



UNITED NATIONS
VIET NAM



EXECUTIVE SUMMARY

COMMON COUNTRY ANALYSIS 2021

VIET NAM



UN Viet Nam 2020/UN75 Photo: Cao rest Nguyen Thanh Cuong

AUGUST 2021



EXECUTIVE SUMMARY

COMMON COUNTRY ANALYSIS 2021

VIET NAM



AUGUST 2021

FOREWORD



Viet Nam, over the last five years, has continued to achieve strong progress across several key development indicators. Most notable are the achievements in poverty reduction which have, for the first time, propelled the country into the high human development category as recorded in the recent United Nations Development Programme (UNDP) Human Development Report 2020.

Globally, Viet Nam is viewed as dynamic and industrious, bearing all the hallmarks of an emerging economy with huge potential to ignite a fourth industrial revolution which is green, inclusive and equitable. Nonetheless, there remain a number of communities that have been left out of this rapid ascent into a modern, connected economy. Viet Nam met several of the Millennium Development Goals including MDG 1 on the eradication of extreme hunger and poverty, but the Sustainable Development Goals (SDGs) adopted in 2015 present a much more challenging set of development objectives, spanning a wider and more integrated set of targets.

As a result, Viet Nam will struggle to meet many SDGs by 2030, and thus this report marks a pivotal opportunity to better define the direction and emphasis for the new United Nations Sustainable Development Cooperation Framework (UNSDCF) for 2022-2026, which seeks to help Viet Nam achieve Agenda 2030.

The context in which this Common Country Analysis (CCA) Report was prepared was truly unprecedented. In January 2020, the world had little knowledge of the pandemic that would unfold, unravelling all sense of normalcy known in recent modern times. By the first quarter of 2020 the Novel coronavirus (COVID-19), a term previously mainly familiar to epidemiologists, became a household name shutting down countries, restricting movement, causing deaths in the millions and wreaking havoc on the lives of all, especially the most vulnerable in terms of health and economic security. As of 30 April 2021, COVID-19 had infected more than 150 million people globally and caused 3.2 million deaths.¹ World economic growth has declined by 3.5 per cent² and is not expected to fully recover to pre-pandemic levels any time soon. Equally worrying, the pandemic is expected to plunge up to 150 million people into poverty as a result of the worst recession seen since World War 2.³

In Viet Nam, the pandemic has devastated the lives of many, pushing millions of poor and near-poor further into poverty, mainly due to disruptions in the informal sector which rely on service industries, such as tourism. While Viet Nam has achieved the remarkable feat of lifting millions of Vietnamese out of multi-dimensional poverty over the last decade, there still remains much

1 World Health Organization: <https://covid19.who.int/>

2 International Monetary Fund estimate. See: <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>

3 World Bank, 2020. *COVID-19 to add as Many as 150 Million Extreme Poor by 2021*. Press Release, October 7, 2020. At: <https://www.worldbank.org/en/news/press-release/2020/10/07/covid-19-to-add-as-many-as-150-million-extreme-poor-by-2021#:~:text=The%20COVID%2D19%20pandemic%20is,severity%20of%20the%20economic%20contraction>



work to do. Indeed, this significant challenge has been further compounded by COVID-19 and its aftermath.

The United Nations in Viet Nam's 2021 CCA found that poverty in Viet Nam still disproportionately affects rural Vietnamese – particularly those in the Delta regions and ethnic minority areas. Urban poverty also persists despite rapid modernization and employment opportunities that exist in most cities. Our findings indicate that although being wage poor is the main driver of deprivation among such groups, lack of access to basic services across multiple dimensions – from social protection to connectivity – also serve to keep these communities entrenched in poverty.

Diving deeper, we found that even among the poor there are inequalities. Women, children, poor youth, people with disabilities, elderly women, ethnic minorities, those affected by HIV, LGBTQI Vietnamese, religious minorities and those with multiple intersecting identities among these groups are grossly underserved and deprived of economic opportunities.

Migrants, informal workers, those living in natural disaster-prone areas can also find themselves facing multiple vulnerabilities due to a lack of access to health, education, social protection, housing and digital services. During times of crises or even temporary economic shocks, this can leave them essentially incapacitated, with sometimes a permanent negative impact on their future well-being and economic prospects.

The risks for these vulnerable groups are now increasingly emphasized by climate-related disaster and environmental degradation driven by Viet Nam's burgeoning industries. The health impacts from poor air quality and plastic waste are growing and have the potential to cause another serious public health crisis if not addressed quickly. The rate at which environmental indicators improved during the short period of COVID-19 restrictions in April 2020 shows that with the right policy and regulatory action as well as appropriate investments and political will, reversing the trend of environmental decline is very much possible. Nonetheless, the country will need to get better prepared for the growing triple planetary threats – nature, climate and pollution.

Ensuring that no one is left behind requires broad, whole-of-government and whole-of-society approaches which recognize that conventional policies and strategies have winners and losers. Therefore, it is imperative that Viet Nam capitalizes on its adaptive, industrious and growing population to spur a different more long-term sustainable approach to economic transformation and inclusive development – which puts the redistribution of wealth and opportunities at its centre. It is only when this structural shift has occurred that those left behind will have a chance of breaking through the inter-generational cycle of multi-dimensional poverty and be equipped with the tools they need to fully participate in and benefit from the 2030 Agenda for Sustainable Development.

As the Government of Viet Nam and the United Nations prepare to agree and implement the new UNSDCF 2022-2026, a landscape of challenges loom ahead – punctuated first by the uphill



task of recovery from the pandemic in a green, inclusive manner. Following closely behind is the perennial question of what actions could make a real difference to address widening inequalities as Viet Nam advances towards its development aspirations and goals in 2030 and 2045.

Although the pandemic has exacerbated some of the challenges identified in the CCA, it also presents an unparalleled opportunity for introspection on the development agenda and approach going forward towards 2030, as well as what should now be rethought as top priorities if Viet Nam is to achieve its ambitious vision of becoming a 'high-income developed country by 2045'; as adopted in the 13th Congress of the Communist Party of Viet Nam Resolution in early 2021. Most notably, how can Viet Nam transform whilst ensuring no one is left behind; how can the resilience of Viet Nam's economy be strengthened in an increasingly globalized, interconnected and competitive world, and how can the role of governance and human rights be strengthened to better help support Viet Nam achieve the 2030 Agenda?

The CCA attempts to shed light on these and many other important issues, culminating with an overview of existing critical gaps and opportunities to assist with the formulation of priorities and outcomes for the UNSDCF 2022-2026, by identifying which areas and actions will best accelerate the achievement of multiple SDGs whilst ensuring that the most vulnerable and marginalized people are targeted and supported. The CCA will also signal, for the purpose of formulating the UNSDCF 2022-2026, the areas and issues which the UN will be best placed to support the country in its achievement of Agenda 2030 whilst respecting national ownership of its development pathway.

KAMAL MALHOTRA,

UN Resident Coordinator

Ha Noi, 30 July 2021

TABLE OF CONTENTS



Table of contents	1
List of Abbreviations.....	2
Institutional Context	4
Section 1: Country Context.....	5
Section 2: National Vision and Planning for Achieving the SDGs	8
Section 3: Analysis of SDG Progress and Leaving No One Behind.....	9
Focus area 1: People-Centred Social Development	11
Focus area 2: Nature, Energy and Climate Change	16
Focus Area 3: Economic Transformation Analysis	20
Focus Area 4: Inclusive Participation, Access to Justice and the Rule of Law	25
Cross-cutting themes.....	29
Section 4. Commitments Under International Norms and Standards	32
Section 5. Cross-Boundary, Regional and Sub-Regional Perspectives	33
Section 6. Financing Landscape and Opportunities	35
Section 7. Analysis of Risks That May Affect the Ability to Achieve the SDGs	37
Section 8. The Way Forward to 2030: Gaps , Challenges and Opportunities	39
Endnotes	43

LIST OF ABBREVIATIONS



ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CCA	Common Country Analysis
CEDA	Committee on the Elimination of Discrimination Against Women
CERD	Committee on the Elimination of Racial Discrimination
CESCR	Committee on Economic, Social and Cultural Rights
COVID-19	Coronavirus Disease 2019
CPC	Criminal Procedure Code
CPV	Communist Party of Viet Nam
CRC	Convention on the Rights of the Child
CRPD	Convention on the Rights of Persons with Disabilities
DaO	Delivering as One
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GHG	Green House Gas
GSO	General Statistics Office
HIV	Human Immunodeficiency Virus
ICCPR	International Covenant on Civil and Political Rights
ICT	Information Communications Technology
IR.40	Fourth Industrial Revolution
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer and Intersex
LNOB	Leave No One Behind
MDG	Millennium Development Goal
MDP	Multi-Dimensional Poverty

MOH	Ministry of Health
MOJ	Ministry of Justice
MOLISA	Ministry of Labour, Invalids and Social Affairs
MPSARD	Master Plan on Social Assistance Reform and Development
MPSIR	Master Plan on Social Insurance Reform
MSMEs	Micro, Small- and Medium-sized Enterprise
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
ODA	Official Development Assistance
PWDs	Persons with disabilities
SDG	Sustainable Development Goal
SEDP	Socio-Economic Development Plan
SEDS	Socio-Economic Development Strategy
TIP	Trafficking in Persons
TVET	Technical and Vocational Education and Training
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNSDCF	United Nations Sustainable Development Cooperation Framework
UPR	Universal Periodic Review
USD	United States Dollar
VNR	Voluntary National Review
WASH	Water, Sanitation, and Hygiene
WHO	World Health Organization

INSTITUTIONAL CONTEXT



The UN Common Country Analysis (CCA) is the United Nations (UN) system's independent, impartial, forward-looking analysis of the development situation in-country – in this case Viet Nam – which provides an important input to development of the new United Nations Sustainable Development Cooperation Framework (UNSDCF or CF).

The CCA process began in April 2020 to coincide with development of the national planning frameworks of the Government of Viet Nam, namely the Socio-Economic Development Strategy (SEDS) 2021-2030 and Socio-Economic Development Plan (SEDP) 2021-2025. The SEDS and SEDP were adopted during the 13th Congress of the Communist Party of Viet Nam (CPV) held between 25 January and 1 February 2021.

As part of the CCA process, in November 2020 the UN Country Team (UNCT) and the Resident Coordinator's Office organized a multi-stakeholder consultation on the main draft findings. A total of 41 external stakeholders participated, including government officials, development partners, non-governmental organizations, international non-governmental organizations and local representative groups. The UN in Viet Nam also separately consulted with 14 groups/ organizations working specifically on human rights issues.

This Executive Summary aims to provide an overview of the key findings in the CCA report, focusing on the main critical and strategic issues, particularly those the UN believes could have an accelerant and transformative effect on meeting the SDGs by 2030. This summary closely follows the format of the main report with Section 1 providing the country context, while Section 2 provides an overview of key national planning tools and institutional arrangements for mainstreaming the SDGs into national systems. Section 3 presents the main findings on SDG progress with a Leaving No One Behind (LNOB) focus, while Section 4 summarizes the status of compliance with international, norms and standards. Section 5 outlines the most concerning issues of a cross-boundary, regional and sub-regional nature impacting development in Viet Nam, while Section 6 provides an overview of the financing landscape. Section 7 summarizes the SDG-based multi-dimensional risk analysis, whilst the final section provides an analysis of the key challenges, gaps and opportunities that Viet Nam faces as it seeks to make progress towards achieving the SDGs by 2030.

SECTION 1: COUNTRY CONTEXT



On the political front, Viet Nam started 2020 with high ambitions at global, regional and national levels, as it took on rare twin-responsibilities of being both a rotating non-permanent member of the UN Security Council (2020-2021) and Chair of the Association of Southeast Asian Nations (ASEAN) for 2020. The strong, central, coordinated leadership which characterizes the government's approach to governance was instrumental in Viet Nam taking fast and decisive measures at the onset of COVID-19.

At its 13th Congress from 25 January to 1 February 2021, the CPV elected its new political leadership for the next five years and adopted its resolution, which included the ambitious vision of becoming a 'high-income developed country by 2045'. It also identified major socio-economic development targets for 2021-2025, as well as its orientation for national development for the 2021-2030 period. The National Assembly subsequently convened between 24 March-8 April, and a new government took office from early April 2021.

Political participation is an important area where gender differences emerge. While representation of women in the National Assembly is high by regional standards, there is only one female member of the new Politburo – with indicators revealing less amplification of women's voices in the public sphere or representation in key decision-making roles. Viet Nam also failed to achieve its 2007 target of having 35 per cent of female elected officials by 2020.

Viet Nam's early, proactive and effective response to COVID-19 at the onset of the pandemic has been a noteworthy testament to preparedness, planning and execution of disease prevention and control, with a relatively low number of cases and 37 deaths as of 18 May 2021.¹ The government has already begun implementation of its national vaccination programme, which is expected to accelerate the economic recovery.

A key development for governance in Viet Nam is ongoing public administration reforms which aimed to downsize public service staffing by five million people (10 per cent) by the end of 2020, tackle low productivity in the civil service, harmonize the planning and budgeting process, enhance management of information, improve accountability, reduce corruption and strengthen public financial management.²

In terms of the economy, Viet Nam's growth has been relatively inclusive over the past three decades with widely distributed benefits, shared opportunities and a sharp decline in poverty. This has been accompanied by significant social improvements. Viet Nam's macroeconomic environment has remained relatively stable over the last two decades which provided favourable conditions for business, foreign trade and investment as well as the accumulation of healthy foreign reserves. In 2017, the government undertook a successful fiscal consolidation exercise to reduce public spending and improve the oversight of debt management.

