** As indicated in the body of the report, stakeholders have greatly appreciated the achievement made by the ABR in providing systematic information on enterprises that is legally binding. But the information provided by the NBRIS contains only a small fraction of the information needed to build trust and create a business environment conducive for a thriving private sector in the country. Stakeholders across all sectors (including provincial officials, trade associations and enterprises) indicated to the evaluation team that there is an urgent need to complement the information provided in the NBRIS with additional information that is key for decision making such as enterprise actual updated capital (not just claimed capital during registration), updated yearly revenues of enterprises, and the nationality of the investors.<sup>29</sup> There are state agencies that have already gathered and kept information of different aspects of business operations, but this information is not publicly available, and some is considered confidential. For example, the General Department of Taxation (GDT) gathers and keeps information on capital and income of enterprises, and the Social Security Administration keeps information on labor. Other important information (such as databases on the credit worthiness of individuals) is not found in databases.

The tasks of gathering and managing the additional information needed go beyond the legal mandate of the ABR and of any individual agency holding different types of information. The agencies concerned typically gather the information for their own use but do not have the means or the infrastructure to share that information with other agencies and stakeholders. Incentives to share information are also low. Some of this information is also considered to be confidential. Thus, criteria need to be established to separate information with restricted access and those can be made publicly available. The GOV, SECO and UNIDO could address these demands for comprehensive information on businesses by: 1) engaging the key stakeholders across the public administration and the private sector in mapping current information needs, existing information, and barriers to information flow; 2) identifying relevant national and international experiences to overcome barriers to information flow and; 3) defining a path forward to bring about the legal and regulatory framework, institutional arrangements and human capacities, and technological solutions that would help facilitate and when necessary generate the needed information. In developing this framework, it is important to build on the existing databases and institutions, and to consider that functions could be distributed among multiple institutions and organizations in the public sector, the private sector and civil society and academia.

**Recommendation 2. Adopt a simple and very streamlined registration process in the expansion of the NBRIS to household businesses.** The project supported the ABR in expanding the NBRIS to cover enterprises registered under most of the specialized ministries, including cooperatives which were integrated into the system in 2020. Different GOV agencies including the MOT, MOIC, the GDT and VCCI have proposed to the ABR to include HHBs into the ABR system. The Project Steering Committee (PSC), in which several ministries were present (such as VCCI, MOT, GDT, MOIC and other ministries), also expressed that HHBs across the board should be incorporated in to the NBRIS<sup>30</sup>. If and when this is achieved, almost all of business entities in the country will be registered in the NBRIS. Yet, this proposal needs to be considered with care, given technical complexity of including almost four million HHBs into the NBRIS and the lack of a distinction between the personal income and business income for HHBs leading to the use of one tax code for both

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<sup>29</sup> Officials in one province indicated that they want to track the nationalities of the FDI shareholders/investors but they could not access that information in the NBRIS.

<sup>30</sup>Minutes of the Project Steering Committee meeting of 14 May 2019.

personal income and business operation. As the HHBs are registered at the district level and given the large number of enterprises and districts involved, it is critical that the requirements and registration process should be extremely simple when the ABR decides to incorporate HHBs into the NBRS.

### **Recommendations to the ABR**

**Recommendation 3. Develop and carry out a comprehensive public communication strategy to entice off-stream enterprises that are not registered on the system, to register, and to commit enterprises to keeping their information in the NBRD up to date.** While developing this strategy the ABR could consider:

- Identify effective ways to communicate the benefits for enterprises such as the opportunities for partnerships with international investments or the new business opportunities that reliable information and trust can generate.
- Explore ways to facilitate businesses registration allowing users to use apps and other popular applications such as Zalo, Viber and etc., while formulating the public communication strategy.
- Explore the use of more effective and traditional media such as radio, television, and newspapers to get the message to different audiences that are not digitally inclined, in addition to web-based media. The surveys contracted by the project reported that these channels might reach a different audience and more attention to them might help increase the awareness of the NBRS among a broader population. This consideration is particularly relevant when expanding the coverage of the NBRS to include HHBs.

This strategy should also find ways to use the Law on Enterprises 2014 to encourage enterprises to maintain their information accurate and up-to-date in the NBRD. The Law on Enterprises mandates that enterprises are obliged to report their annual operation status to BROs. This requirement has never been enforced, and enterprises do not see that annual reporting to BROs is among their legal obligation. The ABR can use this requirement as an entry point to reduce barriers and entice enterprises to reporting changes in a timely manner. The ABR should also develop a simple template that includes the most important information fields that need to be kept current.

**Recommendation 4. Continue to look for opportunities to improve the efficiency of public administration in Viet Nam by further harmonizing, and/or expanding the links and information exchange between the NBRD and other database held in other ministries.** While the NBRS has linked with the National Public Procurement Database, Tax Database, Transportation Business Database and several agencies under specialized ministries; there is still a need to continue to improve the links established and to connect the NBRD with other national databases. The evaluation team identified the two opportunities to improve efficiency through information exchange:

- Making full harmonization between NBRS and Tax Database. Currently, there is still some mismatch between the two systems (such as business classification: the NBRS 4 types while Tax 6 types – and Tax classification is more relevant to daily operation status of enterprises), or information from two agencies is not always consistent. Enterprises sometimes are rejected by tax agency because of the system error, not their faults, leading to their unnecessary disappointment. Due to some incompatibility between two systems, it took time to find out the system errors, leading to a feeling that tax agencies responded slowly to enterprises' enquiries<sup>31</sup>.

