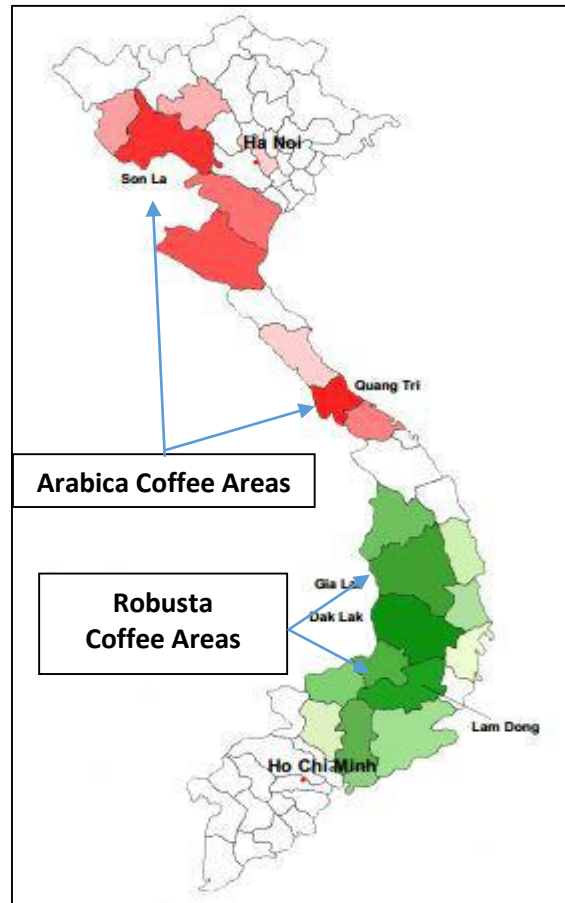


Coffee Quality Institute (CQI) Component: Specialty Coffee & Tourism
VEGA Vietnam SME Proposal

Vietnam has a dynamic coffee sector, ranked second in the world in overall production, and a nascent but important tourism industry. SME development in these two sectors could provide thousands of jobs and create a virtuous cycle of economic growth based on expanded access to high value markets, greater availability of financing and improved skills development.

The Coffee Quality Institute in conjunction with VEGA proposes creating a business-to-business specialty coffee marketing platform directly linked to the local private sector that supports (1) capacity building in producing, processing and marketing specialty grade Arabica and Robusta coffee, (2) linking coffee and tourism sector SMEs to the US specialty coffee industry, and (3) promoting investment by private and non-profit entities in expanding economic development in Vietnam's coffee growing areas. This initiative will include a partnership with select specialty coffee retailers in the United States, Vietnam War veterans' associations and the Vietnam tourism industry.



This initiative will build on CQI's proven model for developing high quality coffee production and marketing capacity that includes working the entire coffee value chain from production to retail sales to create unique market characteristics and higher value for Arabica and Robusta coffees. A key aspect of the marketing campaign would be to increase returns to Vietnamese coffee sector SMEs (smallholder farmers, production and marketing associations, etc.) by connecting them to the "nostalgia tourism" market that has seen an upward trend in recent years.¹ VEGA working with Vietnam Veterans Association and other veteran affiliated groups will promote "reconciliation and renovation" tours that are linked to coffee sector production, processing and marketing initiatives. The following program will be put in place to Qang Tri and Son La areas which are primarily Arabica coffee production areas: (1) SME Identification and Strengthening (production, processing and marketing); (2) Promoting US specialty coffee market links with Vietnam veteran groups to promote "healing tourism" to Vietnam (many of the battle sites including one of the most famous – Khe San – are in Arabica coffee growing areas); and (3) promote long term linkages for coffee and tourism to local SMEs.