Despite this success, socio-economic development has not occurred equitably enough, with increasing inequalities emerging between provinces recently. Poverty remains prevalent and stubborn in mountainous and ethnic minority areas,³ and the rural and urban poor remain vulnerable to economic shocks and crises. The onset of COVID-19 and the physical distancing measures put in place between March and April 2020 as well as the largely closed international borders have had a serious negative effect on the economy. According to the General Statistics Office (GSO), the gross domestic product (GDP) for 2020 grew by only 2.91 per cent compared to 7.02 per cent in 2019 (despite this being creditable in the COVID-19 context and amongst the highest in the region).⁴ By the second quarter of 2020, it was reported that trade had fallen by 50 per cent (although it quickly rebounded)⁵ and about two million workers had left the labour market, the highest number in the last 10 years.⁶ Of this group, female workers were the most severely affected as were labourers in the services, construction, industry and agricultural sectors.⁷

In addition to making significant strides in economic development, Viet Nam has observed remarkable social improvements, accompanied by a demographic transformation. The provision of basic services (for example health, education and WASH) and accessibility has improved significantly as have household accommodation and living conditions. Health and education services have been enhanced and become more widely accessible, poverty rates have declined significantly and the quality of life has increased overall. However, the country faces major socio-economic challenges and increasing inequalities arising from growing income gaps between social groups and regions, as well as unequal access to inclusive social services, notably in health, nutrition, Water, Sanitation and Hygiene (WASH), social protection, child protection, elderly care and education.

Evidence suggests that Viet Nam's domestic

debt burden, combined with a lack of prioritization of social sector spending, has hindered the government from increasing budget allocation for human development sectors – including those with direct impacts on the well-being of children. In fact, social sector spending has actually reduced. The current social protection system is also weak in terms of public investment and financial sustainability, with millions of vulnerable families and children left out due to its fragmented nature. Social insurance coverage is low, especially among workers in informal employment, the poor, elderly and women. The low coverage of social benefits for children and many other vulnerable groups – such as persons with disabilities (PWDs) and persons affected by HIV, informal workers and the elderly poor – is partly a result of the social assistance system's narrowly defined, fragmented and selected target beneficiaries.

Recognized as one of the world's largest centres of biodiversity, Viet Nam comprises various ecosystems that include terrestrial forest, inland freshwater, and marine and coastal ecosystems. However, Viet Nam is also one of the world's most vulnerable countries to climate change impacts and is ranked the sixth most affected country according to the Global Climate Risk Index 2020.⁸ Large population centres and key agricultural sectors are located on Viet Nam's more than 3,000 kilometres of coastline, which is vulnerable to climate-related risks⁹, including increasing temperatures, sea level rises, saltwater intrusion and more frequent and extreme weather events, leading to material loss and fatalities.¹⁰

Over the past three decades, climate-related disasters in Viet Nam have caused average estimated annual losses of 1-1.5 per cent of GDP¹¹, and an annual average of 430 deaths.¹² In 2020 alone, Viet Nam had to absorb a loss of USD1.7 billion.¹³ The most frequent and damaging natural hazards in Viet Nam are recurrent storms and typhoons, floods, landslides, sea surges, drought, forest fires, heatwaves and cold spells. About 71 per

cent of the population and 59 per cent of the land area are vulnerable to natural hazards, with floods and storms causing the highest number of fatalities and economic damage.¹⁴ The poor, ethnic minority groups, people whose livelihoods are climate-dependent, the elderly, women, children and people with chronic illnesses have the highest levels of vulnerability. Women, especially ethnic minority ones, are highly vulnerable due to their limited access to education and fewer opportunities to participate in non-farm employment.¹⁵

Viet Nam's climate change policies and strategies have led to some progress at national and local levels, leading to some reductions in greenhouse gas (GHG) emissions, enhanced adaptation, and environmental protection. However, Viet Nam's current energy intensity, measured as energy use per unit of GDP, is the

highest of major Southeast Asian economies and without changes to its carbon-intensive growth trajectory, Viet Nam will continue to be a major regional and global GHG emitter. Globally, Viet Nam ranked 25th in terms of GHG emissions based on 2018 data.

As concerns around environment are growing every day, Viet Nam's ability to prepare for a potential triple planetary crisis around nature, climate and pollution deserves urgent serious scrutiny.



SECTION 2: NATIONAL VISION AND PLANNING FOR ACHIEVING THE SDGS



The government's 10-year Socio-Economic Development Strategy (SEDS) for 2011-2021 prioritizes structural reforms, environmental sustainability, social equity and emerging macroeconomic issues. It defines three "breakthrough areas": (i) to develop human resources, science, technology, and innovation, particularly for modern industry, (ii) to improve and raise the quality of socialist-oriented market economy institutions and (iii) further infrastructure development. The Socio-Economic Development Plan (SEDP) for 2016-2020, emphasized the need to accelerate these reforms. There is, therefore, a continuity in the areas prioritized, while government policies remain growth oriented as Viet Nam seeks to achieve industrialized country status by 2045 as indicated in the 13th Party Congress resolution in early 2021.

The key tenets of the new SEDS centre on improving socialist-oriented market economy institutions, developing science, technology, and innovation to improve the productivity and competitiveness of the economy and developing the human resource base to enable IR4.0. The importance of growing the digital economy and maintaining macro-economic stability are highlighted as well as developing infrastructure, and the regional and marine economies. A renewed focus on rural development and maintaining promotion of cultural development along with improving people's material and spiritual life, with a focus on equity, have also been newly introduced.

The effective management and use of natural resources, environmental protection,

climate change action as well as prevention and mitigation of natural disasters is emphasized in the new SEDS. On the governance side, priorities include national security, foreign affairs and international integration, strengthening the rule of law and administrative reform.

After adoption of the 2030 Agenda, Viet Nam developed a National Action Plan in 2017 for implementation.¹⁶ A first Voluntary National Review (VNR) was submitted in June 2018.¹⁷ According to the Sustainable Development Report 2020¹⁸, Viet Nam's SDG index score was 73.8 out of 100 (scale) and higher than the regional average for East and South Asia (67.2). Globally, Viet Nam ranked 49th out of 164 countries in 2020, whereas it was 54th in 2019 and 57th in 2018. The SDG index scores show five out of 17 SDGs are on-track or maintaining SDG achievement for 2030 (SDGs 1, 4, 6, 11 and 13), seven are moderately improving (SDGs 2, 3, 5, 7, 8, 9 and 16). SDGs 15 (life on land) and 17 (partnerships for the goals) are decreasing, while there was insufficient information to determine trends for SDGs 10 (reduced inequalities) and 12 (responsible consumption and production).¹⁹

A five-year SDG review report²⁰ highlights several constraints with respect to implementation of the 2030 Agenda, including a lack of budget for mainstreaming, the need to monitor and build staff capacities, lack of coordination mechanisms between ministries and related agencies as well as limited mobilization of stakeholder participation due to staffing constraints and a lack of awareness.

SECTION 3: ANALYSIS OF SDG PROGRESS AND LEAVING NO ONE BEHIND



UN Viet Nam\2020\UN75 Photo Contest\Nguyen Linh Vinh Quoc

After adoption of the 2030 Agenda, Viet Nam developed a National Action Plan in 2017.²¹ A first Voluntary National Review was completed in June 2018.²² According to the Sustainable Development Report 2020²³, Viet Nam's SDG index score was 73.8 out of 100, higher than the regional average for East and South Asia (67.2). Globally, Viet Nam ranked 49th out of 164 countries, climbing from 57th place in 2018. The SDG index scores show that five out of 17 SDGs are on-track for achievement

by 2030 (SDGs 1, 4, 6, 11 and 13) and seven are moderately improving (SDGs 2, 3, 5, 7, 8, 9 and 16). Progress towards SDG 15 (life on land) and 17 (partnerships for the goals) have hit headwinds, while there was insufficient trend information on SDG 10 (reduced inequalities) and 12 (responsible consumption and production).²⁴

The five-year National SDG review report (2016-2020)²⁵ highlights several constraints



UN Viet Nam\2020\UN75 Photo Contest\Tran Ngoc Anh

with respect to implementation of the 2030 Agenda, including a lack of budget for mainstreaming, the need for monitoring and improving staff capacities, limited coordination mechanisms between ministries and related agencies as well as mobilization of stakeholder participation due to staffing constraints and limited awareness.

As it stands, Viet Nam will struggle to meet many SDGs by 2030, and thus this 2021 CCA report provides a pivotal opportunity to better define the direction and emphasis for the upcoming UNSDCF to ensure no one is left behind and the furthest behind are supported first. Ensuring that no one is left behind requires broad, whole-of-government and whole-of-society approaches which recognize that conventional policies and strategies have winners and losers. Therefore, it is an imperative that Viet Nam capitalizes on its adaptive, industrious and growing population to spur a different approach to economic transformation and inclusive development which puts the redistribution of wealth and opportunities at its centre. It is only when this structural shift has occurred that those left behind will have a chance of breaking through the inter-generational cycle of multi-dimensional poverty and be equipped with the tools they need to fully participate in and benefit from the 2030 Agenda for Sustainable Development.

FOCUS AREA 1: PEOPLE-CENTRED SOCIAL DEVELOPMENT



Multi-dimensional poverty and Human Development

Viet Nam's dramatic reduction in **Multi-Dimensional Poverty** (MDP) since 2015 should be applauded. The Multi-Dimensional Poverty Report 2019 shows that the MDP rate (defined by Viet Nam's national MDP measurements) reduced remarkably from 9 per cent in 2016 to 5.7 per cent in 2019.²⁶ Furthermore, extreme poverty has continued to fall, although more slowly in recent years resulting in an overall reduction of 48.3 percentage points since 1992.²⁷ Unfortunately, this steep decline in poverty and rapid headway in human development indicators has not been matched to the same degree by reducing inequalities.²⁸ The biggest concern is that ethnic minority people experience MDP at a rate approximately two- to three-fold higher than the national average of 6.8 per cent²⁹, as do other vulnerable groups such as children, women, older persons, migrants and PWDs.³⁰

Social protection and Insurance

The Master Plans on Social Insurance Reform (MPSIR) and Social Assistance Reform and Development (MPSARD) 2017-2025 have had limited impact on sufficiently broadening the coverage of social protection and insurance in Viet Nam. According to the Ministry of Labour, Invalids and Social Affairs (MOLISA), by 2019

more than three million people received a monthly social allowance, with cash support and health insurance – but they accounted for just 3.1 per cent of the population.³¹ More specifically, although State investment in social protection has increased, only 31 per cent of the working-age population was covered by social insurance schemes in 2019, less than the 2021 target of 35 per cent.

Weak public resource mobilization and low resource allocation have contributed to Viet Nam’s overall low expenditure on social assistance transfers and social insurance coverage in a heavily fragmented system. Social insurance coverage is also constrained by the system’s narrowly defined selection of beneficiaries³² which inadvertently excludes informal workers, the poor, elderly, women, and many other vulnerable groups, such as PWDs, persons affected by HIV, key populations³³ and informal workers.



Food insecurity, safety, and agricultural production

In general, hunger has decreased over the years for most provinces.³⁴ Nevertheless, **hunger is growing** in the Northwest Mountains and Central Highlands home to high concentrations of ethnic minority communities. In some provinces (Bac Kan, Dak Lak, Ha Giang, Ha Tinh and Tuyen Quang) hunger has increased, while some that eradicated hunger are not able to sustain it. The cause of increasing hunger has been linked to

the growing marginalization of smallholder farmers in agricultural production systems now dominated by large-scale production.

While steps have been taken to address these challenges, access to nutritious and healthy food and diets remains a critical concern for the poor and ethnic minorities, especially children. The issue of food insecurity and hunger has been further exacerbated by climate change, national disasters and COVID-19. Similarly, concerns over food safety have grown due to the overuse of chemicals, weak regulatory capacity for food safety controls and limited awareness of the impacts of unsafe food on public health and the economy.

Land Rights

Another driver of food insecurity is the **tension between agricultural food production and land acquisition** for ‘development purposes’, which has become a looming source of frustration and discontent for conventional land users. Fast urbanization and industrialization across the country has led to widespread acquisition of farmland for industrial zones, export processing zones and real-estate development, especially after the 2013 Land Law. Farmers and ethnic/religious minority groups tend to experience the most severe barriers to land use due to a lack of inclusion during decision-making processes and minimal protection of “land-losing” communities’ interests.

Without adequate safeguards, many women, ethnic and religious minorities and other vulnerable groups who lack secure access to land, capital and technology face adverse effects, including instability resulting from violent land disputes. Likewise, restricted civic space in policy design often limits a fair acknowledgement of customary tenure rights, which can reduce access to land especially during land consolidation processes or industrialization projects.





Health

Viet Nam has achieved **major progress on key health indicators** over the last three decades. Rates on maternal, infant and under-five mortality rates have halved from 20 years ago, and morbidity and mortality of communicable diseases (HIV, Tuberculosis and malaria) have fallen. The government has worked determinedly to strengthen primary healthcare to deliver pro-poor distribution of benefits, but the key challenge now is address health inequalities (barriers to affordable and quality health services), which continue to be a real issue for vulnerable population groups. Ethnic minorities, people in remote and disaster-prone areas, migrants, elderly, women, youth, adolescents, and children from poor households, PWDs as well as those living with HIV and and LGBTQI people all face significant gaps in access to comprehensive healthcare – mainly due to affordability or supply.

Rural and remote populations, the poorest wealth bracket (urban and rural) and ethnic minorities suffer from the highest maternal and child mortality rates and yet have the lowest access to health services. Adolescent fertility and abortion rates are rising among girls – increasing the risk of child poverty. Meanwhile, non-communicable diseases as well as tobacco, narcotics and alcohol use among adult males are becoming more acute.

The health impacts of climate change are also disproportionately experienced by the poor

and vulnerable, especially women, children and the elderly. These are wide and varied, encompassing injuries and deaths, water contamination, infectious diseases, food shortages and mental health problems that arise from climate-induced natural disasters. Furthermore, droughts and heavy rainfall can cause significant reductions in crop yields and productivity of subsistence agriculture, which may lead to malnutrition and micronutrient deficiencies.³⁵

While there are ongoing efforts to enhance access and equitable distribution of benefits, the primary healthcare system remains limited in quality, access, and affordability of services. This is mainly due to a lack of incentives for service delivery at grassroots level, and weak governance and regulations, which overload tertiary and secondary hospitals.

