

TERMS OF REFERENCE (TOR)

A call for proposal to provide consulting service by any interested consulting firms operating in Vietnam to conduct an assessment on business integrity among 30 listed companies in HCM and HN based on the Vietnam Business Integrity Index – VBII

I. Background

Vietnam has been stepping up its commitment and efforts to fight corruption. In addition to cracking down on major cases, the Party and State have gradually improved the legal framework on anti-corruption. Vietnam passed a revised Anti-Corruption Law in November 2018, which has been expanded its scope to include the private sector. Additionally, in order to deal with the situation of "petty corruption", on September 24, 2019, the Prime Minister issued Directive 10/CT-TTg on strengthening anti-corruption and preventing harassment and causing trouble for citizens and enterprises in doing business.

In the new law, the requirement of transparency in corporate governance is an important issue in the operation of enterprises in Vietnam, especially for listed enterprises, public joint stock enterprises, and State-owned enterprises. These businesses are subject to stricter requirements for transparency, including disclosure of both financial and non-financial information. However, disclosure by such enterprises is still very limited. According to the ASEAN Corporate Governance Scorecard, since 2011, listed companies on the Vietnam stock market still show poor quality of governance and a failure to meet the standards that ASEAN aims for. In the period 2017 - 2018, the average governance score in Vietnam reached 41.3 points, a significant increase from the starting level of 28.42 points in 2012. However, it was low if compared with the average score of the whole ASEAN region which is 71.01 points. Minority shareholders and the public often lack information to monitor the activities of these enterprises, leading to a large gap in the quality of governance in the country. (<https://www.theacmf.org/images/downloads/pdf/asean-cgscorecard-2019.pdf>)

Companies' disclosure, transparency, corporate integrity policies have a direct impact on the level of businesses integrity more broadly in the market. In fact, businesses are increasingly realizing the value and benefits of business integrity. The experience of many businesses that have put business integrity first shows that they have benefited from the attention and appreciation of investors, suppliers, buyers or customers. This is a clear, proven advantage for those companies wanting to access international markets and participate in global supply chains.

The Office for Business Sustainable Development (SDforB) is an independent departmental level operating as per dependent account regime under the Vietnam Chamber of Commerce and Industry (VCCI) has been implementing the Project titled: Vietnam Business Integrity Network – VBIN, a component of UNDP's regional project "Promoting a fair business environment in ASEAN" to promote business integrity in Vietnam. SDforB in collaboration with UNDP Vietnam has just developed "The Vietnam Business Integrity Index -VBII" - a simple and easy tool to use to assess how companies perform in terms of business integrity, transparency, and information disclosure. It is referenced to Vietnam regulations, global standards and international best practices that is applicable to the Vietnam context. The Index will help to:

- Create an objective and reliable tool that can measure the performance and assist the process of continuous improvement by participating companies

- Recognize and highlights integrity-related issues in participating companies
- Measures and monitors compliance
- Encourage companies to develop effective compliance and integrity programmes
- Provide information to stakeholders on compliance standards and integrity culture
- Encourage businesses to actively disclosure information on governance, business integrity policies and relevant initiatives, etc.
- Encourage commitment to integrity of participating companies' staff and management
- Provide useful data to policy makers, researchers, activists, and other stakeholders working on the business integrity agenda.

SDforB would like to invite any interested consulting firms operating in Vietnam to submit proposal to implement the following assignment to conduct an assessment to evaluate the level of business integrity conduct among 30 listed companies in HCM and HN based on the Vietnam Business Integrity Index – VBII.

II. Scope of work

A qualified and experienced consultancy/organization, herein after called the Contractor, will be selected through evaluation of 3 submitted competitive proposals of 3 different firms to conduct this assessment.