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<sup>31</sup> Project management indicated that this will be largely rectified by the new Decree replacing Decree 78 and 108, whereby a GDT's main operating status (no longer operates at the registered address) is used by the NBRS as the legal status of enterprise in the NBRS. This status will be shared and updated in real time between the GDT's and ABR's systems.

- Currently the Ministry of Trade and Industry (MOIT) makes extensive use of the NBRD to verify the businesses in its procurement database. But the MOIT database is not linked to the NBRS and verification is done manually and case by case. The MOIT had explored with the ABR the possibility of linking directly with the NBRD but this has not yet taken place. Connecting the two databases digitally should allow for automatic verification which would highly increase the efficiency in the MOIT.

**Recommendation 5. Establish a feedback system from NBRS users for continuous improvement of the utility of the NBRD and of services by addressing user demands.** While most respondents of the portal user satisfaction survey indicated that the portal had improved significantly since 2015 and most also indicated that they were satisfied with the response from ABR, users also made suggestions to further improve the portal and the database. Users have provided feedback on aspects of the NBRS that could be improved. Establishing a systematic way to solicit recommendations from users will greatly increase the utility of the NBRS to all stakeholders.

- Integrate functions in the portal to allow customized reports by users
- Allow the academic community to do analysis on business trends (for example business trends in COVID-19 situation) from the database.

## 7.2 Lessons learnt

**Solid policy and legal framework take time and effort but extremely useful to build the foundation for sustaining and expanding project benefits in the long run.** Despite the challenges working at policy level, the project designers and subsequently project implementers focused first in establishing the necessary framework (for the Law on Enterprise 2014) and other guiding legal documents that would compel different ministries to work with ABR and provide the basis for simplifying registration processes. Establishing a solid legal basis for the NBRS was a key strategic decision, and thanks to this subsequent administration in the MPI and the ABR are required to continue building and operating the system in the long run, beyond the project completion.

**Mechanisms to ensure sustainability were put in place right from the project design and was followed through throughout the project implementation.** The project results and benefits are financially, technically, institutionally and socio-politically sustainable in the long run, which is a great achievement that does not happen often. The key factor leading to this success is the fact that mechanisms to ensure sustainability were put in place right from the project design and was implemented systematically throughout the project implementation, instead of being dealt with close to completion point. At design, financial and operational sustainability was one the project's objectives while legal reform was a major component. During project implementation, strategies were carried to nourish the government's ownership of the ABR and NBRS and to embed the network of institutions responsible for business registration into the structure of the government; to ensure that ABR collects fee and generates sufficient revenue to continuously upgrade and improve the system and pay for qualified technical staff and experts; and to lay a robust legal foundation for a national system for registering businesses.

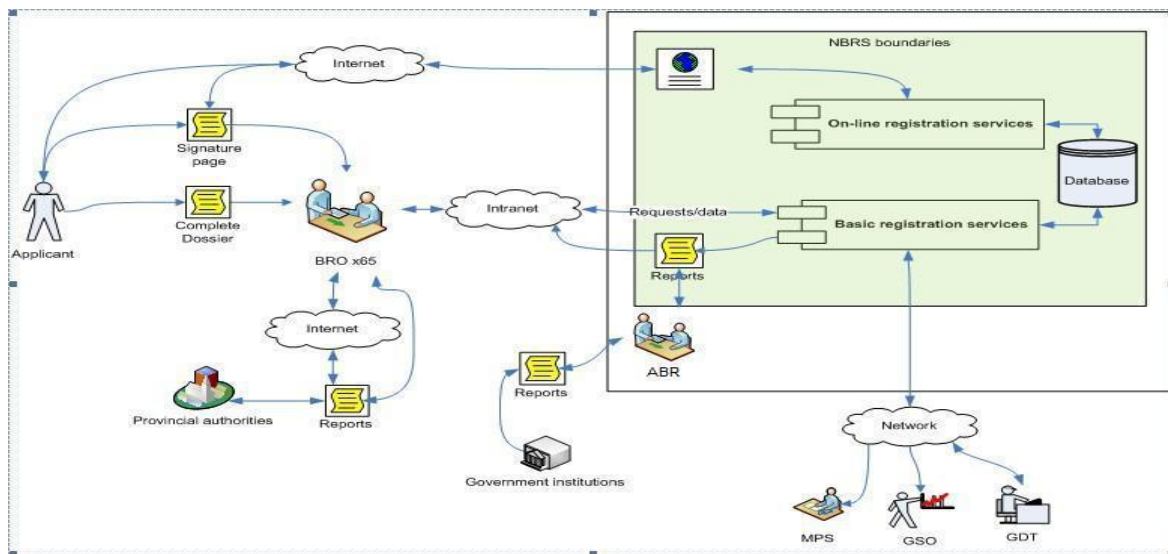
## Annexes

### Annex 1: Brief description of the NBR<sup>32</sup>

As Viet Nam’s official commercial registry, the National Business Registration System (NBR) provides legally binding data on commercial entities to the public and government agencies.<sup>40</sup>

Entrepreneurs can register their business or amend related information (e.g. changes of ownership, address, or legal representatives) either through a personal visit at one of the 65 Business Registration Offices or directly on-line through the National Business Registration Portal. Upon registration, the General Department of Taxation (GDT), which has online access to the NBR, assigns a unique Enterprise Code to each commercial entity. On-line links to the General Statistics Office (GSO) and the Ministry of Public Security (MPS) allow for automated exchange of data.