Unexploded Ordnance Survivors and Victims of Agent Orange

The land and people of Viet Nam are still severely affected by **landmines and other unexploded ordnance from wars** which ended many decades ago. Agent Orange is also a remnant from a war which caused and continues to cause devastation and suffering to the present day. The Vietnamese Red Cross estimates that up to three million Vietnamese have suffered health effects from dioxin exposure (dioxin was a key ingredient of Agent Orange used during the American War), of whom at least 150,000 are children with birth defects.³⁶ Many Vietnamese PWDs, survivors of unexploded ordnance and Agent Orange continue to suffer hardship due to a lack of access to basic services and economic opportunities. Women survivors or family members are hard hit, especially if living in rural areas where specialized services are hard to access, or if they are a primary caregiver for a survivor who requires round-the-clock care. The government and charity organizations have made great efforts to

support these survivors. Nevertheless, without a comprehensive and nationwide data collection system, it is difficult to assess the resource requirements as well as quality and accessibility of required services.



Education

Viet Nam has achieved extraordinary **success on many education indicators overall**, most notably achieving almost universal net primary and lower secondary enrolment rates by 2020.³⁷ Likewise, the average years of schooling among the working population has doubled from four in 1990 to eight today.³⁸ Considering this progress, the inequalities that remain in access to education are stark. Gender, geographic location, ethnicity, poverty, disability and migrant status have all been found to act as barriers to education and learning at all levels. Ethnic minority children face the most severe inequalities in this regard, with some groups registering four- to five-fold higher out-of-school rates for 11 to 14-year-olds than the ethnic majority Kinh.³⁹

Among these barriers, however, poverty remains the most determining factor that prevents children from attending school.⁴⁰ Children with disabilities tend to suffer the most and even more so if they are poor and live in geographically remote provinces. The immediate and residual impacts of natural disasters and climate change can also work to limit access to education⁴¹ as can low socio-cultural awareness, which places less priority on the long-term value of education in some communities and cultural norms which

prioritize boys for educational opportunities. On the supply side, inaccessible and unsafe school environments (especially for disabled students), long distances to school with inadequate transportation, a lack of clean water and sanitation facilities, and language barriers for some ethnic minority children remain serious obstacles.

Over time, these issues will keep most of Viet Nam’s labour force locked in unskilled or low-skilled jobs with low productive capacities. Furthermore, although the share of middle and high-skilled jobs is growing fast, the slow expansion of equitable access to vocational and higher education is creating a ‘skills-deficit’, which is further exacerbated by the gender gap in accessing opportunities for skills development. As education is a key pillar of the inclusive economic transformation agenda in Viet Nam, there is an urgent need for targeted policies to address educational bottlenecks for the nation to reach its development targets.



Housing

Over the last decade, Viet Nam has opened the door to **rapid urban housing development**. Today, there is a diversified urban housing stock that is relatively new, offering a good basis for improved housing accessibility but, similar to many fast-growing economies, affordability is an issue. Price-to-income ratios are very high for the lower household income brackets for most types of housing⁴², meaning many urban households struggle to afford even modest modern housing units produced by the formal housing sector. Migrant



families, the poor, elderly and PWDs all face disadvantages in accessing affordable, safe housing not only because of low incomes, but also due to physical accessibility. Controversial policies regarding land acquisitions and compensation practices have been cited as the main driver of the limited supply of land, rising land prices and consequently the lack of affordable housing.⁴³

Infrastructure and Transport

By facilitating the **movement of goods, services and people**, connectivity is a critical driver of inclusive economic growth and reduced spatial disparity and associated poverty across the country. Currently, higher poverty rates are concentrated in ethnic minority-dominated remote areas and mountainous regions. This physical remoteness also means reduced access to infrastructure, services and market opportunities – which inevitably negatively impacts economic outcomes. Ultimately, better connectivity will improve access to more productive off-farm opportunities for jobs.⁴⁴ This also applies to digital connectivity.

Domestic connectivity has improved significantly over the last 20 years. Nevertheless, there is a mismatch between connectivity demand and supply, leading to increasing congestion and reliance on private vehicles which fuel pollution and lower productivity. Mass public transportation options are increasing, but infrastructure design remains limited for PWDs, seniors with compromised mobility and mothers. This leaves them at a disadvantage to access economic opportunities – especially considering the dearth of affordable housing options in urban centres. Road and transportation infrastructure nationwide is highly exposed to hazards and climate change events, which contribute to significant economic losses and heightened reconstruction costs in the aftermath of catastrophic events.



Although Viet Nam is on-track to reach SDG 7 target by 2025⁴⁵ (ensure access to affordable, reliable, sustainable and modern energy for all), almost a third of Viet Nam's population (30 million people comprising mainly the poorest 40 per cent), **rely on solid biomass (fuelwood and agricultural residues) for cooking fuel.**⁴⁶ Household air pollution from burning solid fuels for cooking is a significant cause of premature deaths and respiratory illness, especially among women and children and the use of fuelwoods also adds a work burden on women and children who are usually responsible for finding and transporting firewood or coal. This responsibility (like water collection, see WASH section below) ultimately impacts productivity and learning opportunities for women and children.



Water, Sanitation and Hygiene (WASH)

Overall, **access to basic drinking water and sanitation has increased**⁴⁷, evidenced by the two-fold jump in the number of houses using a private tap between 2008-2018.⁴⁸ Water pipelines are now considered the cleanest and

most secure source for people to use, even in rural areas. Almost 90 per cent of households nationwide now use hygienic toilets.⁴⁹

Despite this progress, a significant proportion of ethnic minority communities are without access to clean water and rely on water sources vulnerable to shocks, disasters, pollution, drought and saltwater intrusion.⁵⁰ Women are mostly responsible for collecting water, which adds to their workload and takes up time that could be used on more productive activities. Open defecation is still prevalent in some rural areas, despite the widespread use of toilets. Where toilets do exist, it is estimated that 94 per cent of rural households use toilets that do not meet hygienic standards.⁵¹

The causes of inequitable access to WASH are numerous. Financing for basic WASH activities has declined sharply over the years, with expenditure now primarily focused on large network systems and supply infrastructure rather than basic drinking water and sanitation, handwashing, and hygiene promotion.⁵² Additionally, ineffective investment in rural water supply, unsustainable schemes and inefficient financing mechanisms for urban water supply are apparent.⁵³

Social Cohesion

Existing inequalities, as well as gaps in employment, social, education and fiscal policies, **may negatively impact social cohesion**. Challenges have been identified in social mobility, access and equity in education (impacting employment prospects), legal and policy gaps in social protection and in promoting income equality, weakening of traditional support networks, social norms impacting adversely on gender equity, risks to fiscal legitimacy and the social contract (through under-reporting of wages by enterprises, or the limited effect of personal income tax) and limits on the right to public participation.⁵⁴ This situation requires efforts across different areas to fill policy gaps that put social cohesion at risk.

FOCUS AREA 2: NATURE, ENERGY AND CLIMATE CHANGE



Climate Action (Climate Change Adaptation and Disaster Resilience)

Viet Nam is **highly vulnerable to climate change**, including intensifying extreme weather events, increasing temperatures, sea level rises, and saltwater intrusion in low-lying areas. Climate change threatens the livelihoods as well as physical and social health of communities and risks unravelling Viet Nam's fragile development progress with the most vulnerable population groups and people taking on the highest burden.

Viet Nam's energy structure not only exacerbates climate change, it has been cited as the main cause of environmental pollution that harms citizen health and livelihoods.⁵⁵ The economy is heavily dependent on fossil fuels, which increases the amount of brown energy imported from other countries and reduces the independence and security of the country's energy sources.⁵⁶

Chronic impacts from climate change, such as saltwater intrusion in low-lying areas of the Mekong Delta, are increasingly affecting cultivation and groundwater in areas where livelihoods and well-being are already precarious. In addition, higher temperatures tend to reduce soil fertility, increase forest fire frequency and generate more energy demand for air-conditioning – increasing overall energy demand. More than 50 million people



UN Viet Nam \2020\UN75 Photo Contest\Le Van Vinh

are at risk of saltwater intrusion in Mekong Delta provinces and along coastal areas due to rising sea levels.⁵⁷ Ethnic minorities, often subsistence farmers, are particularly vulnerable to crop damage from extreme weather events with minimal alternatives to supplement lost incomes. These communities are also already at a considerable disadvantage due to the lack of access to education, infrastructure, transportation, health care and other key services.



While mobile, **environmental migrants** usually experience a loss of social networks,

sources of information and safety nets against financial shocks. Elderly people and PWDs are also acutely affected by climate change, especially due to physical risks posed by sudden-onset extreme weather events. They are also most often unemployed and not able to easily relocate or switch economic activities if livelihoods are disrupted, entrenching them further in the cycle of poverty.

Climate-sensitive diseases, such as dengue fever, malaria, influenza and diarrheal diseases are increasingly impacting people's health and placing pressure on the health sector.⁵⁸ Extreme weather can lead to chronic and non-communicable diseases for the elderly – such as cardiovascular diseases, cancers, diabetes and mental disorders – increasingly prevalent in recent years. Air quality has been fast-declining due to energy intensive economic activities, outdated technology, poor urban planning and infrastructure, and the increasing numbers of cars and motorbikes. Viet Nam's two biggest cities, Ha Noi and Ho Chi Minh City, are now among the 15 most polluted cities in Southeast Asia, which has no doubt led to an increasing number of deaths associated with air pollution – now six times higher than those caused by traffic accidents (60,000 deaths compared to 9,000).⁵⁹

Women, children, the urban poor and informal workers are most at risk from air pollution due to exposure to outside air and lack of access to premises with air filtration. In addition, women often work in informal food preparation businesses with little to no protection from poisonous fumes. Critical policy, regulatory and enforcement failures to monitor and reduce air pollution, work conditions and accommodation standards have left these groups extremely susceptible to the health ravages of air pollution. This also applies to waste management as well as marine and plastic pollution impacts on these groups, as discussed on page 18.

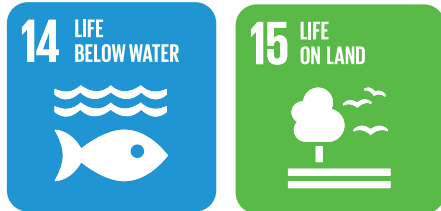
Viet Nam's climate change policies and

strategies have led to some progress, enhanced adaptation and environmental protection. However, progress is slow and does not appear to be keeping up with the more frequent and severe effects of climate change. Institutional and operational capacity as well as planning capabilities act as significant impediments to progressing climate action as does the low levels of climate finance – which is insufficient to tackle the risks.

Energy Transition

Weaning Viet Nam off its fossil fuel dependency also requires much work as its key economic sectors are heavily dependent on fossil fuels, with increasing brown energy imports reducing energy independence and security. By 2025, fossil fuels will likely account for nearly 93 per cent of national commercial primary energy consumption, of which coal will have a 47 per cent share.⁶⁰ With rapidly increasing energy demand and limited domestic supply, Viet Nam is expected to become a net energy importer within the next decade.⁶¹ In terms of investment, the Power Development Plan (PDP8) will require estimated investment of almost USD130 billion for the entire energy system, of which USD95.4 billion is needed for power generation by 2030.⁶²

Although progress in solar power and offshore wind is promising, there is a lack of coherence and coordination in national energy policy, which can address the burden and unnecessary demands on electricity generation and investments. Aggressive energy efficiency measures can also significantly reduce the total capacity required to meet electricity demand. However, current prices of electricity and fuels used by industry do not reflect their environmental and health costs and are generally too low to justify investments in energy efficiency measures. Further work is needed to formulate a long-term energy pricing roadmap as well as strengthen the Law on Energy Efficiency and Conservation.



Environmental Quality: Life Below Water and on Land

Environmental quality in Viet Nam is under increasing pressure from a high population growth rate, rapid urbanization and accelerating industrialization. Moreover, environmental issues – especially air, solid waste and water pollution – have become extremely serious and a preoccupation for communities living on coastlines, in urban areas and close to industrial estates. The current inadequate use of non-renewable energy and natural resources for production and consumption has become a critical concern.

Forest conversion to other land use purposes – such as agricultural and industrial production, and urban expansion – has caused serious declines in forest quality. Together with the abuse of chemicals in agricultural production and climate change, land conversion threatens extinction of plant and animal species, with a projected declines in ecosystem-related services. Insecure land tenure, unclear and potentially conflicting or ill-adapted legal frameworks, poor law enforcement and unclear management and enforcement responsibilities can drive or exacerbate illegality in the forestry sector, such as illegal logging and the timber trade.

Likewise, inland freshwater ecosystems have been narrowed and degraded by infrastructure development and other human activities. Mangroves, coral reefs, seagrass and other coastal wetland habitats have undergone

serious degradation due to aquaculture development. The ongoing unsustainable exploitation and over-extraction of assets such as sand, fisheries and timber could negatively affect the potential for future and long-term growth, as will ongoing degradation of inland freshwater ecosystems as a consequence of infrastructure development and aquaculture development. An increasing number of species in Viet Nam are at risk of extinction and have been added to the Red List of the International Union for the Conservation of Nature (IUCN), while the level of marine and terrestrial protected areas remained low at 2.93 per cent of total territorial areas in 2016-2017.⁶³

Waste Management

Viet Nam generates more than 23 million tonnes of **domestic waste**, seven million tonnes of industrial solid waste and 630,000 tonnes of hazardous waste annually with limited disposal capacity.⁶⁴ E-waste is becoming a growing issue due to domestic production, illegal shipping and dumping from other countries.⁶⁵

A large proportion of waste generated is plastic and due to poor waste management and limited recycling, there is extensive leakage of plastic waste into water and wastewater which has led to widespread marine litter and plastic pollution.⁶⁶ This is visually evident in cities, at sea, rivers, or in rice fields and explains Viet Nam's ranking as the fourth largest contributor to marine plastic pollution globally.⁶⁷

The rural poor, ethnic minorities, women, children and the elderly are most at risk from pollution and exploitation of natural resources due to their reliance on subsistence farming, low access to healthcare and lack of opportunities to advocate for their rights. Coastal communities, in particular, face sexual reproductive health risks from the impact of plastic pollution, compounding existing vulnerabilities from climate change.⁶⁸



UN Viet Nam\2020\UN75 Photo Contest\Doan Ngoc An

FOCUS AREA 3: ECONOMIC TRANSFORMATION ANALYSIS



The orientation of the SEDS (2021-2030) and SEDP (2021-2025) is geared towards addressing risks of the *low middle-income trap* and achieving economic transformation

through a Fourth Industrial Revolution (IR4.0). This strategy aims to increase growth through enhanced productivity, value addition, competitiveness and environmental sustainability rather than exploiting natural resources and cheap, low-skilled labour. There are two main barriers to achieving this goal. The first relates to the COVID-19 pandemic. In 2020, Viet Nam's economy grew by about 3 per cent compared to 7 per cent in 2019 due



to COVID-19. Despite this contraction, a strong trade surplus was recorded, driven primarily by the export of electronic goods (computers and phones) and their parts. Although the economy managed to stay afloat in the short-term, Viet Nam's medium-term recovery is largely dependent on the recovery of external demand, and the long-term fiscal impact of COVID-19 on public finances. The setback, with potentially many years until the country reaches pre-pandemic growth levels, will have an impact on generating sufficient resources to invest in growth-enhancing economic sectors as well as human capital. The second area is the lack of an enabling policy and regulatory environment to bring about IR4.0. This includes the need to design and implement effective strategic frameworks to govern labour, environment and energy use, as well as the use of spatial economics to tackle redistributive gaps driving inequalities experienced by ethnic minorities, women, and the rural poor.

including social protection, which leaves them in conditions of extreme vulnerability during economic shocks. Women are disadvantaged by the gender wage gap which, although closing, is at 12 per cent for formal workers. Women are also disproportionately found in lower paid segments of the labour market, part-time and informal work⁷³ and are still expected to work full-time, whilst undertaking the bulk of unpaid domestic work such as household chores, caring for the elderly and childcare responsibilities. These expectations often begin from childhood and lower opportunities for education, upskilling and career progression.