¹ Based on the return of Vietnam War veterans to areas in which they formally served – see <http://www.csmonitor.com/USA/Society/2013/1110/Why-US-veterans-are-returning-to-Vietnam>

RFI – SME Program - USAID Vietnam

The project is expected to extend from June 1, 2017 over an approximate 4-year period, with funding between US \$4-6 million, subject to performance and the availability of funds. USAID may also seek Global Development Alliance (GDA) partners to contribute funding and other sources of assistance to the project. SME access to markets, information, capital, land, and other inputs is limited, which negatively impacts the country's performance on inclusive growth and poverty reduction. Consequently, SMEs have neither been central contributors to nor primary beneficiaries from Vietnam's extraordinary GDP growth of the past ten years, which has principally been driven by exports. USAID will help Foreign Invested Enterprises (FIEs) and offshore buyers procure and source locally simultaneous to building the capacity of potential SME suppliers to grow the number of goods and services purchased in Vietnam by those FIEs.

This program is expected to help SMEs increase revenues through exports or transactions with companies that already export, leading to more robust and inclusive export-led growth in Vietnam, and ultimately contributing to USAID/Vietnam's overarching goal to support Vietnam's transformation into a responsible, more inclusive partner. Through wider availability of information on market opportunities, investment funding, and skills training, SMEs will be able to do more invest, build capacity, and develop expanded business relationships with FIEs.

The proposed activity has three objectives: (1) market access, (2) access to finance, and (3) skills development. The project will approach these objectives by linking existing and potential sources of (FIE or other) demand for products and services to the SME sector through a business-to-business (B2B) platform directly linked to the country's foreign chambers of commerce and domestic business associations. Support could include (1) a matchmaker role, (2) capacity building in business management, operations, marketing, and law, and (3) investment promotion.

USAID is interested in gathering information on the following specific questions:

Assessment of market and barriers: What is the current capacity and potential capacity of SMEs in Vietnam to export, integrate with FIE supply chains, or supply FIE procurement needs? Is it accurate to assess that information gaps, access to finance, operational capacity, and quality are the significant barriers to such transactions? What areas specifically should USAID focus its resources to have maximum impacts on SMEs?

Targeting: Which sectors and sub-sectors hold the most promise for an activity focused on supply chain integration and/or procurement? What is the potential for this project to simultaneously maximize FIE-SME transactions and improve livelihoods for women and/or vulnerable population entrepreneurs? [Maybe: Is there a geographic region where it would make sense to focus our SME activities?]

Implementing mechanism: USAID intends to incorporate public-private partnerships and sub-grants into this activity which would draw upon private sector skills and leverage resources; what types of partnerships and partner roles would be most effective under such an arrangement, and what kind of implementing mechanism should this project utilize? Who are USAID's potential private sector partners under this activity?

Activity outputs: Are the proposed interventions [Outputs 1-3 above] appropriate for this activity's overall objectives?

Coffee Quality Institute (CQI) Capabilities

Processing & Production

CQI provides quality improvement training to increase the quality and value of arabica and robusta coffees through improvements to production and processing practices and techniques. Participants include all levels of the coffee value chain: producers, buyers, wet and dry mill/factory managers, and quality control staff. Trainings focus on understanding best practices for production and agronomic improvements, certification systems, harvest and post-harvest handling, and best processing practices. CQI's processing and production trainings always include practical exercises in issues that affect quality, including the fundamentals which affect quality, cupping protocols and purpose, and other benchmarks for quality improvements.

Cupping & Lab Design

CQI provides all levels of cupping training for producers, traders, processors, and others involved in the coffee value chain. CQI's trainings emphasize practical, hands-on cupping exercises and fundamental knowledge of Specialty Coffee Association of America (SCAA) evaluation standards and protocols. Coffee lab development is targeted toward organizations and facilities with a need to improve their quality control processes and their cupping lab environment. The focus is on assessment and recommendations to improve procedures, environment and equipment. CQI works closely with the SCAA on their Certified Teaching Laboratory Program. In general, a CQI Q Course must be taught in an SCAA certified lab.

Consumption & Roaster Training

Coffee consumption in a coffee producing country can be an important component of a national or regional coffee improvement or marketing program. CQI offers beginner, intermediate or expert level training for baristas, coffee shops, and restaurants as well as roaster training for all size roasting businesses. CQI works closely with SCAA on training standards and frequently employs an assessment/recommendation component to improve this sector at origin, and assists with business development and job creation. This area has a significant level of impact on youth and women working in coffee.