**Figure 12: Schematic overview NBR**



The NBR is based on a “thin client” and “web enabled” architecture. A “thin client” is client software, which depends primarily on the central server for processing activities and mainly conveys input and output between the user and the remote server. Web enabled means that all the clients will access the services of the NBR through Internet. The thin client architecture is used because it reduces IT administration and hardware costs, while enhancing data security and facilitating system maintenance and upgrading. The core server system (using ORACLE as an operating system) located in the ABR’s premises is secured by the backup center located in Data Centre of the MPI.

#### Box 5: NBR Statistics as per 30 September 2013

Total number of enterprises: 806,199 (including branch, rep. office, business location)  
 Total number of new registrations: 303,927 dossiers (01/01/2011 - 30/09/2013)  
 Total number of amendments: 495,775 dossiers (01/01/2011 - 30/09/2013)  
 Average number of new registrations per day: 361 dossiers  
 Average number of amendments per day: 498 dossiers

<sup>32</sup> Source: UNIDO. (2016). Expansion of the National Business Registration System to new business entities. Amended Project document.



## Annex 2: Logical Framework and delivery of project outputs and outcomes by August 2020<sup>33</sup>

**Expansion of the National Business Registration System to new business entities** *including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises*

### **Development Objective (Goal)**

- To contribute to an enabling business environment for the private sector by strengthening the capacities of the Agency for Business Registration, the Business Registration Offices, ministries, agencies, including for inter-institutional coordination and collaboration
- To create favourable market-entry conditions for FIEs in order to reduce barriers to market-entry, further improve business and investment environment and increase national capacity of Viet Nam.
- To contribute to Viet Nam's successful realization of its commitments to international and regional agreements and treaties such as TPP, EVFTA, ASEAN Economic Community (AEC) and through creating a better climate for investment and a more level playing field for foreign investors.
- To further promote economic integration and sustainable economic growth of Viet Nam, which is in line with bilateral economic development cooperation between Viet Nam and Switzerland and Viet Nam's country development objectives.
- To improve transparency of interactions between FIEs and State agencies.

### **Indicators of achievement:**

1. Statutory time for registration of enterprises is reduced (indicating reduced costs of doing business and implying positive effects on private sector). Baseline: 5 days
2. Number of ministries and public agencies that are electronically linked to or use NBRS regularly increased (indicating use of enterprise information has spread within the administrative system and implying positive effects on public sector). Baseline: Electronic linkage: 1 (General Department of Taxation); 2 (Foreign Investment Agency)
3. Number and nature of business sector entities and organizations that obtain NBRS information increased (implying a contribution to transparency in the business sector and usefulness for decreasing transaction costs, hence risks of doing business). Baseline: 1 institutional user (a private bank), another private sector used to be determined during inception phase
4. Applications for enterprise registration and investment registration of foreign invested enterprises are submitted and handled through single-point-registration offices in accordance with a guiding circular on the single-point-registration mechanism

<sup>33</sup> Logical Framework as modified and approved by the Project Steering Committee)

**Expansion of the National Business Registration System to new business entities including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises**

<b>Immediate Objective (Outcome)</b>	<b>Indicators of Achievement</b>	<b>Sources of Information</b>	<b>Assumptions and Risks</b>
<p>- The Agency for Business Registration and Business Registration Offices are able to provide accurate, legally binding information on commercial entities to the business community, government agencies and the general public, independently from further similar international donor support and with operational and financial sustainability</p> <p>- FIEs are required to only submit applications for Investment Registration Certificate and Business Registration Certificate at a single point of registration in each city/province in Viet Nam.</p> <p>- Inconsistency between Investment Registration Agency and Business Registration Agency is reduced to a minimum by streamlining the process of issuing IRC and BRC to foreign investors, which will in turn make the overall registration process more efficient and consequently attract more foreign investors to Viet Nam.</p>	<ol style="list-style-type: none"> <li>1. NBRS database includes all FIEs, SOEs, scientific and technology enterprises, credit institutions and enterprises registered through the Management Boards of the Industrial and Export Processing Zones.</li> <li>2. A clear roadmap for inclusion of other types of businesses approved by competent authorities.</li> <li>3. The percentage of dossiers in the NBRS containing inaccurate and/or incomplete information decreased.</li> <li>4. Percentage of clients who are satisfied or highly satisfied with the services received increased.</li> <li>5. Revenues of ABR cover total cost of operations. Revenues of at least 50% of BROs cover cost of operations</li> <li>6. A circular guiding the cooperating mechanism between Business Registration Offices and Investment Registration Departments/Management Boards of Industrial and Export Processing Zone is promulgated.</li> </ol>	<ol style="list-style-type: none"> <li>1. Official Gazette indicates that the necessary changes to the legal framework have been approved.</li> <li>2. Roadmap approved by the competent authority.</li> <li>3. Check of accuracy and completeness of information on a sampling basis in 2014 (baseline, activity 6.1) and in 2016 (end-line, activity 6.3).</li> <li>4. Customer satisfaction survey on a sampling basis in 2014 (baseline, activity 6.2) and output (end-line, activity 6.4) in 2016.</li> <li>5. Financial report for 2017 indicates that recurring costs are fully covered by revenues and the state budget.</li> <li>6. Circular guiding the single-point-registration mechanism is approved and indicated in the Official</li> </ol>	<ol style="list-style-type: none"> <li>1. The relevant decision making bodies approve legal and organizational changes needed to shorten registration time and to include new types of businesses.</li> <li>2. The new laws are properly implemented.</li> <li>3. The ABR and the BROs have the necessary resources to provide the services requested.</li> </ol>