Rural employment, while high, offers low returns with minimal opportunities to materially improve living standards and reduce chronic poverty, which is almost three times the urban rate. The drivers of this trend are numerous and multi-faceted. However, the placement of industry, manufacturing and services in urban centres (due to agglomeration forces) mean that urban areas attract the most economic opportunities and multi-dimensional poverty (such as poor education, and digital illiteracy) prevalent in rural areas leave dwellers ill-equipped to compete for better paid jobs even if they migrate. This disparity in wages has widened income inequality between urban and rural Vietnamese and will take targeted, strategic economic policies to remedy. The onset of COVID-19 has only heightened this dynamic and had a significant impact on the Vietnamese labour market, affecting already vulnerable households of ethnic minorities, PWDs, informal and migrant worker households as well as females.⁷⁴

Considering the high informality in the labour force and low-wage employment prevalent in rural areas, it is no surprise that productivity across the economy varies so widely. Increasing productivity of domestic private enterprises has been a high priority over the last decade,

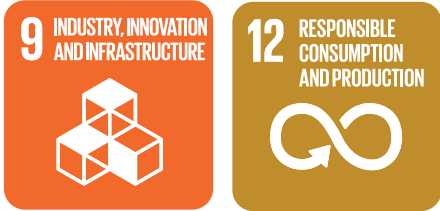


Employment and Productivity

Viet Nam's low unemployment rate of 2.26 per cent⁶⁹ **masks several inequalities in the labour market**, most notably the predominance of informality. It is estimated that 71.4 per cent⁷⁰ of labour market participants are informally employed⁷¹, equivalent to approximately 39 million workers.⁷² These workers experience lower job quality, longer and sporadic working hours, limited access to labour protection legislation,

in which improvements have been seen since 2018. Despite this, and particularly in the context of IR4.0, there remains an insufficient increase in domestic productive capabilities and innovation (to precipitate a bulk shift of labour into manufacturing and eventually services). A less than desirable reduction in time required to achieve competitiveness in higher value-added activities and poor quality FDI that does not generate significant linkages with the domestic economy or encourage technology transfers and diffusion are apparent. Of equal concern is the decline in agricultural productivity which is acting as a drag on attempts to accelerate economic transformation.

Productivity level increases have largely been hindered by regulatory and structural constraints and limited access to finance, particularly for MSMEs, for innovation and investment. Equally as important is the disconnect between FDI firms (which are most productive) and MSMEs. It should also be noted that poor working conditions, which permeate formal and informal labour markets, also have a negative impact on productivity levels. To achieve the level of growth required to become a high-income country, Viet Nam's overall strategy will require a shift from quantity to quality underpinned by the improved efficiency of all capital utilized: private, public, human, and natural resource.⁷⁵



Industrialization and the Green Economy

As discussed under Focus Area 2, Viet Nam's reliance on high energy intensity industries to drive economic growth is becoming increasingly unsustainable on numerous fronts. Though Viet Nam is currently one of the lowest per capita emitters of carbon emissions, CO2 emissions per unit of GDP are high - about double the world average and increasing. Low levels of investment, limited tax incentives, lack of awareness, low and unenforced environmental standards and scarce mandatory energy efficiency practices need to be addressed quickly. While the government has initiated a number of policy actions and innovative efforts to address these constraints to green growth, much more needs to be done, including by the business community, to meaningfully address the quality of economic growth which remains a core development challenge.

The Government of Viet Nam has already formulated and adopted several legislative frameworks encompassing the core principles of the circular economy, such as the Revised Law on Environmental Protection, adoption of more stringent Extended Producer Responsibility, or the NDC recently submitted to the UNFCCC. However, more detailed lower legislation (decisions, circulars) is either missing or could be further streamlined and strengthened to give more operational guidance to actors in the economy on environmental and mechanical, technical

standards. Currently, brown industrialization has outpaced development of the green economy, necessitating urgent mainstreaming of green energy production and the circular economy in future industrial policy design.

Innovation and Digital Transformation

Innovation is critical to increasing productivity, value-addition and competitiveness to achieve economic transformation, especially one which is environmentally sustainable. Multiple support mechanisms have been enacted in Viet Nam to accelerate MSME innovation including a range of programmes and science, technology, and innovation supportive institutions as well as funding and tax incentives to advance local innovation. As a result, Viet Nam has made great strides in harnessing returns from innovation investment, outperforming high-income, oil rich countries (Kuwait, Saudi Arabia and Oman).

Despite these efforts, the type of innovation required for IR4.0 is not widespread yet and is certainly not the main driver of competition in the Vietnamese domestic private sector. Further, limited knowledge and technology transfers from large FDI enterprises to domestic MSMEs contribute to persistence of the so-called 'Two-Speed Economy' which can only be overcome through further collaboration between MSMEs, knowledge-generating institutions, large firms, and the public sector. A note of caution, however, is that supporting technical and innovative advancements alone will be insufficient and needs to be combined with upgrading MSME management, and research and development skills to become better suited and equipped to embark on and manage innovation activities.⁷⁶ More inclusive investment policies, especially in vocational and STEM-oriented education, are also needed to close this gap as education shortcomings reduce employability and access to stable wage jobs with good benefits. Women are already at a disadvantage in this regard as social norms deter their pursuit of education in certain fields required for careers

in engineering, construction, chemistry, medicine and information technology, for example, where innovation is key. Viet Nam will need to realize a marked shift from accumulation to efficiency and innovation if it is to achieve higher levels of income as seen in the Republic of Korea, for example.⁷⁷

The digital economy, a product of innovation in modern times, has almost tripled in size in three years driven by e-commerce and online media.⁷⁸ The rapidly growing sector contributed 4 per cent of GDP in 2018 and is expected to grow rapidly over the next five years.⁷⁹ However, not everybody is benefiting from this trend and although the internet is being increasingly recognized as a 'basic necessity' (especially since the onset of COVID-19), significant gaps still exist between different population groups in terms of ICT readiness (infrastructure, access) and ICT capability (skills).

In 2018, the internet penetration rate and percentage of Vietnamese households with internet access reached 70 and 47 per cent, respectively (although predominantly among young people).⁸⁰ Ethnic minority people customarily inhabit rural and mountainous areas with scant internet infrastructure. Hence, the proportion of ethnic minority households with internet access is significantly lower than the national average, 10 and 15 per cent for La Hu and Brau households, respectively, for example.⁸¹ Meanwhile, the figure for people with disabilities from the lowest wealth bracket is disturbingly low at 0.1 per cent.⁸²

Digital literacy remains low, reflecting a lack of education and readiness to use the internet.⁸³ This is well illustrated by the limited ICT training among lower skilled workers (who comprise the workforce majority), which when combined with low levels of innovation, will work to suppress new, competitive forms of production that are digital, distributed, smart and circular.⁸⁴ This pre-existing digital divide in education and training is more pronounced

than ever, and starts from childhood. Interrupted schooling and the emergence of online learning solutions in crisis contexts excessively impacts those who do not have access to ICT and puts them at risk of falling further behind, for example, through learning loss and even dropping out of school.

On the supply side, Viet Nam still faces challenges, such as improving access to 4G technology and expanding broadband fiber optic networks, particularly for businesses, schools and large institutions. Limited cashless payments, scant regulations on consumer protection, incompatibility of digital payment systems and ensuring secure digital payments for government services are still to be addressed.⁸⁵

Financial Inclusion

Although financial inclusion has improved over the last decade, several gaps are apparent in access to financial services among the poor, low income, social protection beneficiaries, rural residents, agricultural enterprises and MSMEs. Vietnamese living in rural and isolated areas possess low financial literacy and have limited to no access to financial institutions due to high operating costs and a low consumer base. Women, particularly rural ones, are routinely excluded from formal financial services due to a lack of knowledge and familiarity with digital payments (options and usage), low accessibility and limited information on related costs. This drives a preference for cash payments and informal financial services.⁸⁶

In early 2020, a national financial inclusion strategy until 2025 with a vision to 2030 was approved by the government to tackle these issues.⁸⁷ The strategy targets at least 80 per cent of adults nationwide to have bank accounts by 2025. In addition, access to financial services, income, education, financial literacy, gender, age, trust in intermediaries and access to informal credit and savings all affect financial

inclusion. Therefore, financial inclusion alone will not suffice to ensure services are utilized in a manner leading to greater economic empowerment of all citizens.

International Labour Migration

Due to limited access to education, economic and employment opportunities, young individuals facing unemployment and a lack of decent work at home choose to migrate internationally. The government has actively worked to ensure a safe migration environment and protect external migrants' rights and interests. However, current institutional arrangements, agencies and policies on international migration have displayed distinct limitations in tracking, monitoring and managing international migration processes.

Lack of transparent, accurate and timely information, deception, long recruitment processes and limited or no access to remedial actions are additional challenges which effectively prevent migrant workers from knowing when they are overcharged or exploited. This prevents migrants from making informed decisions, avoiding abusive situations or exercising recourse that further exacerbates their vulnerabilities to exploitation. Advice and support are particularly needed for marginalized groups of women – in particular for those from poor, ethnic minority households or living in mountainous and remote areas – who may have differing service needs and less access to services.

FOCUS AREA 4: INCLUSIVE PARTICIPATION, ACCESS TO JUSTICE AND THE RULE OF LAW



Rule of Law

While several institutional and organizational reforms have taken place since the late 1980s, the CPV has maintained its one-party power structure and tightly regulates many of the areas covered in this chapter. This is reflected in two key areas of concern. Firstly, independence of the judiciary needs strengthening. For example, while the independence of judges is guaranteed by law, some judicial positions – including in Viet Nam’s highest court, are given to members of the Communist Party’s Central Committee.⁸⁸ Also, the Chief Justice of the Supreme People’s Court can be relieved from duty or dismissed by the National Assembly at the request of the President.⁸⁹ The Constitution and the Criminal Procedure Code (CPC)⁹⁰ recognize many basic fair trial rights.⁹¹ However, the CPC contains severe limitations on due process, leading to trials falling short of international standards in some cases.⁹²

Civic Participation

The second area of concern pertains to civic participation. Lack of transparency and a limited ability to engage in decision and policy-making are often cited as major constraints in many areas, including justice and budgeting. The Law on Access to Information (April 2016) stipulates citizens’ right to access information, in addition to the principles, order and procedures

for exercising the right, responsibilities and obligations of State agencies. Many citizens are not familiar nor take full advantage of new opportunities.

The Special Procedures of the UN Human Rights Council have regularly issued communications regarding the situation of human rights defenders in Viet Nam.⁹³ These individuals are often arrested whilst peacefully advocating for and raising awareness on a range of issues, including democracy, corruption, protection of land, the environment or freedom of religion. Observers have raised concerns that the Vietnamese Government was also stepping up its crackdown on dissidents, journalists and activists ahead of the CPV Congress,⁹⁴ and the National Assembly election in 2021. But, these developments are largely consistent with concerns regularly reported on the enjoyment of fundamental freedoms in Viet Nam.

While constitutionally protected, freedom of expression remains restricted. The revised 2015 Penal Code includes broad and vague regulations imposing long prison sentences for speech-related offenses.⁹⁵ The press is under State management,⁹⁶ and the 2016 Press Law expanded the list of prohibited acts. These include several broad provisions, such as “distorting history, negating revolutionary achievements, offending the nation and national heroes”⁹⁷ and gives responsibility to journalists to protect the State against unlicensed expressions.⁹⁸ Broadcasting news “contrary to Vietnamese customs and etiquette” or “propagating unsound customs and superstitious beliefs” can result in fines.⁹⁹

The draft Law on Demonstrations has not been finalized and demonstrations are tightly controlled¹⁰⁰, while permission must be sought for any gathering of more than five persons.¹⁰¹ Restrictions are in place on the time, place and manner allowed for persons to assemble peacefully, allowing the arbitrary prevention of demonstrations.¹⁰² In fact, demonstrations are also sanctioned for “disruptions of security”.¹⁰³



UN Viet Nam\2020\UN75 Photo Contest\Nguyen Ngoc Hai

Meetings, too, are closely regulated. Any workshop or conference, including online, involving foreign participants or funding requires permission several weeks in advance¹⁰⁴, which, if concerning human rights, must come from the Prime Minister.¹⁰⁵

Freedom of association is improving for workers in Viet Nam, however, even though the Draft Law on Associations, after more than 20 years of drafting, has not been finalized. The conditions and procedures for establishing associations and non-State actors not affiliated with State mass organizations are nevertheless complex,

especially with respect to receiving foreign funding.¹⁰⁶ Associations are limited by vague and broad obligations and must submit to being managed by State agencies.¹⁰⁷ In addition, the revised 2015 Penal Code includes broad regulations providing for severe sentences, including the death penalty, for anyone “who establishes or joins an organization that acts against the people’s government.”¹⁰⁸ In the last two years, many non-government organizations (NGOs) have faced tighter monitoring and increased restrictions on their activities,¹⁰⁹ and wide-ranging regulations limit the independence of registered NGOs.

