



Mandate Spotlight: 016 Vietnam

Fostering Inclusive and Sustainable Economic Growth: Making the CPTPP Work for Vietnamese Small and Medium-sized Enterprises (SMEs)

Location: Vietnam

Beneficiary: Ministry of International Trade (MOIT), Vietnam & participating Vietnamese SMEs

Consultant: Trade Facilitation Office - Canada

Start Date: July 2019

End Date: January 2021

CTIF Contribution: CAD \$260,208

Context

Touted by many as the new 'gold standard' for modern free trade agreements, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed by 11 parties, including Canada and Vietnam, and entered into force in December 2018. Its members represent approximately 495 million consumers and 13.5% of global GDP. However, none of its benefits will be realized without adequate awareness, enforcement, and take-up of its new provisions. In this context, the Government of Vietnam's MOIT requested technical assistance from CTIF to assist the ministry and Vietnamese exporters with identifying and accessing new opportunities for trade with Canada created by the CPTPP.

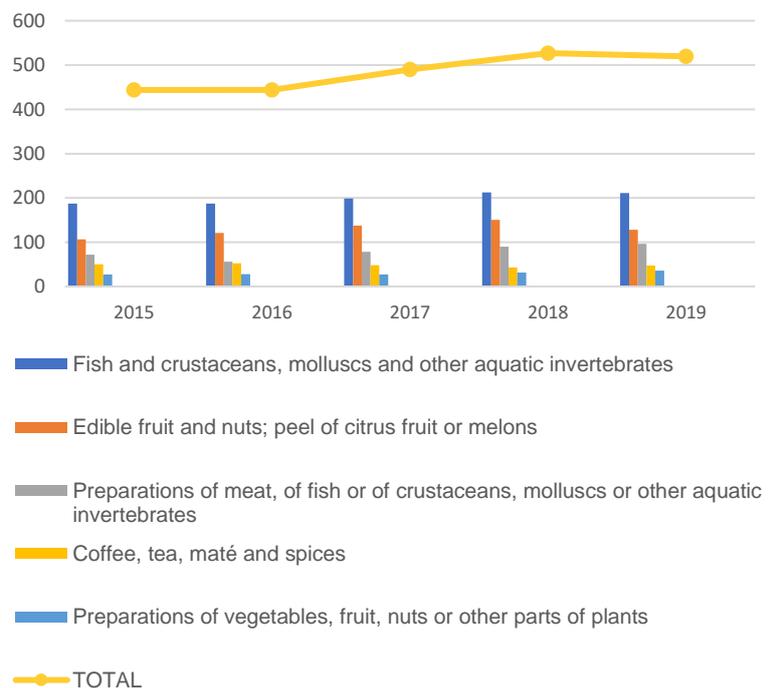
Brief Description of the Mandate

The overall objective of the mandate was to build the capacity of Vietnamese public and private sector trade support institutions (MOIT and public trade support institutions) and private sector organisations (chambers of commerce, business associations, and SMEs) to take advantage of new opportunities presented by the CPTPP. TA was delivered by Canada's Trade Facilitation Office (TFO), a non-profit organisation, in two phases: training of trainers on opportunities and challenges of CPTPP, with a focus on Canada, and trade-related online training and TA to private sector organisations. As a result of such support, the mandate has contributed in an important way to increasing sustainable trade between Canada and Vietnam to the benefit of both Vietnamese and Canadian businesses, workers, and consumers.

Task 1: Master Trainers Workshops

CTIF's consultant prepared a business guide on the CPTPP focused on several specific sectors and delivered master trainer workshops for 33 Vietnamese trade officials and industry representatives. Using the business guide as a key reference tool, the workshops focused on the basics of export management and marketing, legal and procedural requirements to export to Canada, and

Figure 1: Canada's top five imports of agri-food products from Vietnam in CAD Million. Source: International Trade Center's Trade Map



gender and environmental considerations in trade. Adapting to restrictions imposed by COVID-19, TFO collaborated with CTIF and the MOIT to develop and deliver training virtually through web-based tools for activities implemented after the outbreak of the pandemic.

One training participant noted the utility of the workshop's apparel industry and sustainability-specific content, while another highlighted the benefits of bringing together champions from the public sector who could further disseminate knowledge and related materials across government.



Task 2: Technical Support to Vietnamese SMEs

24 SMEs were selected from across several industries (apparels, agri-food and seafood, and furniture and handicrafts) to receive virtual 1-on-1 consultations and support on exporting to Canada. A total of 297 SMEs, including those just noted, received virtual export readiness training from MOIT's master trainers. These trainers completed the workshops described above under Task 1 and were supported by experts provided by CTIF's consultant. During the virtual 1-on-1 consultation sessions, CTIF's consultant assessed the export readiness of the 24 SMEs and guided them on the next steps in their preparation for exporting to Canada. In the spirit of CPTPP being a modern, progressive, WTO-plus agreement, the broader virtual trainings went beyond traditional market access topics by also including modules on the intersections of gender equality, environment, and trade. Participating Vietnamese SMEs therefore gained a greater understanding of Canadian environmental, labour and social inclusion standards as well as knowledge of how to comply with Rules of Origin regulations, how to leverage online marketing and e-commerce tools, and how to craft and implement competitive export strategies.

Lessons Learned

The pandemic encouraged the use of virtual platforms for SMEs training and 1-on-1 consultation sessions. Extending the mandate's rollout from its original end date allowed participating enterprises to focus on business retention at the onset of the pandemic and helped the SMEs to get gradually used to the virtual delivery approach, which had inherent advantages in terms of time, cost savings and elimination of geographical distances.

Additionally, the implementation of a hybrid training approach (face-to-face and virtual) by CTIF's consultant allowed many SMEs in the northern provinces, or off-site, to participate in and benefit from the training program, especially when most severe storms and floods severely hampered the travel of SME representatives in addition to COVID-19-related restrictions.

Gender and Social Inclusion (GESI)

CTIF's consultant ensured that GESI considerations were integrated to mandate delivery whenever possible and worked closely with the MOIT to help do so. The 10 master trainers trained in Ottawa included representatives from the Vietnam Association of Women Entrepreneurs, and all participants received training on the links between GESI and trade. The consultant also ensured equal participation of men and women and set an explicit target for women-led SMEs in the training events in Vietnam.

Environment & Climate Change

Sector-specific content on environmental certification and sustainable production processes was included in training workshops and integrated into the CPTPP business guide. SMEs were also advised on how strategies and tools to minimize environmental pollution, such as reducing energy consumption and increasing the use of secondary raw materials.