**Expansion of the National Business Registration System to new business entities including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises**

	<p>7. Applications for business registration and investment registration from FIEs are submitted at the same time and both BRC and IRC are delivered to applicants concurrently at the single-point-registration office, where applications were previously submitted.</p> <p>8. Positive feedbacks from the foreign business community on the investment and business registration process upon implementation of the single-point-registration mechanism.</p> <p>9. The National Business Registration System (NBRS) is upgraded in full compliance with the new circular.</p> <p>10. Staff of BROs, IRDs, MBIEs are fully instructed and trained on the new circular and the upgraded NBRS.</p>	<p>Gazette (as in Point 1 above).</p> <p>7. Feedbacks from the foreign business community and foreign investors on the cooperating mechanism (incorporated into customer satisfaction survey as in Point 4 above).</p>	
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<b><i>Project Outputs (Results) and activities</i></b>	<b><i>Indicators of Achievement</i></b>	<b><i>Sources of Information</i></b>
<p><b><i>Output 1: Based on a comprehensive review of all legal documents relating to the establishment and registration of businesses; specific recommendations established on amendments needed to implement (a) reduction of statutory business registration time to two working days and (b) to the establishment of new draft legislation relating to the inclusion of all commercial entities into the NBRS, (c) the issuance of the Enterprise ID by the NBRS and (d) archiving, providing financial statements of enterprises (shareholding companies, FIEs, SOEs).</i></b></p>	<p>1.1 Report on legal review delivered</p> <p>1.2 Workshop proceedings indicate that key stakeholders have been consulted</p>	<p>Project files; implementation report, assessment of upgraded system by final evaluation</p>

**Expansion of the National Business Registration System to new business entities including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises**

<p><b>Activity 1.1:</b> Review of legal documents by international and Vietnamese legal experts; recommendations to revising enterprise law and drafting a decree replacing Decree 43 and drafting of circulars.</p> <p><b>Activity 1.2:</b> Conduct at least seven regional workshops to share the findings and the recommendations regarding the revision of the Law on Enterprises, the Decree 43, and the relevant circulars and to obtain input from different stakeholders.</p> <p><b>Activity 1.3:</b> Establish a white paper with specific recommendations for legal changes needed.</p> <p><b>Activity 1.4:</b> Assist the ABR in establishing a roadmap for integrating all commercial entities into the NBRS.</p> <p><b>Activity 1.5:</b> Establish a strategy to promote the formalization of businesses.</p>	<p>1.3 White paper on specific recommendations established</p> <p>1.4 Roadmap to integrate other types of businesses into NBRS established</p> <p>1.5 Strategy to promote the formalization of businesses established.</p>	
<p><b>Output 2: NBRS upgraded to accommodate the registration of new types of enterprises, to track fulfilment of their legal obligations, to issue of the enterprise ID from the NBRS, to include data mining technology and to improve the reporting system.</b></p> <p><b>Activity 2.1:</b> Based on the revised draft legislation, establish technical specifications of the changes to the NBRS software including Use Cases and Flow Charts, and hard ware expansions.</p> <p><b>Activity 2.2:</b> Establish documentation needed for procurement of expansion of the NBRS including the automated generation of the enterprises code within the NBRS; capacity building and maintenance agreement.</p> <p><b>Activity 2.3:</b> Procurement and implementation (including in-depth training of 20 “super users” (ABR staff) of four weeks in Hanoi.</p> <p><b>Activity 2.4:</b> Implement data conversion from existing data for FIEs, Credit Institutions, SOEs, and Scientific Technological Enterprises and enterprises registered through the Management Boards of Industrial Zones and Export Processing Zones and enhance the data quality of the current system.</p>	<p>2.1 Technical specifications delivered</p> <p>2.2 Procurement documentation delivered</p> <p>2.3 Procurement contracts signed</p> <p>2.4 Data conversion completed</p> <p>2.5 Upgraded NBRS operational, 20 “super users trained”</p>	<p>Project files; implementation report, assessment of upgraded system by final evaluation</p>
<p><b>Output 3: Based on the results of a peer review and customer survey (activity 6.2), a long-term strategic plan established for the ABR that incorporates a clear roadmap on how to gradually achieve financial sustainability through revenues from fees and state budget contributions.</b></p>	<p>3.1 Peer Review Report delivered</p> <p>3.2 Report on recommendations delivered and considered by ABR</p>	<p>Project files; implementation report, assessment of upgraded system by final evaluation</p>