The Constitution of Viet Nam states that all individuals have the right to freedom of religion and belief.¹¹⁰ However, the law provides for considerable governmental control and restrictions on religious practices based on national security and social unity concerns, which impact on ethnic minority groups, in particular. The 2018 Law on Belief and Religion requires religious groups to register with authorities and obtain official approval of their activities,¹¹¹ limiting the free practice of religion.

Corruption

An anti-corruption drive launched in 2016 (known as ‘blazing furnace’—*đốt lò*) reached the highest-level of the Party-State apparatus and State-owned enterprises. The Penal Code was updated, and a new Law on Anti-Corruption was introduced, which criminalizes public sector corruption. The anti-corruption campaign appears to have been effective, at least from the perception of the public.

Viet Nam made great strides over the last decade to tackle money laundering through establishing the legal and regulatory framework to remedy strategic deficiencies the Financial Action Task Force (FATF) identified in October 2010.¹¹²



Protection of Vulnerable Groups

While the adoption of laws on the legal protection of vulnerable groups represents an achievement, implementation and monitoring

mechanisms are not always sufficiently strong and there is a need for close coordination between government agencies as many issues are cross-sectoral. PWDs (including those with mental disabilities), persons with intersectional identities such as girls, women living with HIV, and ethnic minority persons with disabilities suffer from multiple discrimination. In particular, PWDs face numerous challenges, with the most acute being accessibility to basic services, economic opportunities and active participation in society.¹¹³ Although stigma and discrimination against PWDs are accounted for in the Law on Persons with Disabilities and the Convention on the Rights of Persons with Disabilities (CRPD), anti-discrimination mechanisms have not been established to protect PWDs in Viet Nam.

Currently, there are gaps regarding the protection of people living with HIV among key population groups, and the legal framework related to HIV, sex work and drug use should be revised in line with international standards and recommendations. Same sex marriage is now permitted by law and changes to gender markers in official documents are permitted. However, there is no procedure for the legal recognition of same sex partnerships and legal gaps prevent the changing of gender markers in practice. The 2019 Labour Code, despite representing the most comprehensive set of legal grounds for protection, do not offer specific protection for LGBTQI persons against employment discrimination.

Child abuse and violence, especially child sexual abuse, is increasingly recognized by the government as a major challenge. Violence against children is still a widespread phenomenon, with approximately 68.4 per cent of children aged 1-14 years of age experiencing some form of violence at home by their parents or caregivers.¹¹⁴ Boys are more likely to experience physical violence and psychological aggression than girls.

Two other critical emerging issues for child

protection in Viet Nam are children's mental health as well as online abuse and exploitation.¹¹⁵ Few specialized services are available to address these mental health problems facing children. Formal outpatient mental health services for children are nascent, and families who have children with mental disorders experience extreme difficulty in accessing information and help, such as social care and psychosocial support.

Viet Nam has adopted several laws and measures on trafficking in persons (TIP), especially women and children, continues to be of serious concern. According to a government report, 3,717 Vietnamese people during 2011-2014 were trafficked across borders (primarily the People's Republic of China for 70 per cent), with many more thousands of people missing from their communities without explanation.¹¹⁶ Child trafficking and exploitation in Viet Nam is a grave concern, but data is limited. Major barriers to adequately addressing trafficking include the absence of monitoring mechanisms, lack of a clear definition of TIP compared to international standards, challenges in victim identification, referrals and inter-sectoral cooperation, lack of capacity and quality disaggregated data on TIP, under-resourced social protection centres for vulnerable groups, including victims of trafficking, and lack of shelters exclusively for male or child victims.

Despite government law reform efforts, there remains critical legislative gaps to address to ensure full compliance with the Convention on the Rights of the Child (CRC). While there has been a considerable increase in State budget allocation for child protection, this area remains largely under-funded. There is a lack of human capital investment in professional social workers and dedicated child protection personnel at all levels, including community-level service providers (collaborators, and child protection officers).

By the end of 2019, the government reported having identified around 30,500 persons under

UNHCR's statelessness mandate: 1) ethnic minority Vietnamese who returned from Cambodia and residing permanently in Viet Nam (71 per cent), 2) persons of undetermined nationality who reside in border areas between Lao PDR and Viet Nam, including their children (5 per cent), 3) children born to a Vietnamese citizen and a foreign national but their nationality is undetermined, due to the single nationality principle (4 per cent) and 4) other undocumented stateless persons not eligible for naturalization according to current nationality laws (20 per cent).¹¹⁷

On 20 March 2020, the government approved a document which outlines specific activities relating to statelessness in Viet Nam based on Decision (No.402/QD-TTg) for promulgating the plan on implementation of the United Nations' Global Compact for Safe, Orderly and Regular Migration. Despite these developments, stateless persons are particularly vulnerable to being left behind due to, for example, lack of access to basic services especially social protection and housing, as well as decent, formal jobs due to a lack of documentation on status as well as recognized qualifications.

Drug Trafficking

As of December 2019, there has been a sharp upward trend in synthetic drug use, with the biggest surge reported in central and southern provinces and cities where the proportions of synthetic drug users range from 80-90 per cent of all drug users. In contrast, use of heroin and other opioid substances are mainly found in the northern mountainous provinces.¹¹⁸ While Viet Nam has achieved considerable progress in strengthening its laws and policies related to drug treatment and care, the current legislative and institutional frameworks do not fully support the abolition of compulsory drug treatment and a shift to voluntary evidence-based, comprehensive community-based treatment and care.¹¹⁹ This is despite the National Assembly-approved Renovation Plan for Drug Treatment and Rehabilitation (2013-

2020) providing legal platforms for reduction of compulsory drug treatment and rehabilitation, yet failing to gain traction due to opaque financial and human resource commitments.

5.3.¹²¹ Progress on target 5.5: *Ensure women's full, effective participation in and equal opportunities for leadership at all levels of decision-making in political, economic, and public life* has seen the weakest progress overall, indicating significant work to do.

CROSS-CUTTING THEMES



The CCA examined the three cross-cutting issues of gender equality, youth, and partnerships due to: i) the relative slow-progress made in related progress indicators, especially for gender equality, ii) the impact these issues have on economic opportunities and social welfare, which could have a deleterious effect on developmental gains across all sectors and iii) due to the accelerant effect that addressing these issues could have on achieving the SDGs.

Societal awareness of gender issues is still limited and the largely continuing belief that women's roles are linked to families has been a huge barrier for women's participation and leadership in management positions and serves to maintain the gender wage gap. On the flip side, gender differences in poverty rates are small, but among women the most disadvantaged are migrants, widows, the elderly, ethnic minorities and PWD. These women are also the first to bear the brunt of economic shocks, for example COVID-19, and struggle to recover especially when responsible for domestic chores.



a) Gender

Over the last three decades, Viet Nam has made significant progress in improving its population's well-being and reducing gender disparities, including those related to achievement of SDG 5. Despite these steps forward, gender inequality and discrimination persist, exacerbating other forms of inequality and disparity that hinder chances for attainment of the SDGs.¹²⁰ Currently, Viet Nam faces several challenges to achieve SDG 5 on gender equality. Out of eight specific targets under this goal, it has only attained target

Although Viet Nam has passed important laws and policies improving gender equality, implementation is far from satisfactory. This is due to a lack of knowledge, implementing capacity and limited presence of women in public decision-making forums and politics more generally. A lack of data and a roadmap for implementation of specific goals have been cited as barriers to reaching outstanding targets,¹²² whilst specific concerns have been raised about child abuse and violence against women and girls as they become increasingly important social challenges (target 5.2).¹²³

Gender-based violence (GBV), especially violence against women and girls, and the high sex-ratio imbalance are still pervasive issues in Viet Nam.¹²⁴ According to the National Study on Violence against Women in Viet Nam 2019, nearly two-in-three women (63 per cent) experienced one or more forms of physical, sexual, emotional, and economic violence, often as a result of controlling behaviours by husbands in their lifetime. One-in-three women (32.0 per cent) experienced physical and/or sexual violence in their lifetime. Nearly half (47 per cent) of women reported psychological violence which includes

emotional violence and controlling behaviours, while 20.6 per cent reported economic abuse by a husband/partner during their lifetime. All forms of husband/partner violence were higher among women with a disability and in rural areas.¹²⁵ Access to quality first line support (care, responses to emotional/psychological needs and safety), sexual assault examinations and care, mental health assessment and treatment is low. Furthermore, many health facilities do not provide safety or confidentiality assurance avenues for GBV survivors.¹²⁶



b) Youth

Given the country’s socio-economic progress over the last decade, youth inequalities and disparities persist in relation to access to education, health care including sexual and reproductive health care, decent employment, social protection and youth participation in policy development.

The Vietnamese Youth Development Strategy (2011-2020) provides the groundwork for relevant ministries and sectors to provide a holistic response to young people’s needs and rights. The revised Youth Law (commencing January 2021) provides an opportunity for youth to prioritize their needs in an integrated and cross-cutting manner, including in aspects of education and TVET as well as participation and empowerment in, for example, climate change. It legalizes youth participation in civic matters, has designated March as ‘Youth Month’, and supports youth dialogues with national/

local leaders as well as specific mentioning of the State budget for youth.

Consistent with other areas of development, young people in ethnic minority communities, urban and rural poor, migrants (international and domestic), PWDs, those living with HIV, LGBTQI and sex workers face similar limitations to access as their adult counterparts. This covers all basic services, human rights, and future prospects.

It should also be noted that the challenges facing the full development and participation of youth are not only limited to individual and communal well-being. Youth in Viet Nam are critical to achieving economic transformation and national upper middle-income ambitions. Filling the gaps in tertiary education and the current mismatch of tertiary-educated youth to the labour market and addressing the unintended exclusion of female students from STEM-related fields will be crucial to fostering innovation and enhanced productive capacities in high value-added sectors over the next two decades. When these youth enter the labour market they will have fewer options to acquire key skills.



c) Partnerships

Given the identified challenges it will be impossible for Viet Nam to achieve the SDGs without strengthening partnerships across government agencies and whole-of-society¹²⁷ as well as with external actors at regional



and global levels. Viet Nam's initial effective containment of COVID-19 is an example of the whole-of-government approach, supported by various sectors of society and in close partnership with external supporters.

To achieve this across the board in the current financing landscape with declining ODA (see Section 6), Viet Nam will need to ramp-up resource mobilization across many fronts. Partnerships with the private sector need to be strengthened to increase flows of finance towards lagging SDGs in a timely manner. There is also scope to explore innovative finance mechanisms to capture domestic and foreign private resources. Nurturing a labour force which is responsive to the market and emerging economic integration opportunities also requires closer collaboration between public and private sectors, especially in identifying specific skillsets for growth-enhancing sectors, technology and knowledge transfers, and effective innovation policy frameworks. There is also a role for international financial institutions to provide financing for large-scale high-value infrastructure projects. Most climate-related infrastructure requires high levels of financing which only generates returns in the long-term. Leveraging concessional finance for these types of projects may be a more efficient mechanism for financing infrastructure projects, which will compete for funds also required for social spending in the short- to medium-terms.

With Viet Nam playing a prominent role in the region (ASEAN Chair in 2020) and the world (non-permanent member of the UN Security Council 2020-2021), as well as by providing incentives to the private sector, there will be considerable scope to leverage regional and international expertise and resources going forward. This will be of critical value, especially on key issues such as climate change, clean energy, STEM policy, innovation and the strengthening of health systems to better protect against future pandemics.

South-South Cooperation and strategic

engagements with development partners beyond ODA have already become commonplace for Viet Nam. But, more work is needed to better focus these partnerships on addressing urgent and growing threats. These include cross-boundary issues, particularly those related to climate change action, pollution, illicit financial flows and cross-border trafficking. The close and overall positive partnership between the UN, the government and people of Viet Nam is further evolving due to the complexity of development issues – especially planetary threats and the growing interconnectedness between countries which while bringing great benefits, comes with increasing risks as evidenced by the pandemic, climate-related crises and rising cross-border pollution. All these partnerships will be of critical importance if Viet Nam is to respond to and contain future shocks and crises.

In terms of the whole-of-society approach, mechanisms to strengthen civic exchanges between the government, people of Viet Nam, and various organizations and groups that are legally established and operate in line with the government's rules and regulations need to be significantly improved if Viet Nam is to achieve the SDGs and high-income industrialized country status by 2045. Active civic participation, physical and virtual, will be a critical pillar for inclusive, resilient development over time, ensuring engagement with the least heard voices, and fostering innovative policy discourse to adopt the most effective policies.

SECTION 4. COMMITMENTS UNDER INTERNATIONAL NORMS AND STANDARDS



Viet Nam has taken steps to implement its international obligations and recommendations from international human rights bodies at the national level. The government has been active in multilateral fora, including as a non-permanent member of the Security Council (2020-2021), a member of the Human Rights Council (2014-2016)¹²⁸ and ratified seven out of nine core international human rights treaties.¹²⁹ Viet Nam has engaged with UN treaty and charter-based human rights mechanisms and with recent reviews in 2018 (Convention Against Torture¹³⁰) and 2019 (ICCPR¹³¹), and the third cycle of the Universal Periodic Review (UPR¹³²), also in 2019. From the UPR, Viet Nam accepted 220 out of 291 recommendations in addition to noting, or partially accepting 71.¹³³

Despite this progress, important gaps remain. Viet Nam does not have an independent national human rights institution as required by SDG 16, and consequently lacks an independent institution responsible for protecting, monitoring, and promoting human rights in the country.¹³⁴ It has yet to ratify the International Convention for the Protection of All Persons from Enforced Disappearance or the International Convention on the Protection of the Rights of All Migrant Workers, each of which contain provisions highly relevant to the context of Viet Nam.¹³⁵

It is incumbent on the government to develop detailed indicators, benchmarks and timelines with clear responsibilities to ensure coordinated implementation of these recommendations. Viet Nam will have an opportunity to present its progress in implementing the UPR and ICCPR recommendations in 2021.¹³⁶ It, however, has not extended a standing invitation to the UN Human Rights Council Special Procedures mandate holders. Although the most recent visit of a Special Rapporteur took place in 2017¹³⁷, Viet Nam has accepted a visit by the Special Rapporteur for the Right to Development, which should take place in the near future. Several requests by Special Rapporteurs remain outstanding.¹³⁸ This situation limits Viet Nam's ability to receive technical assistance and guidance from these experts.

