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USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES (LINKSME)

SEPTEMBER 2018 – SEPTEMBER 2023 | IESC | PLANNED BUDGET: \$22.1 million

While foreign direct investment in Vietnam has reached historic levels, the spillover benefits to Vietnam's domestic economy have been dampened by the limited supply chain linkages of Vietnamese small and medium enterprises (SMEs). USAID Linkages for Small and Medium Enterprises (LinkSME) aims to address this gap by strengthening the capabilities of the intermediary organizations in Vietnam, such as business associations, export development centers, and SME promotion agencies, in order to facilitate the supplier-buyer relationships between Vietnamese SMEs and lead firms located in Vietnam and expand Vietnamese SMEs' capacity to participate in manufacturing supply chains. USAID LinkSME will enhance the business enabling environment by institutionalizing key reforms and strengthening the legal and regulatory framework for SME growth across the nation. Overall, this project will advance the Indo-Pacific vision of improved economic competitiveness and support USAID/Vietnam's objective of expanding inclusive, market-driven, private sector-led growth.

INTEGRATING VIETNAMESE SMES INTO SUPPLY CHAINS

Successful linkages between capable Vietnamese SMEs and lead firms will serve as the model for replication of buyer-supplier relationships. Lessons learned from successful linkages will inform institutionalization of best practice regulatory reforms. USAID LinkSME's objectives include:

- Promoting institutional reform, streamlining regulations and administrative procedures;
- Improving the capabilities of the intermediary organizations in Vietnam that facilitate the business linkages between SMEs and supply chains and advocate for their members; and
- Enhancing the competitiveness of SMEs, reducing compliance cost, facilitating investment in SMEs, increasing the ease of doing business, and supply chain integration.

EXPECTED RESULTS

USAID LinkSME aims to achieve the following results: (i) Enhanced supply and linkage capability of SMEs and strengthened business linkages between SMEs and lead firms; and (ii) Effective implementation of policies on institutional and administrative procedure reforms and improved business environment.