The assignment will cover the following:

- Most updated data base is asked to buy from HCM stock exchange and HNX (around 300 listed companies with full contact to be provided).
- Send out questionnaire which is reformatted by UNDP regional expert to those 300 listed companies (10% of 300 listed companies is expected to answer the questionnaire).
- Phone call to follow up and remind to answer the questionnaire and further explanation about VBII online platform if any.
- Desk research through publicly accessible means such as company websites included code of conduct, corporate governance reports, annual report, sustainability reports of the recent years to collect data
- Conduct in-depth interview with at least 20 individual companies and/or a group of businesses
- Develop first draft English report (English priority)
- Revise the first draft report to develop the second draft English report with support from the regional expert (a summary report of a consultation meeting will be produced by the national consulting company/a team leader of a group expert. The team leader will be responsible for attending and presenting the draft report at the online consultation meeting).
- Finalize a summary report and full report in Vietnamese and English with support from the regional expert.
- Prepare presentation with key findings and deliver at a launching workshop.
- Designing layout of assessment report included both Vietnamese and English versions (exclusive printing)

Qualifications of a national consulting firm and/or a group of experts: Any interested national consultancy firms and/or a group of experts could form a team (included a senior technical expert working as a team leader and two technical experts as team members).

- Has provided consulting services to SDforB/VCCI.
- Has provided similar consulting services to UN agencies, or international agencies.
- Holds PhD's degree/MBA degree of Law, Business Administration/economics, or relevant areas with minimum 12 years of relevant professional experience (for team leader); 7 year working experience is required for team members.
- Proven good understanding of business integrity, CSR, ethical business conduct, corporate governance, etc. Good understanding about Vietnam business context.
- Analytical skills, experience in conducting surveys, doing research, and report writing.
- Fluency and proven oral and written skills in English.
- Excellent and proven communication skills with a variety of stakeholders.
- Ability to engage in dialogue with counterparts (businesses, government agencies, development agencies, etc.) on technical issues.

Responsibilities of SDforB and UNDP

- Both of SDforB and UNDP will directly supervise the work of national consultants and take responsibilities for managing the research and survey process, making comments to ensure its quality, publishing and launching the final report on the project website and UNDP website.
- SDforB will provide all logistical and administrative supports if the selected national consulting company/national expert team may require.
- SDforB can require the list of the target businesses, the initial data from the consulting firm/national expert team.
- SDforB will welcome regular inputs and suggestions about the pilot external assessment from UNDP team on an on-going basis.
- SDforB will hold an online technical consultation meeting and invite knowledgeable experts to make further comments on the second draft report before finalization the third version which is considered as the final one to officially launch.
- UNDP regional will send a regional expert to reformat VBII questionnaire with guidance and sent it to VCCI and UNDP Vietnam and provide technical support to not only VCCI, UNDP Vietnam but also national consulting firm/national expert team to finalize English report written by a national consulting company.

Final products submitted by the national consulting firm/national expert team, which will include:

- A set of report to be written in Vietnamese and English including an executive summary and a full report, and annexes of data collection
- Two designed layouts of both reports in Vietnamese and English
- A set presentation of key findings in Vietnamese and English
- Committed to attend the launch workshop to deliver key findings.

III. Criteria for selecting the best offer

Upon the call for proposal, qualified consulting firms are expected to submit both the Technical and Financial Proposals.

Criteria:

No	Criteria	Score
1	o Good understanding of TOR	5

2	<ul style="list-style-type: none"> ○ Proven experience in providing consulting services to SDforB/VCCI. ○ Proven experience in providing similar consulting services to UN agencies and international agencies. 	5
3	<ul style="list-style-type: none"> ○ Proven good understanding of business integrity, CSR, ethical business conduct, corporate governance, etc. Good understanding about Vietnam business context. 	30
4	<ul style="list-style-type: none"> ○ Holds PhD's degree/MBA degree of Law, Business Administration/economics, or relevant areas with minimum 12 years of relevant professional experience (for team leader); 7 year working experience is required for team members. 	15
5	<ul style="list-style-type: none"> ○ Analytical skills, experience in conducting surveys, doing research, and report writing. 	20
6	<ul style="list-style-type: none"> ○ Ability to engage in dialogue with counterparts (businesses, government agencies, development agencies, etc.) on technical issues. ○ Excellent and proven communication skills with a variety of stakeholders. 	15
	<ul style="list-style-type: none"> ○ Fluency and proven oral and written skills in English. 	10
	Total	100

Note: A good proposal will include i) a letter to join the call for proposal, a full technical proposal with budget plan and CVs of expert team.

IV. Deadline to submit required proposal

The proposal is encouraged to submit as soon as possible and not later than **20 September** via email xuandtb@vcci.com.vn. The proposal can be made in Vietnamese and/or English.

This TOR is approved by

Dinh Thi Bich Xuan

Deputy Director General, SDforB

Dated 8 September 2022