

### Annex5: Achievement of the Activities

(Provided and informed by JICA Experts)

Achievement of the Project for Terminal Evaluation (Along PDM2)	
PDM activities	Current Status on the Activities (●: completed, ◆ : completed by taskforce but not authorized in VINAMARINE, ◇: to be achieved by the end of the Project, [ ] indicates necessary modification for application)
<b>Output 1:</b> VINAMARINE prepares the draft policy on non state sectors' participation in the operation of gateway ports & the draft plan on promotion of the gateway ports taking Cai Mep-Thi Vai Port as a model case.  <b>Sub output 1</b> The draft policy on non state sectors' participation to the operation <b>Sub output 2</b> The draft plan for the promotion of Cai Mep-Thi Vai Port as a model case which will be modified for other gateway ports of Vietnam.	<ul style="list-style-type: none"> <li>● Policy on Non State Sectors' Participation to Operation of Gateway Ports</li> <li>● The Draft Plan for the Promotion of Gateway Ports in Vietnam</li> </ul>
1-1 Review and analysis of the port / maritime transport activities including international container cargo flow	<ul style="list-style-type: none"> <li>● TOR for the local consultant (CMB) to collect data &amp; information on ports and cargo was discussed in workshop and workshops for analysis of these data and information was implemented to share the same level of knowledge among taskforce and JICA experts.</li> </ul>
1-2 Review and analysis of port operation in other countries	<ul style="list-style-type: none"> <li>● In order to grasp and understand the current situation of port management and operation together with port privatization, OJT in Thailand (Laem Chabang and Bangkok by Dr. Owaki) and Indonesia (Tg. Perak and Tg. Priok by Mr. Yamada) to four members of the task force team was conducted. Before conducting OJT, Experts presented the information on those in Colombo port of Sri Lanka and in Salalah port of Oman and questionnaire sheet for the site survey was discussed in the workshop. Survey results were also presented at the workshop after returning to Vietnam by the survey team of the task force and discussed on them for the technology transfer to the other members.</li> </ul>
1-3 Preparation of the policy on non state sectors' participation to port operation of gateway ports	<ul style="list-style-type: none"> <li>● In order to understand the inter-relationship between the policy and concession process, workshops on the comparison of related contracts and regulations of other countries with the Cai Lan Port lease contract, points of improvement were discussed through various number of workshops and compiled the results in the draft paper "Policy on Non State Sectors' Participation to Operation of Gateway Ports at the end of the 2<sup>nd</sup> year operation of the Project.</li> </ul>
1-4 Analysis of the logistic system related to Cai Mep – Thi Vai Port based on the cargo traffic survey as a model case.	<ul style="list-style-type: none"> <li>● For the implementation of the traffic survey, Experts presented text on the purpose, methodology and specification of the survey and discussion with the task force team was conducted in the workshop. As to the survey results, analyses by the Experts, by the task force team and by the consultant were presented and discussed in the workshop as OJT.</li> </ul>
1-5 Analysis of the market and competitive environment of Cai Mep – Thi Vai Port as a model case	
1-6 Preparation of the plan for the promotion of Cai Mep-Thi Vai Port as a model case	<ul style="list-style-type: none"> <li>● Several times of workshops were held among VINAMARINE's taskforce members and JICA expert team, and through discussions in workshops and OJT, collaborative work was implemented, targeting preparation of the draft plan for promotion of Cai Mep-Thi Vai Port, as a model case. This activity consists of understanding of present situation of SFEA ports (south economic focal area), review and revising of</li> </ul>