Market & Business Development

Capacity building training in marketing and business development for public and private sector organizations and businesses involved in the coffee sector at origin. This includes industry assessment, development and growth recommendations, strategic planning, and coffee association development.

Why US veterans are returning to Vietnam
Christian Science Monitor

Nearly 40 years after the war, American vets who live in Vietnam are working to foster reconciliation between the two countries, while other former US soldiers are traveling there to find 'closure.'

By Nissa Rhee, Correspondent NOVEMBER 10, 2013

<http://www.csmonitor.com/USA/Society/2013/1110/Why-US-veterans-are-returning-to-Vietnam>

HO CHI MINH CITY, VIETNAM — A photo of Greg Kleven, dated April 1967, shows him posing in front of a tin-roofed hooch, wearing an undershirt so stained it matches the sand beneath his feet. In his right hand, he is holding an M-16 rifle. His shaved head is cocked to the left and he's sticking out his tongue in a half smile.

The 18-year-old enlistee is three months into his tour of Vietnam in a Marine Corps Force Reconnaissance company, a special operations unit similar to the Navy SEALs. He looks brash and ready to take on any Viet Cong who cross his path.

"We had all of the difficult missions," Mr. Kleven recalls. "We blew up bridges and parachuted out of planes. Each patrol was like an individual war." As we talk in his apartment overlooking the Nhieu Loc Canal in Ho Chi Minh City, Vietnam, it's hard to find any trace of that brazen marine in Kleven today. Two decades after leaving Vietnam on a stretcher with a bullet wound to his back, Kleven returned to the country for good in 1991, making him, he says, the first American to live in Ho Chi Minh City after the war.

Today, Kleven's apartment turns into a classroom several times a week when Vietnamese students come to practice their English. Kleven was a trailblazer in Vietnam for English teaching, a field that did not exist when he first returned to the country as a tourist in the 1980s. He and his brother — an Air Force veteran — became the first foreigners granted a government license to teach in Vietnam. His voice can be heard in classrooms across the country on the government's English-language training tapes.

"I wanted to make up for what I had done during the war," Kleven says of his English-teaching career. "I now have a second chance to do things right. I have the chance to be a teacher here instead of a soldier."

Kleven is just one of thousands of American veterans who have returned to Vietnam since the end of one of the most divisive conflicts in American history. In the four decades since the signing of the Paris Peace Accords in 1973, which brought America's direct military involvement in the war to an end, many former soldiers have journeyed there out of curiosity to see a land and people they once fought or to seek closure for a war that continues to weigh on their minds.

While no one knows the precise number of returning vets, most experts put the figure in the tens of thousands. Vietnam Battlefield Tours, just one of dozens of groups that organize trips for former soldiers, estimates it has taken more than 1,000 veterans to the country since the group's founding in 2005. The Vietnamese government says that in recent years more than 400,000 Americans — many of them former military — have visited the country annually.

A few hundred other former soldiers, like Kleven, have moved to Vietnam permanently. Some of these veterans are working alongside their former enemies to address the legacies of the war. They remove unexploded bombs and land mines from old battlefields that are now rice paddies.

They raise money for people who have been diagnosed with disabilities or diseases attributed to exposure to Agent Orange or other herbicides that were sprayed by the United States during the war. And they act as unofficial ambassadors, promoting reconciliation between Americans and Vietnamese as teachers and tour guides.

American veterans have a long tradition of making pilgrimages to their old battlefields. The journeys serve to memorialize the war and to honor those that lost their lives in battle. Vietnam veterans return to the Southeast Asian country for these reasons, too, but also because they have a need to make sense of a war that remains controversial.

"What makes Vietnam veterans different from World War II veterans who go back is that we lost in Vietnam," says Paulette Curtis, an anthropologist at the University of Notre Dame in South Bend, Ind., who has studied the phenomenon of returning vets. "Veterans that go back to Vietnam are reclaiming their place in history, both in a personal and national sense."