SECTION 5. CROSS-BOUNDARY, REGIONAL AND SUB-REGIONAL PERSPECTIVES



Viet Nam 2020 Update | © 2021 World Bank Group

Sharing a border with the People's Republic of China, Lao PDR and Cambodia presents opportunities and challenges for Viet Nam, the most prominent being the **East Sea (also known as the South China Sea)**. Although historical, friction on this issue in recent years has presented a catalyst for Viet Nam's first National Defense White Paper in a decade. This provides flexibility to expand its strategic and military relations, with implications for disputes in the East Sea. However, defense issues aside, an immediate constraint for Viet Nam is the People's Republic of China's policy that any resource exploration in the East Sea must be done with Chinese partners – which the Defense White Paper does not explicitly address. This position invariably limits Viet Nam's ability to tap into the energy resources within its Exclusive Economic Zone, posing significant risks to its energy security – especially given the increasing demand for electricity and forecasted power shortages.

Cross-border pollution has become increasingly common in the region as the world's factories and agro-forestry projects grow and cluster in manufacturing and resource-intensive regions in the People's Republic of China, India, Indonesia, and ASEAN countries. Two main sources of cross-border pollution in Asia are carbon emissions from fuel combustion in energy production and heavy industry as well as transboundary haze from the burning of forests for agricultural needs. Plastics in the marine environment have become a major transboundary environmental concern. It is estimated that half of global marine plastic waste comes from Viet Nam and four other Asian countries: People's Republic of China, Indonesia, the Philippines and Thailand.¹³⁹ The underlying causes of this issue are rooted in unsustainable production and consumption patterns, poor solid waste management and a lack of infrastructure, adequate legal and policy frameworks and poor enforcement, including on inter-regional cross-border trade of plastic waste, and a lack

of financial resources.

Droughts, lower water levels in rivers, saline intrusion, reduced sediment, flora and fauna, and increased land subsidence are all related to the **nexus between climate change and unsustainable development** activities along the entire Mekong River. Construction of dams (mainly for hydropower) along the Mekong and subsidiary rivers upstream are reducing the natural flow of water, negatively impacting downstream ecosystems and communities.¹⁴⁰ With areas of the coastal belt losing 100 metres per year, and hundreds of thousands of households affected by declining productivity, natural disasters, saltwater intrusion and increased drought are unable to adapt livelihoods to remain in the region. This could increase the number of environmental migrants and expose these communities to reduced access to basic services such as safe housing, education and social protection, as well as economic opportunities.

Improving trade among ASEAN members remains a priority for Viet Nam's trade agenda as other traditional global trading routes become more uncertain and riskier – a shift further exacerbated by the COVID-19 pandemic. Among several factors impeding intra-ASEAN trade, connectivity has been highlighted as a major factor over the last three decades. Infrastructure upgrades, whilst lowering the cost of trade between Viet Nam and the ASEAN group, also serve to reduce spatial disparities which limit economic opportunities for ethnic minorities and other groups in remote areas.

In recent years, there have been reports of possible **refoulement of individuals** entering Viet Nam, highlighting the challenge posed by the country's domestic legal framework not including laws nor policies on refugees or asylum-seekers, with no procedure for refugee status determination. In addition, there have been reports of rendition of human rights defenders and political dissidents within

Southeast Asia. Whether it be individuals in Viet Nam being forcibly repatriated to another country, or individuals in another State being deported covertly to Viet Nam, such acts risk violating international law and standards, including the ICCPR and CAT.¹⁴¹ This trend could result in human rights defenders and dissidents moving out of the region, limiting their ability to participate in human rights activities in Viet Nam and creating a detrimental impact on public participation and free expression in the country.¹⁴² **Cross-border migration and trafficking of persons, along with illegal cross-border trade in goods**, remain critical issues.

SECTION 6. FINANCING LANDSCAPE AND OPPORTUNITIES



Due to strong export performance, high FDI flows, significant remittances from the Vietnamese diaspora and prudent macroeconomic management, Viet Nam's financial resources have significantly grown. Despite this improvement, domestic resource mobilization capabilities, declining ODA as well as low domestic private investment will pose significant challenges for financing sustainable, inclusive development and the SDGs.

Three key areas impede effective use of resources to achieve the SDGs: i) weak alignment of development finance flows with the SDGs and wider national development priorities, ii) inefficient use of public resources driven by limited integration across government (vertical and horizontal)

resulting in a fragmented and silo-approach to development planning and public financial management and iii) domestic private sector lacks access to finance and its linkages with FDI remain weak.¹⁴³ These findings remain as valid in 2021 as they were in 2018.

In order to mobilize sufficient finance to accelerate achievement of the SDGs, Viet Nam needs to undertake significant reforms to improve domestic resource mobilization, provide incentives to increase domestic private investment and encourage better alignment of FDI with national development goals. Enhanced efficiency and allocation of domestic and international public resources is also essential.

As expected, the COVID-19 crisis has placed

considerable pressure on government revenues and shifted public investment away from a long-term growth strategy to an expansionary policy mechanism to accelerate economic recovery. Prior to the crisis, a tightening of financing conditions was already evident due to declines in ODA, fiscal consolidation and more stringent public investment management to maintain sustainable debt levels.¹⁴⁴

The links between public financial management, accountability and civic engagement are important and yet not fully enabled in Viet Nam due to limited citizen engagement in public decision-making (see Focus Area 4), low capacity in public financial management coupled with complex mechanisms for ensuring accountability. This impacts public spending efficiency and outcomes, especially in social sectors. It is important that local stakeholders can inform budgets of national and provincial governments, as well as increase transparency and accountability on utilization of such funds. The linking mechanisms between these areas will need to be quickly strengthened to improve the efficiency of public investments and development outcomes by 2030.

Currently, public investments in Viet Nam account for 8 per cent of GDP compared with 20 per cent for private investments – significantly lower than comparator countries such as Cambodia, Malaysia and Thailand.¹⁴⁵ Such

low levels of private investment despite high levels of FDI suggest a number of bottlenecks exist, such as challenging regulatory requirements, complex and time-consuming tax and Customs procedures, and opaque guidance on land ownership rights, usage, and transfers.¹⁴⁶ Furthermore, inefficiencies in public investment management are believed to greatly undermine the implementation and utility of public investments in driving productivity, innovation and economic diversification – all key components of successful and accelerated economic transformation. Several bottlenecks in the financial and banking systems have also been identified, including the undercapitalization of banks, the outdated, costly and cumbersome market infrastructure and low access to financial services.¹⁴⁷

For Viet Nam to successfully decouple economic growth from environmental degradation and move towards achievement of the SDGs, a shift in public and private sector financial flows towards low carbon investments is needed. Existing public and private financial resource allocations do not focus on ecological efficiency, and climate and green growth aspects of investments are not prioritized. Such a reallocation should be a top priority for any post-pandemic economic and ecological strategy.

SECTION 7. ANALYSIS OF RISKS THAT MAY AFFECT THE ABILITY TO ACHIEVE THE SDGS



UN Viet Nam\2020\UN75 Photo Contest\Quang Ba Hai

The most critical area of risk that threatens Viet Nam's achievement of the SDGs centres on the environment and climate change, with acute exposure to natural disasters that impact marginalized and vulnerable groups in society most severely.¹⁴⁸ There is a lack of progress in addressing pollution, climate change and the depletion of natural resources, all of which have negative impacts on industrialization, promoting a green and circular economy and rapidly increasing clean and affordable energy. There is an urgent need for reform, upgrading and harmonization of national standards, regulations and procedures which in turn will require stronger, transparent governance and higher environmental and labour standards.

The COVID-19 pandemic has exacerbated risks in the domains of health, poverty, economic stability, social cohesion and gender equality and introduced new and unpredictable variables to the risk landscape. Social and economic impacts of COVID-19 will exacerbate tensions centred on food security and land rights disputes, potentially increasing the number of vulnerable workers in the informal economy as well as levels of internal migration.¹⁴⁹ Health system capacity is at risk of being stretched in coping with all health needs and possible future epidemics.

Viet Nam is still exposed to a more severe global downturn if forthcoming vaccination campaigns in 2021 and beyond prove to be slow and limited. The impacts of natural disasters and COVID-19 have already widened inequalities for those with existing vulnerabilities, and it is unclear how the slow recovery will impact access to basic services and economic opportunities. Restrictions on democratic space, civic dialogue and media constitute a significant area of risk which will impact SDG attainment and the development trajectory if not addressed. There is also a risk that ongoing public administration reforms will fail to improve the planning-budgeting-results

cycle and reduce the effectiveness of public expenditure and development outcomes. A significant downsizing of the public sector could slow the addressing of gaps in social services (health, nutrition, education, social protection, water and sanitation, housing, transport) and coordinating a development strategy that allows more marginalized groups to benefit from current and future economic growth opportunities.

Important cross-border risks include increasing geo-political tensions over control and exploitation of the East Sea, which may affect peace, stability and trade in the region (in the context of ASEAN) and globally. There is also risk around the management of any further reductions in the flow of the Mekong River, which would increase incidences of drought, erosion and saltwater intrusion in the lower Mekong Delta region of Viet Nam, severely affecting livelihoods and exports.

Increases in cross boundary criminal activities involving drugs, illegal wildlife trade (increasing importance due to alleged COVID-19 links), illegal natural resources trade especially of timber, money laundering, irregular migration, migrant smuggling and human trafficking are all challenges which have disproportionate impacts on vulnerable and marginalized groups and run the risk of negatively affecting Viet Nam's international credibility.

SECTION 8. THE WAY FORWARD TO 2030: GAPS , CHALLENGES AND OPPORTUNITIES



PEOPLE: Addressing inequalities and multi-dimensional poverty

The analysis featured in this CCA reveals that ineffective policies and State capacity to tackle discrimination, marginalization and ensure equitable access to basic services and economic opportunities are all drivers of inequality, multi-dimensional poverty and vulnerability. These are further reinforced by physical geographical isolation, ethnicity, economic isolation, cultural and linguistic barriers and a lack of appropriate investments to mitigate these drivers. Groups that suffer from multi-dimensional poverty are also most vulnerable to climate change, natural disasters and pollution generated by an industrial revolution that has not benefited them. Current social protection mechanisms are limited in scope and coverage, neglecting to support those who need such support most. Lack of basic services encompassing education, health and WASH facilities further perpetuate multi-dimensional poverty to create an inter-generational cycle that is difficult to break.

Tackling these issues will require strong political will and a targeted development strategy that mobilizes ethnic minority groups, geographic hotspots, women, children, youth and marginalized populations, including people living with and affected by HIV and PWD to benefit more from government investment and local resources. The strategy should be designed and implemented in a participatory and integrated manner building on local knowledge and assets, increasing productivity in agriculture, natural resource use, building a green industrial base that can stimulate sub-industries, cultural industries and ecologically sound tourism. Coordinated support for social protection, nutrition, basic and reproductive health services, education and training, and WASH services where disparities are high should also be prioritized and re-positioned where necessary as critical

economic and social investments for this largely neglected segment of society which, if properly nurtured, will inevitably contribute substantially to the country by 2030.

PLANET: Protecting the environment

The environment is degrading at an alarming rate. There is a lack of investment in climate change action and disaster risk management and the biggest cost saving exercise, prevention, seems to be evading efforts even with huge potential from hydropower, solar, wind and waste energy generation. Climate change and disasters disproportionately impact the poor and vulnerable, especially women and children and communities living in exposed areas. Rural farmers are also disproportionately impacted by extreme weather events with minimal assistance for recovery, such as insurance. Increased pollution and deforestation are threatening biodiversity as well as the livelihoods and health of local communities. However, the continued over-reliance on coal to fuel industrial growth and the resulting GHG emissions are projected to increase if Viet Nam continues its current trajectory.

Tackling environment issues whilst preparing the foundation for green, inclusive growth requires a two-pronged approach, which firstly accelerates the mobilization of resources for climate change action and disaster risk management by adopting fiscal disincentives for emitters (polluter pays principle) and tapping into private capital, green and innovative finance mechanisms as well as ODA opportunities. Secondly, it prioritizes sustainable consumption and production as well as sustainable, clean and green cities and rural areas, which should be the anchor from which all policies and laws are revised. This includes urban planning, investments in energy efficiency initiatives and shifts from fossil fuel to green subsidies to support

mandatory environmental codes, in addition to phasing out Viet Nam's coal dependency. Human rights impact assessments of climate actions should be employed. The government is encouraged to develop and monitor relevant human rights indicators in the context of climate change, keeping disaggregated data to track the varied climate impacts across demographic groups and enabling effective, targeted and human rights compliant climate action. Vulnerable individuals – such as women, children, PWDs, the elderly and ethnic minorities – deserve separate protection given the disproportionate impact of pollution and environmental migration on these groups.

PROSPERITY: Readiness for Industrial Revolution 4.0

Since the Đổi Mới reforms, an economy explicitly designed to support SOEs, attract FDI and maximize exports has emerged. This fragmented economic structure has resulted in slow progress in the formalization of jobs and enterprises, leaving many workers with limited access to labour protection legislation, unstable jobs, and little or no access to social insurance. Although this structure has gradually been dismantled, institutional cultures in the banking industry and regulation remain firmly wedded to these norms, especially as markets become increasingly liberalized. The bulk of MSMEs (including household businesses) have found themselves at the fringe of growth opportunities and remain numerous, undiversified and of declining productivity.

The SEDS 2021-2030 is geared towards addressing the low middle-income trap risk and accelerating IR4.0. However, there are gaps in the government's readiness and capacity to implement this approach, most notably by ensuring the current and future workforce is well-equipped to meet the shift from low-skilled to middle and high-skilled capacity, MSMEs are supported to increase productivity in what is a fragmented economy and regular

social dialogue between and among tripartite constituents (government, employees, and employers) is reinforced to achieve the decent work agenda. The science, technology and innovation sectors are uncoordinated with limited research and development (as a percentage of GDP), public investment and cross-sectoral policy guidance, while digital economy development is yet to take off. Furthermore, the current digital divide could further widen existing inequalities if structural issues affecting ethnic minorities, women, PWDs and the rural poor are not urgently addressed.