**Expansion of the National Business Registration System to new business entities including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises**

<p><b>Activity 3.1:</b> Conduct a peer review by other business registration agency (e.g. member of the Corporate Registers Forum)</p> <p><b>Activity 3.2:</b> Establish recommendations on how to enhance the access of other government agencies and organizations to NBRS.</p> <p><b>Activity 3.3:</b> Establish a draft strategic plan for the NBRS that takes into account aspects of financial sustainability and includes the diversification of information service packages.</p>	<p>3.3 Strategic plan that is based on a clear organizational strategy, including clear structure for the fees and a roadmap to gradually become independent from donor support for same/similar activities/outputs delivered by 2016.</p>	
<p><b>Output 4: Capacity building of ABR staff and BROs through training to improve performance</b></p> <p><b>Activity 4.1:</b> Set up a comprehensive managerial accounting and performance evaluation system.</p> <p><b>Activity 4.2:</b> Conduct on-site training for BRO staff in all 63 provinces.</p> <p><b>Activity 4.3:</b> Conduct in-depth trainings of five days each for a total of at least 530 ABR/BRO staff (to be conducted in centralized facilities in north/central/south).</p> <p><b>Activity 4.4:</b> Conduct at least 10 attachment trainings/study visits for ABR staff and/or BRO Registrars.</p> <p><b>Activity 4.5:</b> Capacity building for ABR and BRO staff in improving data mining.</p>	<p>4.1 Managerial and performance accounting system in place</p> <p>4.2 Proportion of trainees evaluating training as satisfactory and useful in their work</p> <p>4.3 Proportion of trainees evaluating training as satisfactory and useful in their work</p> <p>4.4 Proportion of trainees evaluating attachment training as satisfactory and useful in their work</p> <p>4.5 Proportion of trainees evaluating data mining training as satisfactory and useful in their work</p>	<p>Project files; assessment of managerial accounting system by final evaluation</p>

**Expansion of the National Business Registration System to new business entities including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises**

<p><b>Output 5: ABR supported in public awareness raising among key stakeholders and the general public</b></p>	<p>5.1 Assessment of knowledge among different target users of the NBRS conducted</p> <p>5.2 At least 100 representatives of FIEs and Business Associations participate in the seminars.</p> <p>5.3 Information material on webpages updated; general information brochure available and widely distributed to key target users</p> <p>5.4 Awareness raising campaigns conducted in four districts of four different provinces</p>	<p>5.1 End-line survey activity 6.5 (assuming that at the beginning of 2014, the NBRS had just been introduced and was not known)</p> <p>5.2 Project reports and seminar documentation</p> <p>5.3 Webpage, project reports and assessment of quality by the final evaluation.</p> <p>5.4 Project reports and documentation</p>
<p><b>Activity 5.1:</b> Support a national awareness campaign to introduce the benefits of the upgraded NBRS.</p> <p><b>Activity 5.2:</b> Conduct at least three seminars for representatives of the foreign business community.</p> <p><b>Activity 5.3:</b> Complement the ABR's toolboxes for new types of organizations (printing and updating webpages).</p> <p><b>Activity 5.4:</b> Organize pilot awareness raising campaigns to encourage household businesses to register as enterprises.</p>		
<p><b>Output 6: Base- and end-line surveys inform implementation and evaluation</b></p>	<p>6.1 Baseline survey conducted</p> <p>6.2 Baseline survey conducted</p> <p>6.3 End-line survey conducted</p> <p>6.4 End-line survey conducted</p> <p>6.5 End-line survey conducted</p>	<p>Project files; implementation report, assessment of survey quality by final evaluation</p>
<p><b>Activity 6.1:</b> Assess the current accuracy and completeness of data on Vietnamese domestic companies in the NBRS (base-line survey).</p> <p><b>Activity 6.2:</b> Conduct a baseline survey on customer satisfaction of different types of NBRS users.</p> <p><b>Activity 6.3:</b> Conduct and end line survey on customer satisfaction of different types of key NBRS users.</p> <p><b>Activity 6.4:</b> Assess the accuracy and completeness of data of Vietnamese domestic companies in the NBRS (end-line survey).</p> <p><b>Activity 6.5:</b> Assess the public awareness on the NBRS and the services of BROs/ABR through a survey among key target users.</p>		

**Expansion of the National Business Registration System to new business entities including an additional Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises**