While the men who came home from World War II were celebrated as heroes, Vietnam veterans faced an American public that largely did not support the conflict in Southeast Asia. Added to this, American media coverage of Vietnam dropped off almost entirely after the fall of Saigon in 1975, so veterans had a hard time understanding how their role in the war contributed to the country's well-being.

Kleven recalls the confusion he felt after coming home from Vietnam in 1967. "I kept asking myself, why did we go? What was behind it? I never knew the history of it. So I was searching for all of those things."

The quest for answers drove some veterans to return to Vietnam and connect with the Vietnamese in the 1980s. The trips were difficult in those early years.

The US imposed a trade embargo on Vietnam in 1975 and pulled its embassy staff from the country. Before Kleven first returned to Vietnam in 1988 – 15 years after the peace accords – he was warned by the US State Department not to go. Despite these challenges, veterans made up the largest contingent of Americans visiting Vietnam in the 1980s, Ms. Curtis says.

From the beginning, veterans who returned played a role in improving ties between the two countries. In the absence of formal diplomatic ties, Hanoi reached out to returning American veterans to discuss outstanding war issues, such as missing soldiers and Vietnamese children fathered by American troops. While the US government discouraged these discussions – and some veterans felt too hardened by the war to have any interest in symbolically shaking hands – well-known veterans such as Bobby Muller, then president of Vietnam Veterans of America, took Hanoi up on the offer.

"We see our role as providing a bridge to Vietnam, a conduit to dialogue," Mr. Muller was quoted by The New York Times as saying after a 1984 meeting with Vietnamese Foreign Minister Nguyen Co Thach. "Our Government will not talk to them. So we do represent the only channel with which to exchange information."

When President Clinton announced the normalization of diplomatic relations with Vietnam a decade later, he thanked veterans for supporting reconciliation and moving "beyond the haunting and painful past toward finding common ground for the future."

Veterans in Vietnam today are continuing that process and working to address the past on both the grass-roots and diplomatic levels.

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It's a balmy evening and we're sitting amid the Tiki torches and straw umbrellas of a bar in Da Nang, in central Vietnam. Across the street, ocean waves lap against what US soldiers used to call China Beach. The site was home to a US rest and relaxation center during the war, where soldiers could unwind and play volleyball.

Tonight, I can make out the silhouettes of Vietnamese teenagers playing a casual game of soccer under the moonlight. I had planned on meeting only one veteran, but as the night unfolded, more and more joined us. The expatriate community in Da Nang is close, but the group of US veterans living along the beach is tighter still. Bottles of the local Biere Larue are passed around and the men settle in to reminiscing about their first time going back to Vietnam after the war.

"I flew into Hanoi and I had the jitters in my stomach," Marine vet Chuck Palazzo recalls. "I had some bizarre thoughts that I'm in this database and they're going to see that I was a marine. And they're going to take me away. Crazy thoughts. But to the contrary, big smile on the guy's face, they stamped my passport. I'm in."

The men laugh. Their initial fears of facing their former enemies are still vivid, even after years of having Vietnamese friends and wives. They continue to be astonished by Vietnam's ability to forgive American soldiers for what they did during the war.

"For guys that come back today, they're expecting to find sandbags and bunkers, barbed wire and bullets lying around. But rarely do you find that stuff," says Bill Ervin. The Marine vet has been bringing veterans back to Vietnam since the mid-1990s and runs his own travel agency, Bamboo Moon, out of his home near the beach.

The veterans in Da Nang speak of meeting former North Vietnamese soldiers on the street who embrace them as brothers. And they recall a trip they took together not long ago during which a poor family invited them in to share a meal of coconut worms.

It's clear they feel at home in Vietnam, despite the lingering memories of war.

"I tell people that I was born in Vietnam," Suel Jones, the oldest veteran at the table, tells me. "And they say 'what?' Yeah, I was born here in 1968. Because upon my arrival here every breath I've ever had since has been affected by it in some way or another. Everything I've ever done since leaving Vietnam has been affected by my time here."

Mr. Jones received two Purple Hearts, first for being shot and later for being wounded by mortar fire in Vietnam, but the mental injury he sustained was far more serious. For 30 years he suffered from what

was diagnosed as post-traumatic stress disorder (PTSD) and wandered the US, unable to hold a job or make friends. When he finally settled down it was in a cabin in Alaska 60 miles from the nearest town.