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	<p>existing cargo demand forecast, understanding of recent situation of SFEA ports among major Asian ports, review of seaport development plans or projects in the area, and so on. During these activities, VINAMARINE's taskforce members could take full advantage of the results cargo traffic survey including OD survey and knowledge or information obtained in the previous activities implemented in the first quarter (a.1.1, a.1.2, a.1.4, a.1.5, etc.), under JICA expert team's support. In parallel with these activities, lecture on the methodology of SWOT Analysis was also given to VINAMARINE's taskforce members, in order to prepare for the work to find promotion strategies utilizing SWOT Matrix. Workshops held in the latter half of this period were spent for discussion about promotion strategies for gateway ports and Cai Mep-Thi Vai ports as a model case based on understanding and fact finding through the parallel activities mentioned above. As the output of this activity, the Draft Plan for the Promotion of Gateway Ports in Vietnam was prepared. This output is divided into two parts and includes a general idea for promotion plan for gateway ports in Vietnam and the draft plan for promotion of Cai Mep-Thi Vai Port as a model case.</p>
1-7 Seminars are held to make a presentation on the plan for the promotion of Cai Mep-Thi Vai Port as a model case.	<ul style="list-style-type: none"> <li>Based on the output of activity (a.1.6), two seminars in both of Hanoi (9<sup>th</sup> March 2006) and HCMC (13<sup>th</sup> March 2006) are to be held by VINAMARINE under the support of JICA expert team. In both seminars, main part of the output is to be presented by VINAMARINE and supplemental presentation is to be done by JICA expert team. In each of two seminars, around 60 persons are expected to participate from various organizations related to maritime activities.</li> </ul>
1-8 Monitoring of the enhancement of the executive capacity on the promotion of gateway ports and the introduction of non state sectors' participation to the ports	<ul style="list-style-type: none"> <li>Monitoring work was conducted through Q and A at the seminar and homework and executive committee considered the level of the capacity in the preparation of promotion strategy was satisfactory, leaving the actual implementation capacity unknown.</li> </ul>
<b>Output 2:</b> VINAMARINE drafts and proposes the redefinition of the roles (authorities, powers, etc) on port management and operation among government agencies, other public sectors and private sector to promote the non state sectors' participation to the operation of gateway ports.	<ul style="list-style-type: none"> <li>Draft Guideline for the Public Private Partnership on Port Management and Operation</li> </ul>
2-1 Setting up a task force	<ul style="list-style-type: none"> <li>As for Vietnamese counterparts, based on the first year PO, qualification necessary as the member of the task force team was discussed with the chairman and vice chairman of VINAMARINE and task force team was established as in the attached list. As the progress of the workshop, considering the importance of the Project, Vice Minister of MOT and the Chairman of VINAMARINE enforced the task force team as in the attached list.</li> </ul>
2-2 Identification of the problems of the economical and technical regulation on port management and operation	<ul style="list-style-type: none"> <li>In order to transfer the knowledge and technology on purpose and method of economic and technical regulation on the port management and operation, workshops including lectures by the Experts and Q &amp; A with the task force team were conducted. In order to evaluate the level of knowledge acquirement by the task force team, homework on the analysis of Prime Minister's Decision-228 on Cai Lan Port Leasing System was assigned to each member of the task force. As the results of analysis of answer to the homework, Experts gave a supplementary lecture on port economics under market oriented economy focusing on the basic theory on port operation and competition under the market oriented economy as well as lecture on the</li> </ul>