<p><b>Output 7:</b> Technical and management inputs by CTA, IT Manager, field level project coordinator, project officer, translator and other support staff in the field, operational costs and evaluation, not allocated to outputs 1-6</p>	<p>Quality of technical input provided is assessed positively by ABR and BROs</p>	<p>Qualitative assessment by final evaluation</p>
<p><b>New Output (Output 8): Single-point-registration cooperating mechanism established for issuing Investment Registration Certificates and Business Registration Certificates to foreign invested enterprises</b></p>	<p>8.1 Circular guiding single-point-registration mechanism promulgated</p>	<p>Project files; implementation report, assessment of survey quality by final evaluation</p>
<p><b>Activity 8.1:</b> Establish legal basis for the single-point-registration cooperating mechanism in issuing Business Registration Certificate and Investment Registration Certificate to FIEs.  <b>Activity 8.2:</b> Conduct consultative field trips to large provinces to assess the practical situation and a study tour abroad to learn about model of cooperation of similar nature.  <b>Activity 8.3:</b> Organize training courses and capacity building courses for staff of BROs, IRDs and MBIEs on the guiding circular, the upgraded NBRS and service-oriented skills  <b>Activity 8.4:</b> Organize seminars to introduce the guiding circular to the foreign business community.  <b>Activity 8.5:</b> Support an awareness raising campaign to introduce the guiding circular and benefits of the single-point-registration cooperating mechanism to the foreign and domestic business communities.  <b>Activity 8.6:</b> Upgrade the NBRS to accommodate the requirements on the single-point-registration cooperating mechanism between Business Registration Agency and Investment Registration Agency.</p>	<p>8.2 Field trips and study tour conducted  8.3 Proportion of trainees evaluating training as satisfactory and useful in their work  8.4 Representatives of FIEs, Foreign Business Associations and Chambers participate in the seminars  8.5 Awareness raising campaigns conducted  8.6 Upgraded NBRS is operational</p>	

### Annex 3: Efficiency analysis

**Table 12: Project financial and economic payback periods at the discount rate of 12%**

Year	TOTAL COST	Cost on hardware, infrastructure, software and connection lines (VND million)		TOTAL ECONOMIC BENEFITS	Financial benefit (VND million)			Non-monetary benefits					Annual net benefits		Discounted accrual net benefits	
		Investment by State budget	Investment by Project*		Revenue retained at BRSC			Annual number of business using NBRBS services (thousand)	Amendment registration cases	Total number of cases (new + amendment)	Value of time saving per business (VND thousand)	Total benefits from time saving (VND mil.)	Financial	Economic	Financial	Economic
					Total revenue retained at BRSC	Charge revenue collected at BROs	Charge revenue collected at BRSC									
(a)	(b)=(c)+(d)	(c)	(d)	(e)=(f)+(m)	(f)=(g)+(h)	(g)	(h)	(i)	(j)	(k) = (i) + (j)	(l)	(m)= (k)*(l)	(n) = (f) - (b)	(o)= (e) - (b)	(p)	(q)
2010	14,444	N/A	14,444	1,751			N/A	16,324	39,269	55,593	31.5	1,751	-14,444	-12,693	-14,444	-12,693
2011	14,444	N/A	14,444	7,656			N/A	77,334	165,712	243,046	31.5	7,656	-14,444	-6,788	-27,340	-18,754
2012	14,444	N/A	14,444	7,007			N/A	69,680	152,780	222,460	31.5	7,007	-14,444	-7,437	-38,855	-12,716
2013	14,444	N/A	14,444	7,658			N/A	78,213	164,905	243,118	31.5	7,658	-14,444	-6,786	-49,136	-12,266
2014	1,579	1,300	279	25,257	17,000	16,600.00	400.00	74,701	187,439	262,140	31.5	8,257	15,421	23,678	-39,336	8,262*
2015	24,631	13,800	10,831	31,040	20,700	20,000.00	700.00	94,737	233,509	328,246	31.5	10,340	-3,931	6,409	-41,566	27,315
2016	31,099	21,000	10,099	41,626	28,860	26,860.00	2,000.00	109,815	295,442	405,257	31.5	12,766	-2,239	10,526	-42,701	11,742
2017	27,452	26,500	952	73,988	59,000	47,000.00	12,000.00	127,320	348,487	475,807	31.5	14,988	31,548	46,536	-28,430	31,577
2018	25,510	17,000	8,510	93,948	78,200	63,000.00	15,200.00	131,024	368,901	499,925	31.5	15,748	52,690	68,438	-7,149	74,177
2019	1,527	0	1,527	92,963	76,000	58,000.00	18,000.00	137,604	400,915	538,519	31.5	16,963	74,473	91,436	19,706*	101,410
2020 (est.)	16,007	15,500	507	52,618	40,000	18,700.00	16,700.00	100,861	299,723	400,584	31.5	12,618	23,993	36,612	27,431	103,224



Year	TOTAL COST	Cost on hardware, infrastructure, software and connection lines (VND million)		TOTAL ECONOMIC BENEFITS	Financial benefit (VND million)			Non-monetary benefits					Annual net benefits		Discounted accrual net benefits	
		Investment by State budget	Investment by Project*		Revenue retained at BRSC			Annual number of business using NBRS services (thousand)	Amendment registration cases	Total number of cases (new + amendment)	Value of time saving per business (VND thousand)	Total benefits from time saving (VND mil.)	Financial	Economic	Financial	Economic
					Total revenue retained at BRSC	Charge revenue collected at BROs	Charge revenue collected at BRSC									
(a)	(b)=(c)+(d)	(c)	(d)	(e)=(f)+(m)	(f)=(g)+(h)	(g)	(h)	(i)	(j)	(k) = (i) + (j)	(l)	(m)= (k)*(l)	(n) = (f) - (b)	(o)= (e) - (b)	(p)	(q)
2021 (*)	20,000	20,000		53,249	40,000	20,000.00	20,000.00			420,613	31.5	13,249	20,000	33,249	33,181	46,170
2022	20,000	20,000		53,912	40,000	20,000.00	20,000.00			441,644	31.5	13,912	20,000	33,912	38,314	41,954
2023	20,000	20,000		54,607	40,000	20,000.00	20,000.00			463,726	31.5	14,607	20,000	34,607	42,898	41,843
2024	20,000	20,000		55,338	40,000	20,000.00	20,000.00			486,912	31.5	15,338	20,000	35,338	46,990	41,838
2025	20,000	20,000		56,105	40,000	20,000.00	20,000.00			511,258	31.5	16,105	20,000	36,105	50,644	41,934