Viet Nam has a strong industrial and competitiveness policy which could be leveraged to accelerate IR4.0. Due to COVID-19, there is now a wealth of statistics that can be used to support green growth of MSMEs in an integrated spatial, sectoral (including agriculture) and value chain approach that benefits from access to sustainable technology, with a focus on women, ethnic minorities, PWDs and youth. Increased investments in tertiary skills, vocational and management training for these groups tailored to sectoral needs will be imperative to ensure inclusive growth as the economy shifts towards IR4.0. Regulatory reforms for FDI firms could work to solidify linkages with domestic private enterprises as well as improve economic, social and governance outcomes. The digital economy could be quickly expanded by improving institutional capacity, the participation of the private sector and e-governance capabilities.

PEACE: Inclusive participation, justice and effective institutions

Ongoing judicial reform could benefit from acceleration with removal of barriers to access. High incidences of serious violence against women - especially disabled ones, and children including child abuse is compounded by weak capacities in law enforcement and

support services, as well as cultural norms. Land rights and protection from discrimination are also lacking for certain groups, impacting livelihoods and stability in certain provinces and freedoms (expression, association, and belief) and access to information remains restricted – impacting human rights defenders particularly. Inclusive participation could be enhanced, especially in the design and adoption of policies and decision-making by youth, women, the poor, remote dwellers and ethnic minorities.

Accelerating judicial reforms and ensuring legal protection for vulnerable groups will have a significant impact on strengthening institutional capacity for effective governance to help achieve the SDGs and ensure no one is left behind. This includes clarifying provisions for legal aid, establishing alternative justice mechanisms, improving procedures and access to information. Initiating campaigns to address social norms that promote gender and discourage youth stereotypes, tackling GBV and discrimination against LGBTQI, sex workers and PWD groups can also be powerful in creating a cultural shift on how these issues are viewed by society. Increasing space for civic dialogue will enable community empowerment, but creating this space has faced significant challenges.

Finally, innovative approaches are necessary across society and government, especially at local level to address deeply entrenched challenges, especially with respect to increasing freedom of expression, participation of women

in elected bodies, recognition of land tenure and governance systems for ethnic minorities and encouraging civic space for groups and individuals who wish to organize and actively contribute to decision-making processes. The full implementation of e-governance systems as part of public administration reforms more responsive to the needs of vulnerable groups will better facilitate these changes.

Despite these challenges, there are many opportunities for Viet Nam to overcome them and achieve its development ambitions. Doing so will require innovative and transparent policy approaches as well as political will. Resource mobilization will need to improve in terms of public and private capital, and partnerships with the private sector, international development partners and South-South peers must be better utilized to quickly execute structural shifts that can bring about green, inclusive growth over the next decade, leaving no one behind. Many policy instruments required to take full advantage of opportunities already exist and the main bottleneck appears to be the upgrading of institutional capacity to address stubborn inequalities, protect the environment, accelerate IR4.0 and ensure justice, social cohesion and peace for all.

As it has shown over the last 35 years since Đổi Mới, Viet Nam has what it takes in political will, determination and drive to overcome all these challenges to achieve its aspirations for 2030 and 2045.

ENDNOTES



- 1 At the time of publication Viet Nam was experiencing a fourth wave of COVID-19 infections which started on 27th April 2021. As of 26 August, the number of infected stood at 381,363 with 9,349 deaths (<https://ncov.moh.gov.vn/>). The full implications of this wave is yet to be assessed but it is expected that the economic and social impacts will be significantly worse than those of previous waves
- 2 OECD, 2020. Multi-dimensional Review of Viet Nam: Suggestions for an integrated, transparent and sustainable economy. OECD: Paris.
- 3 During the 3rd UPR, Viet Nam received and accepted 19 recommendations on ethnic minorities and persons in rural areas, see OHCHR matrix of recommendations, and noted 1, pgs 8, 12, 17, 20, 21, 23, 25-27, 32, 33 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>). CESCR has also made recommendations in these areas (E/C.12/VNM/CO/2-4 (2014), para 28 (<https://undocs.org/E/C.12/VNM/CO/2-4>))
- 4 General Statistics Office, Viet Nam. <https://www.gso.gov.vn/en/data-and-statistics/2021/01/viet-nam-economy-in-2020-the-growth-of-a-year-with-full-of-bravery/>
- 5 International Monetary Fund, June 2020. *Presentation at Macroeconomic Dialogue for EU Ambassadors on COVID-19*. Ha Noi: Viet Nam.
- 6 United Nations in Viet Nam, 2020. UN Assessment of Social and Economic Impact of COVID-19 in Viet Nam, p.28. United Nations: Ha Noi
- 7 Ibid
- 8 German Watch, 2020. See: https://germanwatch.org/sites/germanwatch.org/files/20-2-01e_per_cent20Global_per_cent20Climate_per_cent20Risk_per_cent20Index_per_cent202020_10.pdf. During the 3rd UPR, Viet Nam received and accepted five recommendations on climate change and the environment, see OHCHR matrix of recommendations, pgs 12, 20, 31, 32 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>).
- 9 [German Watch's report "Global Climate Risk Index 2020"](#)
- 10 General Statistics Office of Viet Nam. See: <https://www.gso.gov.vn/default.aspx?tabid=723>
- 11 United Nations Office for Disaster Risk Reduction (UNDRR) and Asian Disaster Preparedness Centre (ADPC), January 2021, Disaster Risk Reduction in Viet Nam: Status Report 2020. Found at: <https://www.undrr.org/publication/disaster-risk-reduction-viet-nam-status-report-2020>
- 12 Elaboration of Viet Nam natural disasters' data between 1990 and 2020 from Emergency Events Database (EM-DAT) of the Centre for Research on the Epidemiology of Disasters (CRED) found at: <https://public.emdat.be/>.
- 13 Ministry of Agriculture and Rural Development (MARD), Viet Nam.
- 14 [Viet Nam Disaster Management Reference Handbook, December 2018](#)
- 15 Updated Nationally Determined Contribution, Government of Viet Nam, July 2020
- 16 Government Decision 622/QĐ-TTg, 10 May 2017, available at: <https://vietnam.un.org/en/download/47488/4123>.
- 17 See <https://sustainabledevelopment.un.org/memberstates/vietnam>
- 18 Sustainable Development Report 2020, June 2020, Cambridge University Press

- 19 Ibid. <https://dashboards.sdgindex.org/profiles/vnm>
- 20 Government of Viet Nam, Ministry of Planning and Investment, Viet Nam. 2020. Draft National Report on the Implementation of the Sustainable Development Goals.
- 21 *ibid.*
- 22 See: <https://sustainabledevelopment.un.org/memberstates/vietnam>
- 23 United Nations. *Sustainable Development Report 2020*, June 2020, Cambridge University Press. <https://dashboards.sdgindex.org/profiles/vnm>
- 24 *ibid.*
- 25 Government of Viet Nam, Ministry of Planning and Investment, Viet Nam. 2020. *Draft National Report on the Implementation of the Sustainable Development Goals*.
- 26 Government of Viet Nam, Ministry of Labour, Invalids and Social Affairs and UNDP (2018), Multi-dimensional poverty in Viet Nam: Reducing poverty in all its dimensions to ensure a good life for all. <http://www.vn.undp.org/content/vietnam/en/home/library/poverty/MDPR.html>.
- 27 UN in Viet Nam, September 2020. Workshop “Development of high quality human resources for agriculture, new rural development and sustainable poverty reduction in Ethnic Minority and Mountainous Areas” Opening remarks delivered by Kamal Malhotra, UN Resident Coordinator. Found at: <https://vietnam.un.org/en/91510-workshop-development-high-quality-human-resources-agriculture-new-rural-development-and>
- 28 During the 3rd UPR, Viet Nam accepted 19 recommendations relating to the rights to an adequate standard of living, including eliminating inequalities, see OHCHR matrix of recommendations, pgs 21-23 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>).
- 29 United Nations in Viet Nam, 2020. One UN Results Report 2019. pg 9. At: <https://vietnam.un.org/en/52299-one-un-results-report-2019>.
- 30 *Ibid.*
- 31 CESCR has raised concerns about health and unemployment insurance (E/C.12/VNM/CO/2-4 (2014), para 22-23 (<https://undocs.org/E/C.12/VNM/CO/2-4>))
- 32 ILO, 2020. *A focus on families: A short-term benefit package for the extension of multi-tiered social security coverage in Viet Nam*. ILO: Ha Noi.
- 33 Key populations are gay, bisexual and other men who have sex with men, people who inject drugs, sex workers, transgender people and people in prisons and other closed settings.
- 34 During the 3rd UPR, Viet Nam received and accepted two recommendations on the right to food, see OHCHR matrix of recommendations, pg 23-24 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>)
- 35 Asian Development Bank, 2013. Viet Nam: Environment and Climate Change Assessment. Asian Development Bank: Mandaluyong City, Philippines. At: [Viet Nam: Environment and Climate Change Assessment \(adb.org\)](http://www.adb.org/publications/vietnam-environment-and-climate-change-assessment)
- 36 Fawthrop, Tom, “Vietnam’s War against Agent Orange”. BBC News story, June 14, 2004: <http://news.bbc.co.uk/2/hi/health/3798581.stm>. Cited at: <https://www.aspeninstitute.org/programs/agent-orange-in-vietnam-program/health-effects/>
- 37 OECD, 2020. *Multi-dimensional Review of Viet Nam: Suggestions for an integrated, transparent and sustainable economy*. OECD: Paris.

- 38 Government of Viet Nam, Ministry of Labour, Invalids and Social Affairs and UNDP, 2018. Multi-dimensional poverty in Viet Nam: Reducing poverty in all its dimensions to ensure a good life for all. At: <http://www.vn.undp.org/content/vietnam/en/home/library/poverty/MDPR.html>.
- 39 Government of Viet Nam, Ministry of Education and Training, UNESCO Institute for Statistics and UNICEF, 2018. *Report on Out-of-School Children: Viet Nam Country Study 2018*.
- 40 Ibid.
- 41 According to the OOSC report 2018, the OOSC rate from migrant families was higher than that from non-migrant families, more than 1.5 times higher for those of primary and lower secondary school age.
- 42 World Bank, 2015. *Viet Nam Affordable Housing – A way forward*. World Bank: Ha Noi.
- 43 See Huyen Thanh Do (Viet Nam Law and Legal Forum, 10 July 2020), available at <https://vietnamlawmagazine.vn/land-conflicts-in-emerging-suburban-areas-in-vietnam-causes-and-effects-27258.html>
- 44 World Bank, 2016. *Transforming Vietnamese Agriculture: Gaining More from Less*. Working Paper, World Bank Group, Washington, DC.
- 45 Scott, A. (July 2020). *Access to Affordable, Reliable, Sustainable, and Modern Energy for All in Vietnam*. Centre for Strategic and International Studies. Found at: https://csis-website-prod.s3.amazonaws.com/s3fs-public/200321_Scott_Energy_Vietnam_Background_V1.pdf
- 46 World Bank, Sustainable Energy for All (SE4ALL) database from WHO Global Household Energy database. Accessed 26/02/2021.
- 47 UNICEF and WHO, *Joint Monitoring Programme – Progress on household drinking water, sanitation, and hygiene 2000-2017*, 2019, p 104
- 48 General Statistics Office, Viet Nam. Result of Viet Nam Household Living Standards survey 2018. Housing, electricity, water and sanitation facilities, page 519
- 49 Ibid
- 50 General Statistics Office of Viet Nam. *Population and Housing Survey*, 2019, 319
- 51 UNICEF and WHO, *Joint Monitoring Programme – Progress on household drinking water, sanitation and hygiene 2000-2017*, 2019, 124
- 52 UNICEF, *Policy Brief on WASH Financing*, 2020:6-8.
- 53 UNICEF EAPRO, *Equity in Public Financing of Water, Sanitation and Hygiene*, 2016:1-2
- 54 OECD, 2014. *Social Cohesion Policy Review of Viet Nam*. Development Centre Studies, OECD Publishing. At: <http://dx.doi.org/10.1787/9789264196155-en>
- 55 Thang Nguyen et al., 2018. *Environmental disputes, social changes, and distributive justice in Viet Nam: Case studies, comparative analysis, and policy implications*. UNDP Viet Nam. Retrieved from https://www.vn.undp.org/content/vietnam/en/home/library/democratic_governance/environmental-disputes--social-changes--and-distributive-justice/
- 56 EREA and DEA: Viet Nam Energy Outlook Report 2019 Found at: https://ens.dk/sites/ens.dk/files/Globalcooperation/vietnam_energy_outlook_report_2019.pdf
- 57 Updated Nationally Determined Contribution, Government of Viet Nam, July 2020.
- 58 Tran Thi Tuyet Hanh, et al., 2020. *Viet Nam Climate Change and Health Vulnerability and Adaptation Assessment*, 2018. Environmental Health Insights 14(1). July 1, 2020.