	<p>samples of provisions of contracts on the technical and economic regulation and discussion on the applicability in Vietnam was conducted. In order for the task force team to deeply understand relation of series of workshops with their mission (Mission Profiling and Program Management), lecture on the usage of texts and process of training was conducted.</p>
2-3 Analysis of the regulations on non state sectors' participation to port operation	<ul style="list-style-type: none"> <li>● Workshops on the purpose and process of regulatory and institutional reform, general approach for drafting a port law and terms of reference and specification for sub-contracting the works to analyze the related laws and regulations to the local lawyer were conducted for the task force team to analyze the related laws and regulations which potentially impede the non-state sectors' participation to the port operation. The analysis on the related laws and regulations were conducted by task force team jointly with the local lawyer as a part of OJT.</li> </ul>
2-4 Review of the roles on port management and operation between port management body and non state sectors of other international gateway ports in Asia	<ul style="list-style-type: none"> <li>● Analysis on the demarcation of roles on port management and operation between port management body and non-state sectors in Thailand and Indonesia was conducted through interviews and collection of data as a part of OJT in conjunction with the activity a.1.2. Reports on the results of analysis were presented in the workshops and discussed to transfer the technology to the other member of task force under the guidance of the Experts.</li> </ul>
2-5 Analysis of the risks of the non state sectors' participation to port operation	<ul style="list-style-type: none"> <li>● In order for the task force team to understand the basic idea on management of risks and risks themselves raised in the public and private partnership for port project, lectures and workshops by the Experts were conducted and as an exercise, discussions on whether the risk allocation and countermeasures for oversight of technical and economic regulation are properly arranged in the Cai Lan Lease Contract were conducted. In order for the task force team to understand how is the allocation of risks reflected in the economic risks, and how to analyze the effect of the economic risks, basic method of financial analysis and cost identification for the proper allocation of cost burden between port management body and non-state sector operator was lectured prior to the second year program. Homework on the analyses of technical and economic regulation and risks involved in the Cai Lan Port Leasing System was assigned to the task force team as a whole considering the importance of acquiring basic knowledge on these issues for the redefinition of roles necessary for the promotion of non-state sectors' participation to the port operation. Comparative study between various risks which have been examined during the analysis work of a.2.4 conducted by VINAMARINE in the 1st quarter of the first year and current situation of the port and maritime sector in Vietnam were carried out, the risks to be arisen in Vietnam were identified and then the C/P obtained enough knowledge of how the risks are decreased or increased depending upon the details and affects of the risks, the provisions of the contract and regulations. Based upon the general concept of the risks and case examples of concession contracts provided by Experts, the C/P extracted the specific risks in Vietnam and improved their understanding on the risks through the discussion with Experts in the form of the workshop. Consequently, the C/P was able to prepare accordingly the draft redefinition of the authorities and powers on the port management and operation in the activities of a.2.8.</li> </ul>
2-6 Analysis of cost sharing between port management body and non state sectors	<ul style="list-style-type: none"> <li>● In the way of the cost sharing between the port management body and the port terminal operator, the</li> </ul>

	<p>financial burden to the operator may vary depending upon the magnitude and type of the underlying risks contained in the port to be equitized, which was analyzed in a.2.5. Therefore, this analysis was carried out in conjunction with "the risks and the costs" and "the protection of the Public Interest" conducted by the government and port management body. The C/P acquired the concept of the cost sharing through comparing the samples provided by Experts, the financing model cases and the current cases in Vietnam (VICT, Cai Lan Port, Cai Mep – Thi Vai Port, etc.), analyzing the pros and cons of each case and having discussion with the Experts at the workshops with regard to the following subjects;</p> <ul style="list-style-type: none"> <li>➤ Appropriate roles among the port terminal operators including non state sectors and the port management body</li> <li>➤ Appropriate redefinition of authorities and powers for port management and operation</li> <li>➤ Preparation of the draft guideline for the Public Private Partnership on port management and operation</li> <li>➤ Cost sharing necessary for preparing the policy to promote the non state sectors' participation to Cai Mep – Thi Vai Port as a model case</li> <li>➤ Responsibilities and authorities of the port management body and the port terminal operators including non state sectors and risk management method employed due to arising from the cost sharing method</li> </ul>
2-7 Comparison with some alternative plans for the redefinition of authorities and their powers for port management and operation among port management body and non state sectors	<ul style="list-style-type: none"> <li>● The C/P conducted the comparison analysis on the authorities and powers for port management and operation among port management body and port terminal operators including non state sectors taking account of the following ; <ul style="list-style-type: none"> <li>➤ Port management model, such as landlord port, service port, tool port, etc.</li> <li>➤ Issues involving public interest oversight and mechanism to protect the public interest</li> <li>➤ Technical and economic regulations</li> <li>➤ Institutional framework for the central government, port management body and port terminal operators</li> <li>➤ Roles of the central government, port management body and port terminal operators</li> </ul> </li> </ul> <p>Case example analysis of the demarcation of authorities and powers of the central government, port management body and port terminal operators for the management and operation of the port in El Salvador, Thailand, Indonesia and Malaysia was conducted by the C/P. The C/P summed up the results of the comparative analysis of the pros and cons on the draft alternative plans through discussion with Experts at the workshop.</p>
2-8 Preparation appropriate plan for the redefinition of authorities and powers	<ul style="list-style-type: none"> <li>● Based upon the outputs on the alternative plans from a.2.2, a.2.3, a.3.1, a.2.4 and a.2.7, the appropriate draft plan for the redefinition of authorities and powers of each government agency concerned, port management body, SOE and non state sectors was prepared. The redefinition above was premised on the port management and operation at the public ports, therefore, the evaluation criteria included the protection of the Public Interest, securement of fairness and transparency, keeping the operation efficiency and conflict of interest not to be taken place among each party concerned on the authorities and responsibilities. This activity is the most important and fundamental to the successful contract to introduce the non state sectors' participation to Cai Mep – Thi Vai Port (as a model case) operation, which is one of the most important issues in this project, and requires the wide range of knowledge and experiences on port</li> </ul>