In 1995, he traveled to Seattle and underwent a month-long PTSD treatment program at a Veterans Administration hospital. It was during that program he decided to return to Vietnam.

"I was a bush marine and we spent all of our time in the DMZ [demilitarized zone]," Jones says. "I never saw a city. I never saw a Vietnamese that I wasn't shooting at or who wasn't shooting at me. And I knew nothing, absolutely nothing about this country. So I thought, it's time to go back and at least see where in the hell I fought and what the hell happened."

Jones and Mr. Palazzo now live in Da Nang and help run Veterans for Peace's first overseas chapter. Through the organization, they arrange tours for US veterans who are interested in returning to Vietnam and learning more about the legacies of the war. They also spend time visiting those who were exposed to Agent Orange and raising money for the Da Nang Association for Victims of Agent Orange/Dioxin (DAVA), which provides assistance to families in central Vietnam.

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One morning, I drive with Phan Thanh Tien, the vice president of DAVA, to the home of a former Vietnamese soldier whose grandchildren have been affected by dioxin. The house is deep in the countryside in Hoa Vang District, far from the hospitals and markets in downtown Da Nang. We climb a dirt path up a hill to reach the house and pass a cow, munching among the palm trees, that DAVA has given the family.

The house is humble – just a few rooms – and like many Vietnamese homes it lacks a front wall, so the breezes flow through the house freely. Chickens and dogs play in the front yard.

The patriarch of the family, Le Van Dan, is 68 years old. He was a driver for the South Vietnamese Army during the war, a role he says the military forced him to take on. His wife pours me tea while one of his grandsons examines my notebook and pen.

He is 15 years old, but his developmental disabilities make him look much younger. A second grandson lies motionless on a bed in the other room. His legs are skinny and unable to keep him upright. When I speak to him, his eyes move, but he doesn't say a word. They tell me that he can't understand.

Mr. Dan remembers seeing the white clouds of herbicide being sprayed by US planes a few miles from his home during the war. He thought it was water at the time. American veteran Palazzo remembers those clouds, too. He served as a reconnaissance specialist not far from Dan's house and was told by his commanding officer that the chemical being sprayed was pesticide. But something about the manure-smelling chemical didn't make sense.

"I paid more attention and I realized that this stuff is wilting the leaves, and the trees are just crumbling down," Palazzo recalls. "Mosquito repellent doesn't do this."

The US sprayed nearly 20 million gallons of herbicides in Vietnam, Laos, and Cambodia as part of Operation Ranch Hand during the war against North Vietnam. Of these herbicides, Agent Orange is the

most deadly. The chemical contains a large amount of dioxin, a toxic compound that takes centuries to break down.

Since 1991, the US Department of Veterans Affairs has recognized that exposure to dioxin can cause certain cancers, diseases, and birth defects. American veterans who served in the Vietnam War and have conditions linked to dioxin exposure can receive medical benefits and disability compensation from the US government.

But Hanoi has long complained that the 4.8 million Vietnamese that it estimates were exposed to dioxin during the war have not received equivalent benefits from Washington. Moreover, the former US bases where herbicides were once stored, mixed, and loaded into planes have not been properly cleaned. Researchers at the Vietnam Public Health Association estimate that 90 percent of new dioxin poisoning cases occurring today in Vietnam are due to the consumption of food and water contaminated by dioxin that has leaked out of bases abandoned by the US four decades ago.

The lack of response by the US government is largely what fueled Palazzo's decision to return to Vietnam and address the outstanding legacies of the war.

"I felt a tremendous amount of guilt," Palazzo says. "While I was in Vietnam during the war I had a dream. It stuck in my mind for years that I wanted to come back, and I wanted to do something positive after all of the destruction that we did. So years later, the time was right and I decided to return."

Last year, Palazzo visited Dan's family with a group of Americans in Vietnam for the annual Veterans for Peace tour. Dan was moved by the meeting.