Note: \*) The payback periods are marked in orange in column p and q, when net benefit turns to be positive. For example: for financial analysis, from 2010 to 2018, annual net benefit is always negative but in diminishing pace (as new revenue can compensate a part of negative net benefit). Since 2019, it turns to positive at the value of 19,706. Thus, after 9.5 years (from 2010 to first half of 2019), generated revenue has outweighed investment costs. Similar explanation applies for economic payback period.

Total number of transactions in NBRS has been projected at a growth rate of 5% per year. Projected annual government budget investment in the system is VND 20 billion, while total retained revenue at BRSC is VND 40 billion, or two times higher than the cost-coverage level.

#### Annex 4: List of project stakeholders

Stakeholders relevant to the evaluation include those entities that have registered in the NBRIS, businesses that are likely to use the information in the NBRIS, representatives of relevant business and trade associations, representatives of government agencies that have participated in the project and representatives of government agencies and businesses that are users of the NBRIS. Following is a list of the relevant stakeholders that were interviewed during the evaluation.

Organization		No.	Full name	Position
Central state agencies	Agency for Business Registration, Ministry of Planning and Investment (MPI)	1	Mr. Le Thang	Director of Business Registration Supporting Center
		2	Ms. Do Thu Ha	Project officer
	Authority of Information Technology Application (AITA), Ministry of Communication	3	Mr. Tran Quoc Tuan	Division of System Integration
	General Department of Taxation, Ministry of Finance (MoF)	4	Ms. Le Thi Duyen Hai,	Director of Tax Declaration and Accounting Department
		5	Ms. Dang Thi Diu	Expert, Information Technology Department
		6	Ms. Nguyen Thi Anh Nguyet	Expert, Information Technology Department
		7	Ms. Nguyen Thi Minh Tuyen	Expert, Information Technology Department
		8	Mr. Nguyen Van Chinh	Expert of Tax Declaration and Accounting Department
	National Online Bidding Center, MPI	9	Mr. La Anh Tuan	Vice Director
	Viet Nam Social Insurance	10	Mrs. Nguyen Thi Hoai Hoan	Head Officer, Database Management Unit, ICT Center
	Software Development and Database Unit, ICT Center, Ministry of Transport (MoT)	11	Mr. Ngô Đại Thắng	Unit Head,
		12	Mr. Hà Sỹ Huyền	Staff member
Clients/service providers	Economica (Service Provider to the Project), (based in Hanoi city)	13	Mr. Le Duy Binh	Director
		14	Mrs. Phạm Thị Ngọc Bích	Head of R&D and Marketing Department,

Organization		No.	Full name	Position
	National Credit Information Center, State Bank of Viet Nam (based in Hanoi city)	15	Mr. Lý Bá Hồng Sơn	Staff member, R&D and Marketing Department
		16	Ms. Ngô Kim Thoan	Staff member, IT Department
	DUN and BRADSTREET (based in HCM city)	17	Ms. Nguyen Thai Thao Vy	Operation Director
		18	Ms. Doan Thuy Duong	Team Leader, Operation Section
		19	Ms. Huynh Ngoc Thao	Team Leader, Operation Section
Hanoi City	Hanoi Business Registration Office (BRO), Department of Planning and Investment (DPI)	20	Mr. Nguyen Duy Cuong	Vice Head
		Small and Medium Business Support Center	21	Ms. Hanh
	22		Mr. Tuan	Staff member
Bac Ninh Province	Bac Ninh Provincial DPI	23	Mr. Nguyễn Quang Thành	Vice Director
	Bac Ninh Provincial BRO, DPI	24	Mr. Do Manh Tuong	Head of BRO
		25	Mr. Vu Van Cuong	Vice head of BRO
		26	Mr. Nguyễn Văn Trường	Officer, BRO
	27	Nguyễn Thị Trà My	Officer, BRO	
Provincial Department of Taxation	28	Mr. Nguyễn Bá Lộc	Head of Tax Declaration Department	
Thua Thien Hue Province	Thua Thien Hue BRO	29	Mrs. Lê Thị Hồng Mai	Head Officer, Thua Thien Hue BRO
		30	Mrs. Phan Thị Hồng Vân	Staff member, Thua Thien Hue BRO
		31	Mr. Trần Tuấn Anh	Staff member, Thua Thien Hue BRO
	Thua Thien Hue Taxation Department	32	Mr. Lê Phước Thảo	Deputy Head, Tax Returning Unit
	Hue City Division of Finance and Planning	33	Mrs. Trần Thị Dung	Staff member
Hai Phong city	Hai Phong city BRO	34	Ms. Nguyen Thi Thuy Ha	Vice Head
		35	Ms. Nguyen Thi Ngoc Lan	Staff member
	Hai Phong Taxation Department	36	Mr. Pham Sy Manh	Staff member