	privatization. The C/P carried out the work together with Experts and mastered the skills and knowledge through OJT.
2-9 Preparation of the guideline for the Public Private Partnership on port management and operation	<ul style="list-style-type: none"> <li>This activity was carried out based upon the examination results of a.3.3 Preparation of the regulatory framework (approval and license, transaction, etc.) to promote non state sectors' participation to the port operation and a.1.6 Preparation of the Plan for formulation of the strategy for the promotion of Cai Mep – Thi Vai Port as a model case. The main items of this draft guideline included the principle of regulations, the principle of interaction between the port management body and port and maritime community of the all sectors, the principle of public infrastructures pricing, the principle on human resource development, the principle of the contract management, etc.</li> </ul>
2-10 Preparation of the article and institutional plan of the Cai Mep- Thi Vai Port management body as a model case	<ul style="list-style-type: none"> <li>The draft article and institutional plan of Cai Mep – Thi Vai Port as a model case was prepared based upon the current situation and the forecast of Cai Mep – Thi Vai Port on the fundamental requirements of the port management body and aspects shown in the draft guideline for the Public Private Partnership on port management and operation.</li> </ul>
2-11 Monitoring of the enhancement of the executive capacity on port management to realize Public Private Partnership	<ul style="list-style-type: none"> <li>Monitoring work was conducted through the evaluation of homework and discussion between JICA experts and taskforce.</li> </ul>
2-12 Monitoring of the progress on the establishment of the Cai Mep-Thi Vai port management body as a model case	<ul style="list-style-type: none"> <li>Because of the delay in the construction work of Cai Mep-Thi Vai port, need for establishment of PMB has not been acknowledged by the higher authority of Vietnam Government. It is expected to be established just before the opening of these terminals.</li> </ul>
<b>Output 3: VINAMARINE prepares the draft regulatory framework to promote non state sectors' participation to port operation.</b>	<ul style="list-style-type: none"> <li>Decree 71/2006/ND-CP on management of maritime channels and seaports</li> <li>Decision No.57/2005/QĐ-BGTVT regarding organizations and operation of Maritime Administration Agencies</li> <li>Draft Decree on management and operation of seaport infrastructure</li> </ul>
3-1 Analysis of regulations on non state sectors' participation to the operation/management of Infrastructures	<ul style="list-style-type: none"> <li>Workshops and lectures were conducted on the purpose and method of analysis on regulations on non-state sectors' participation to the operation/management of infrastructure and terms of reference for subcontracting the work. Interim results of the analysis was reported by the local lawyer in the workshop and lecture was given to the task force team by the Experts on method of analysis using sample of Cai Lan Port Leasing. Identification of current situation of addition and amendment of related laws and regulations implemented by the Government to meet the requirement of participation to the WTO.</li> </ul>
3-2 Analysis of the regulations on port labor	<ul style="list-style-type: none"> <li>Workshops were held for giving lectures to the task force team on the purpose and method to analyze the regulations and norms on port labor in Vietnam and to formulate the terms of reference and specifications for the subcontracting work. Workshop was also held for the discussion of the survey results.</li> </ul>
3-3 Preparation of the regulatory framework (approval and license, transaction etc) to promote non state sectors' participation	<ul style="list-style-type: none"> <li>The C/P together with the Experts reviewed laws and regulations concerned, such as corporate law, regulation for fair competition, tax regulations, regulation for foreign currency restrictions, regulation for dividend income tax and limitation, regulation for environment protection, police law, regulations for concession and asset holding, tariff code, etc. Upon</li> </ul>