

**VIETNAM: The World Bank and ILSSA**  
**Program of Technical Assistance: Corporate Social Responsibility in Vietnam**

The program is designed to feed into the government's strategic planning on Vietnamese business competitiveness within a globalizing economy, with lessons from the footwear and apparel industry that will be relevant to other important export sectors and delivered in collaboration with the Institute for Labor Science and Social Affairs (ILSSA). The Institute for Labor Sciences and Social Affairs serves as the primary recipients of World Bank technical assistance as well as its primary counterparts in targeting broader Government participation in the process of defining and strengthening government roles in promoting and supporting labor-focused CSR.

**I. Goals, Objectives and Activities**

The overall goal of the program of technical assistance is to identify government roles in strengthening CSR related to the Government's priority export sectors, to build agreement around that analysis and to develop a subsequent implementation plan to serve as a roadmap for future action by the government. Strengthening CSR is seen as an important mechanism for building Vietnam's comparative advantage as a responsible sourcing location for global companies. Implementation of identified public sector roles will be considered as a potential Phase II of the program.

The broad objectives of this technical assistance are as follows:

1. To build enough awareness about CSR among key government officials (representing government ministries and agencies concerned with social and economic policies) to engage in a discussion about government roles in strengthening CSR;
2. To explore and identify realistic and appropriate government roles for strengthening CSR in Vietnam using labor standards and the footwear industry as a case study;
3. To support government in stimulating broad dialogue with key stakeholders in key export sectors about proposed government roles in strengthening CSR.

**II. Key Activities**

The key activities implemented to date and ongoing under this Program of Technical Assistance include the following:

- (i) Policymakers Seminars (*Hanoi, December 16<sup>th</sup> & 17<sup>th</sup> HCMC, January 19<sup>th</sup> & 20<sup>th</sup>*) hosted by MOLISA<sup>1</sup> with content assistance from the World Bank.
- (ii) Establishment and capacity building of a Multi-Stakeholder Advisory Group (*February 2003 onwards*) coordinated by ILSSA with support from the World Bank. Capacity building activities were designed to increase the expertise and knowledge needed by the Advisory Group to gain a more complete understanding of CSR in Vietnam. The purpose of the Advisory Group has been to advise ILSSA/MOLISA on priority public sector roles and research needs to support further study of these roles.
- (iii) Research (*February – Fall 2003*): Research priorities were jointly determined with the Advisory Group, and based upon input from participants at the policymakers seminar (described above in (i)). The objective of the research is to identify the challenges/barriers and opportunities in the existing CSR environment in Vietnam, with a focus on identifying government roles in addressing the challenges/barriers and extending the opportunities with respect to CSR implementation, and policy dialogue. The intermediate objectives are:

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<sup>1</sup> Ministry of Labour, Invalids and Social Affairs

- a) To provide viable options for addressing challenges to *information dissemination* among the various CSR stakeholder groups;
- b) To identify the challenges/barriers and opportunities and prioritize viable options for addressing challenges to *CSR implementation* by identifying the
  - comparative impact in improving working conditions through various CSR practices;
  - comparative costs vs. benefits, and associated tradeoffs of the various initiatives;
  - sustainability of the comparative approaches and the associated assumptions of stakeholder roles and capacity in ensuring the sustainability of the approach or in compelling companies to undertake CSR.
- c) To determine the *government's role* in
  - supporting and strengthening existing initiatives/approaches and;
  - stimulating broader implementation of particular models embodied in various initiatives for adoption/implementation by various scales and profiles of enterprise like SMEs, SOEs, etc.

The reports of all three Segments are being finalized and will be the basis for identifying key government roles and inform future initiatives.

- (iii) 2 Multi-stakeholder Symposia (*Fall 2003*) hosted by MOLISA/ILSSA with content support from the World Bank and presentations from ILSSA designed to report back to a wider base of stakeholders and to stimulate public dialogue around the findings of the multi-stakeholder advisory group and the supportive research.

## II. Outputs<sup>2</sup>

1. Identification of priority public sector roles (for the Government of Vietnam<sup>3</sup>) and documentation experience in encouraging responsible corporate behavior - Ongoing
2. Raised awareness of government officials and private sector to contribute to CSR initiatives including understanding of drivers and improved capacity within the public sector to manage cross-sector CSR initiatives – Partly covered by the research undertaken and seminars hosted and planned within the Initiative
3. Increased expertise of a core group of representatives from the key government ministries, civil society (NGOs), labor representatives, and the private sector (as represented by the multi-stakeholder advisory group) to guide the public debate on government roles to strengthen CSR. – Undertaken through the Advisory Group
4. Three-sector dialogue leading to consensus on a CSR strategy including related development priorities and clearly defined roles and responsibilities of government agencies working on CSR issues - Ongoing

## V. Financial and technical support to be provided to ILSSA by the World Bank

The World Bank provides technical assistance on the design and scope of research; content of CSR seminars, and content of workshops. The World Bank also support ILSSA with implementation of advisory committee meetings including preparing background materials for the meetings and identification of experts, as needed. The World Bank supports the cost of all seminars and workshops and research work completed by ILSSA on behalf of the initiative.

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<sup>2</sup> These outputs correspond to the outputs expected by donors as outlined in Annex II (Quarterly Report to Donors)

<sup>3</sup> These roles must not necessarily be limited to the Ministry of Labor, but should explore the role of other governmental bodies as well.