Organization		No.	Full name	Position
Ho Chi Minh City (HCMC)	HoChiMinh cty BRO, DPI	37	Mr. Ho Thanh Duc	Vice Head
		37	Ms. Nguyen Thi Dang Chau	Staff member
		38	Mr. Nguyen Thanh Chau Viet	Post-check division
		39	Ms. Nguyen Hoang Mai	Staff member
		40	Mr. Tran Van Tai	Staff member
		41	Mr. Chau Ngọc Thạch	Staff member
Acamedia	Central Institute for Economic Management	42	Mr. Phan Duc Hieu	Vice Director
Enterprise Association	Viet Nam Chamber of Industry and Commerce	43	Mr. Dau Anh Tuan	Head, Legal Department
Enterprises	Hoang Tan Minh Consultancy Co.,Ltd (Hanoi city)	44	Ms. Nguyen Thi Diem	Legal Aid Staff
	An Ninh Stamp Co.,Ltd (Hanoi city)	45	Ms. Trinh Thi Thu	Legal consultant
	Tuan Dung Service and Trading Co.,Ltd (Hanoi city)	46	Mr. Doan Van Dong	Legal consultant
	Hanoi Stamp Co., Ltd (Hanoi city)	47	Ms. Nguyen Thi Huong	Legal consultant
	Investment Consultancy and Commerce Co., Ltd (Bac Ninh province)	48	Mr. Vu Dang Toi	Staff
	NAC Toan Cau Company Co., Ltd	49	Ms. Le Thi Kim Ngan	Staff
	LCD Investment and Development Co. Ltd. (Consulting firm), (Hai Phong City)	50	Ms.Vũ Thị Nhàn	Staff
	Unbaked Bricks Production Chân Mây Trading Co., Ltd. (Thua Thien Hue)	51	Mrs. Nguyễn Ngọc Tế	Chief Accountant
	Tan Minh Phu Investment Consulting One Member Co., Ltd. (Consulting firm), (Thua Thien Hue)	52	Mr. Thái Công Cường	Staff
	Sicom Production and Trading One Member Co. Ltd. (Thua Thien Hue)	53	Mr. Nguyễn Văn Hiếu	Staff
Hue Law Firm (Thua Thien Hue)	54	Mrs. Tạ Thị Hà	Staff	

Organization		No.	Full name	Position
	Nguyen and Friends Co. Ltd. in Finance and Accounting, HCMC	55	Mr. Lê Văn Pháp	Legal Aid Staff
	Tri Law Firm, HCMC	56	Mr. Trần Quang Phụng	Consultant
	Far East Sai Gon Technology Stock Company	57	Mrs. Lê Thị Thanh Huyền	Staff
	Viet Luật Consultancy Co., Ltd, HCMC	58	Ms. Đặng Thị Hai Ha	Legal Aid Staff
	Accounting and Profession Co., Ltd, HCMC	59	Mr. Nguyen Van Dai	Legal Aid Staff
	Tan Thinh Phat Investment Consulting, Services and Trading Co., Ltd, HCMC	60	Ms. Truong Thi Thu Thao	Legal Aid Staff
	Khanh Gia Investment Consulting and Trading Co., Ltd, HCMC	61	Ms. Huynh Thi Thanh Trang	Consultant
UNIDO/ International Consultants	UNIDO	62	Ms. Le Thi Thanh Thao	UNIDO Country Representative, Viet Nam Office
		63	Mr. Rafik Feki	UNIDO Project Manager
		64	Ms. Nilgun Tas	UNIDO Chief and Deputy Director, and previous Project Manager
		65	Mr. Simon Armstrong	Design expert for follow up project
		66	Mr. Gunnar Koren	Chief Technical Advisor of the project
International Agencies	United Nations World Bank International Finance Corporation	67	Mr. Kamal Malhotra	UN Representative in Viet Nam
		68	Mr. Quang	Senior economist, World Bank
		69	Ms. Lien Anh	Senior Private Sector Specialist, IFC
SECO	SECO Viet Nam	70	Mr. Jonas Grunder	SECO, Deputy Head of Cooperation, Viet Nam
		71	Ms. Nguyen Hong Giang	SECO, Programme Officer, Viet Nam
	SECO HQ, Bern	72	Mr. Andre Pantzer	Programme Manager, Bern

## Annex 5: List of referred documents

Apart from documentation related to the project, the evaluation team also consulted the following publication:

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- Zazueta, A., Le, T., & Bahramalian, N. (2020). Development Trajectories and Complex Systems-informed Theories of Change. *American Journal of Evaluation*.

## **Annex 6: Terms of reference**

The complete evaluation Terms of Reference could be accessed at the below link:

[https://www.unido.org/sites/default/files/files/2020-10/VIE-130217-NBRS\\_TOR-draft\\_Jul-2020\\_TE-2020.pdf](https://www.unido.org/sites/default/files/files/2020-10/VIE-130217-NBRS_TOR-draft_Jul-2020_TE-2020.pdf)