"It encouraged us and gave us the strength to continue taking care of our grandchildren," he says. "If the US veterans did not come back to Vietnam they would not understand what happened here and wouldn't sympathize with us. It's very, very important for the Vietnamese to see and hear from American veterans."

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The effects of such sympathy are often most visible at the local level, in the new schools veterans have built and the freight containers full of wheelchairs they have donated to hospitals and orphanages. Yet the work of American veterans in Vietnam can be felt at the diplomatic level as well.

After years of campaigning by activist veterans, the US began removing dioxin from the soil of a former US airport in Da Nang in 2012. The project involves digging up contaminated soil and heating it to high temperatures to destroy the toxin. The US Agency for International Development estimates that 73,000 cubic meters of soil will be remediated at the airport, enough to fill 29 Olympic-size swimming pools.

"The US would have been much too ready to totally ignore land mines, unexploded ordnance, Agent Orange, and the tragic legacy of the war if we had let them," says Chuck Searcy, a US Army veteran who has lived in Hanoi since relations were normalized in 1995. "But because of the presence here of veterans and our attention to those issues, the US has had to be accountable for those things."

Mr. Searcy has seen firsthand the power of veterans to encourage reconciliation through his work on land mines and unexploded ordnance. The US dropped an estimated 7.8 million tons of ammunition on

Southeast Asia during the war, more than it used on both Germany and Japan during World War II. Bombs that failed to detonate on impact became de facto land mines. The Vietnamese government estimates that more than 100,000 people have been killed or injured by unexploded ordnance since the war ended.

Searcy was stationed as an intelligence officer in Saigon during the 1968 Tet Offensive, North Vietnam's largest assault in the war. He returned to Vietnam in the 1990s to serve as the representative for the Washington, D.C.-based Vietnam Veterans of America Foundation and then later helped found Project Renew, a joint Vietnamese-international group that deals with the explosive remnants of war.

Searcy says that his status as a veteran has given him access to people in the Vietnamese military and government that other Americans cannot reach. "When I first met with the Ministry of Defense in 1996, they had never had a meeting with an NGO [nongovernmental organization] before, and they did not deal with NGOs period," Searcy recalls. "The only reason they gave me a meeting, they said, was because I was an American veteran. They said, you know what we suffered through because you suffered the same thing. We're brothers."

This access proved useful a few years later when Searcy helped resolve a disagreement between Washington and Hanoi over a donation of de-mining equipment. The Vietnamese government was concerned about demands attached to the donation, Searcy says, preventing a deal from moving forward. After speaking with his military contacts in Vietnam and in the US, Searcy was able to help bridge the gulf between the parties and bolster Hanoi's confidence in the gift. A multimillion-dollar donation package was signed soon after.

Four decades after the Paris Peace Accords, many of the men who went to Vietnam as teenagers are now in their 60s and 70s. Age is posing new challenges for those living in the Southeast Asian country.

Some American veterans in Vietnam are considering moving back to the US, where they can have access to treatment at VA hospitals and have the support of family members. Others are thinking about winding down their humanitarian projects as the work of fundraising becomes too taxing.

Yet as veterans in Vietnam contemplate leaving, many veterans in the US who are now retired are considering returning to the country for the first time. "Veterans can afford to go to Vietnam now that their kids are gone and they have more free time on their hands," says Ed Stiteler, president of Vietnam Battlefield Tours and a Vietnam veteran himself. "Most of the people we're dealing with have put a lot of thought into going to Vietnam and are looking for closure and healing."

A similar dynamic is also driving many former Vietnamese soldiers back to their own battlefields, increasing the likelihood of chance connections between the former enemies. "Commemorating the war together is one of the most important ways in which veterans are able to work through the past," says Christina Schwenkel, an anthropologist at the University of California, Riverside. "Veterans who meet today in Vietnam are sharing their sorrow and trying to move forward together."

Decades after they first went to war in Vietnam, many of them are finally making peace with the past.

- Nissa Rhee is writing a book about American veterans who have returned to Vietnam to help overcome the legacies of the war, reconcile the past with the present, and turn enemies into friends.