- 59 UNESCAP, UNECE, UNECLAC and Ministry of Transport, Viet Nam, 2018. *Road Safety Performance Review, Viet Nam: Project on Strengthening the National Road Safety Management Capacities of Selected Developing Countries, and Countries with Economies in Transition*. United Nations: New and Bangkok. At: Road Safety Performance Review Viet Nam
- 60 Vietnam Green Growth & Economic Transformation Brief prepared by UN Issues-Based Coalition on environmental issues (internal)
- 61 Ibid.
- 62 Ministry of Industry and Trade, Viet Nam. February 2021. *Draft national electricity development planning project for the period 2021-2030 with a vision to 2045 (Power Development Plan VIII)*. Vietnamese version only available at: <https://www.moit.gov.vn/web/guest/tin-chi-tiet/-/chi-tiet/bo-cong-thuong-xin-y-kien-gop-y-du-thao-%C4%91e-an-quy-hoach-phat-trien-%C4%91ien-luc-quoc-gia-thoi-ky-2021-2030-tam-nhin-toi-nam-2045-21618-15.html?fbclid=IwAR3YsQ34xZZE2-F1iZ5Lr3kIQgtlryWOGBT3cJadhQ1AeEsWWfXcWmDOWV4>
- 63 Government of Viet Nam, Ministry of Natural Resources and Environment, 2019. *The Sixth National Report to the United Nations Convention on Biological Diversity*. Found at: [CBD Sixth National Report - Vietnam \(English version\)](#)
- 64 Danh, N and Ht, Hoi., 2019. *Effects of plastic waste to sea environment in Vietnam*. IOP Conference Series: Earth and Environmental Science. 351.
- 65 See Nguyen, DQ., Yamasue, E., Okumura, H. et al., 2009. *Use and disposal of large home electronic appliances in Vietnam*. J Mater Cycles Waste Management, 11, 358–366 (2009). <https://doi.org/10.1007/s10163-009-0264-2>; and Loan, L., 2017. *Electronic waste in Vietnam: There is not really any recycling*. Science and Development Magazine, at: <https://khoahocphattrien.vn/cong-nghe/rac-thai-dien-tu-o-viet-nam-chua-thuc-su-co-hoat-dong-tai-che/20171101084943577p1c859.htm>
- 66 [February 2019, "Plastic & Health: The Hidden Costs of a Plastic"](#)
- 67 [Sea-circular \(2019\), Vietnam Country Profile, COBSEA](#)
- 68 A. Ragusa, et al., 2021. *Plasticenta: First evidence of microplastics in human placenta*. Environment International, Volume 146, 2021, 106274, ISSN 0160-4120.
- 69 General Statistics Office of Viet Nam, 2020. *Socio-economic Situation in the fourth quarter and the whole year 2020*. <https://www.gso.gov.vn/en/data-and-statistics/2021/01/socio-economic-situation-in-the-fourth-quarter-and-the-whole-year-2020/>
- 70 ILO, 2019. *Decent Work and the Sustainable Development Goals in Viet Nam: Country Profile* ILO:Ha Noi. At: https://www.ilo.org/hanoi/Whatwedo/Publications/WCMS_730825/lang--en/index.htm
- 71 For international comparability purposes, the ILO established a harmonized definition of informal employment and the informal sector, based on a number of criteria, including coverage by social protection, access to paid annual leave and paid sick leave, status in employment, destination of production and bookkeeping. The definition of informal employment used at the national level in Viet Nam refers to employment without social insurance (especially without compulsory social insurance) and the absence of a labour contract of at least three months.
- 72 Including agriculture workers
- 73 United Nations (UN). 2016. *Viet Nam Gender Briefing Kit*. UN: Ha Noi.
- 74 UN Economic Working Group on COVID-19 Impact, August 2020.
- 75 World Bank, 2020. *Vibrant Viet Nam: Forging the Foundation of a High-Income Economy*. World Bank Group: Ha Noi.
- 76 UNDP, 2020. *Inclusive Innovation Policy for the Next Development Stage in Viet Nam*. Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/InclusiveInnovation.html>
- 77 OECD, 2020. *Multi-dimensional Review of Viet Nam: Suggestions for an integrated, transparent and sustainable economy*. OECD: Paris.

- 78 Ibid.
- 79 Google and Temasek (2018), *e-Conomy SEA 2018*
- 80 Government of Viet Nam, Ministry of Information and Communication, 2020. *Viet Nam White Book on Information and Communication Technology 2019*. https://mic.gov.vn/Upload_Moi/FileBaoCao/Sach-Trang2019-Final.pdf. Accessed on 9 September 2020.
- 81 General Statistics Office of Viet Nam, 2020. *Results of the 2019 survey on the Socio-economic Situation of 53 Ethnic Minority Groups in Viet Nam*. <https://www.gso.gov.vn/default.aspx?tabid=512&idmid=5&ItemID=19670>. Accessed on 9 September 2020.
- 82 General Statistics Office of Viet Nam, 2017. National survey on people with disabilities 2016. <https://www.gso.gov.vn/default.aspx?tabid=460&idmid=5&ItemID=19054>. Accessed on 9 September 2020.
- 83 <https://theinclusiveinternet.eiu.com/explore/countries/VN/performance/indicators/readiness/literacy>
- 84 UNDP, 2019. *Inclusive fourth industrial revolution for achieving the Sustainable Development Goals in Viet Nam*. UNDP: Ha Noi.
- 85 According to the World Bank's Financial Inclusion survey in 2018, only 22 per cent of Vietnamese made or received digital payments in the previous year. And in 2019, only 41 per cent of adults had a bank account.
- 86 World Bank, 2018. *The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution*. World Bank: Washington DC.
- 87 Viet Nam Microfinance Working Group, 2020. *Decision No.149/QĐ-TTG on Decision on Ratification of National Financial Inclusion Strategy to 2025 with orientation to 2030*. <https://microfinance.vn/decision-no-149-qd-ttg-on-decision-on-ratification-of-national-financial-inclusion-strategy-to-2025-with-orientation-to-2030/?lang=en>
- 88 See for example Regulation No.105-QĐ/TW of the Central Committee of the Viet Nam Communist Party (19 December 2017) on devolving of personnel management, personnel appointment and personnel recommendation for election, which regulates that some positions in the judiciary are decided to nominate for election by the Communist Party. See <https://thuvienphapluat.vn/van-ban/bo-may-hanh-chinh/Quy-dinh-105-QĐ-TW-2017-phan-cap-quan-ly-can-bo-va-bo-nhiem-gioi-thieu-can-bo-ung-cu-370328.aspx>. During the 3rd UPR, Viet Nam accepted a recommendation to continue its efforts to ensure the independence of the courts of adjudication (No. 38.64), Report of the Working Group on the UPR, A/HRC/41/7. <https://undocs.org/A/HRC/41/7>.
- 89 Law on Organization of the People's Courts, Law No. 62/2014/QH13, art. 26(1). The Human Rights Committee has raised concerns regarding independence of the procuracy and judiciary (CCPR/C/VNM/CO/3 (2019), paras 33-34 (<https://undocs.org/CCPR/C/VNM/CO/3>))
- 90 Came into force in early 2018: Criminal Procedure Code (2015), Law No. 101/2015/QH13, Art. 13, available at: <https://thuvienphapluat.vn/van-ban/EN/Trach-nhiem-hinh-su/Law-No-101-2015-QH13-criminal-procedure-code/307841/tieng-anh.aspx>.
- 91 Viet Nam accepted several recommendations during the 3rd UPR to ensure equality before the law, the presumption of innocence, fair and public trials, provide legal aid, and more generally to improve the legal and judicial systems and the rule of law, see OHCHR matrix of recommendations, pgs 8, 14, 19 and 20 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>). The Human Rights Committee has also raised the issue (CCPR/C/VNM/CO/3 (2019), paras 34-36 (<https://undocs.org/CCPR/C/VNM/CO/3>))
- 92 See Criminal Procedure Code (2015), Law No. 101/2015/QH13, arts. 74, 119, 172 and 173, available t: <https://thuvienphapluat.vn/van-ban/EN/Trach-nhiem-hinh-su/Law-No-101-2015-QH13-criminal-procedure-code/307841/tieng-anh.aspx>. See also: <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=21815&LangID=E>, <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=22937&LangID=E>, <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=21921&LangID=E>
- 93 See for example, the approximately 54 cases sent by the Special Rapporteur on the situation of human rights defenders between December 2010 and December 2020.

- 94 For example, Human Rights Watch (see <https://www.hrw.org/news/2020/01/14/vietnam-crackdown-rights>), Amnesty International (see <https://www.amnesty.org/en/documents/asa41/2717/2020/en/>), and the Committee to Protect Journalists (see <https://cpj.org/asia/vietnam/>).
- 95 Article 117 provides up to 20 years in jail for producing and disseminating distorted information, aimed to oppose the State. Article 116 provides up to 15 years in jail for sabotaging implementation of solidarity policies, sowing division, causing hostility, etc. Penal Code (2015), Law No. 100/2015/QH13, available at: (http://www.wipo.int/wipolex/en/text.jsp?file_id=446020). During the 3rd UPR, Viet Nam received 23 recommendations related to freedom of opinion and expression. Ten were supported and 12 were noted, see OHCHR matrix of recommendations, pgs 7, 17, 18, 35, 36, 41, 42, 45 and 46 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>).
- 96 According to Article 7 of the Law on the Press, No. 103/2016/QH13, available at: (http://www.wipo.int/wipolex/en/text.jsp?file_id=447193).
- 97 Article 9(4). Other examples include “propagandizing depraved lifestyles [...] providing information unsuitable to the fine traditions and customs of Vietnam” (art. 9(7)), or “distorting, defaming or negating the people’s administration” (art. 9(1)a). Law No. 103/2016/QH13 of April 5, 2016, on the Press, available at: (http://www.wipo.int/wipolex/en/text.jsp?file_id=447193).
- 98 That is, to protect the viewpoints, line and policies of the Party and policies and laws of the State; to discover, propagandize and protect positive factors; to prevent and fight against wrongful ideas and acts. Law No.103/2016/QH13 on the Press, Art. 25(3)b, available at: http://www.wipo.int/wipolex/en/text.jsp?file_id=447193.
- 99 Decree No.159/2013/ND-CP, Art. 8(3) c-d. Allegations of human rights violations against journalists have been raised regularly by UN human rights mechanisms. For example, High Commissioner for Human Rights Press Briefing Notes, 8 January 2021 (<https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=26644&LangID=E>), Viet Nam: Arrests send chilling message before key Party meeting – UN experts, 14 January 2021 (<https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=26661&LangID=E>)
- 100 During the 3rd UPR, Viet Nam received seven recommendations related to freedom of peaceful assembly. Six were supported and one was noted, see OHCHR matrix of recommendations, pgs 7, 18, 36 and 42. (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>). The Human Rights Committee and CESCR also raised concerns on this issue (CCPR/C/VNM/CO/3 (2019), paras 47-48 (<https://undocs.org/CCPR/C/VNM/CO/3>) and E/C.12/VNM/CO/2-4 (2014), paras 20-21 (<https://undocs.org/E/C.12/VNM/CO/2-4>))
- 101 Government of Viet Nam, Ministry of Public Security Circular no. 09/2005 TT-BCA of 5 September 2005.
- 102 See Decree 38/2005/ND-CP on some measures to ensure public order, in place since 2005.

(<https://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Nghi-dinh-38-2005-ND-CP-bien-phap-bao-dam-trat-tu-cong-cong-52936.aspx>).
- 103 Penal Code, 2015, Law No. 100/2015/QH13, Article 118.
- 104 Decision No. 6/2020/QD-TTg of 21 February 2020, on organization and management of international conferences and seminars in Vietnam

(http://moj.gov.vn/vbpg/en/lists/vn_per_cent20bn_per_cent20php_per_cent20lut/view_detail.aspx?itemid=10713).
- 105 For instance, in May 2018 several Embassies organized a workshop on the presumption of innocence with the Supreme People’s Procuracy, hosted by the UN. That meeting required approval from the Prime Minister.
- 106 The procedures are regulated by Decree 33/2012/ND-CP (https://thuvienphapluat.vn/phap-luat/tim-van-ban.aspx?keyword=Ngh_per_centE1_per_centBB_per_cent8B_per_cent20_per_centC4_per_cent91_per_centE1_per_centBB_per_cent8Bnh_per_cent2033_per_cent2F2012&area=0&type=0&status=0&lan=1&org=0&signer=0&match=True&sort=1&b-date=24/05/1938&edate=24/05/2018) and Decree 45/2010/ND-CP (<https://thuvienphapluat.vn/van-ban/Quy-en-dan-su/Nghi-dinh-45-2010-ND-CP-to-chuc-hoat-dong-quan-ly-hoi-104561.aspx>) that provide for the organization, operation and management of associations. Decree No.33/2012/ND-CP revised some articles of Decree No.45/2010/ND-CP. The administrative procedures relating to NGOs are provided for in the Decision No.579/QD-BNV (15 July 2015) of the Ministry of

- 121 Government of Viet Nam, Ministry of Planning and Investment, Viet Nam. 2020. Draft *National Report on the Implementation of the Sustainable Development Goals*.
- 122 *ibid*
- 123 *ibid*
- 124 During the 3rd UPR, Viet Nam received and accepted nine recommendations on violence against women, see OHCHR matrix of recommendations, pgs 6, 10, 13, 16, 29, 30 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>)
- 125 GSO, MOLISA and UNFPA (2020) A National Study on Violence against Women in Viet Nam 2019. Found at: <https://vietnam.unfpa.org/en/publications/national-study-violence-against-women-viet-nam-2019>
- 126 UN WOMEN and Ministry of Labour, Invalids and Social Affairs, 2019. *End-Line assessment 2019 – The Joint Programme on essential services package (ESP) for women and girls subject to violence in Viet Nam*.
- 127 During the 3rd UPR, Viet Nam received and accepted two recommendations on partnerships, see OHCHR matrix of recommendations, pg 33 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>)
- 128 In February 2021, Viet Nam announced its candidacy for Human Rights Council membership in 2023-2025.
- 129 The International Covenant on Civil and Political Rights (1982), the International Covenant on Economic, Social and Cultural Rights (1982), the Convention on the Rights of the Child (1990), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (2015), Convention on the Elimination of All Forms of Discrimination against Women (1982), International Convention on the Elimination of All Forms of Racial Discrimination (1982) and the Convention on the Rights of Persons with Disabilities (2015).
- 130 Committee against Torture, CAT/C/VNM/CO/1 (2018) (<https://undocs.org/CAT/C/VNM/CO/1>).
- 131 Human Rights Committee, CCPR/C/VNM/CO/3 (2019) (<https://undocs.org/CCPR/C/VNM/CO/3>).
- 132 Report of the Working Group on the UPR, A/HRC/41/7 (<https://undocs.org/A/HRC/41/7>).
- 133 Report of the Working Group on the UPR, A/HRC/41/7/Add.1 (<https://undocs.org/A/HRC/41/7/Add.1>).
- 134 During the 3rd UPR, Viet Nam generally accepted recommendations to establish/strengthen an NHRI (Nos. 66, 75, 79), including one specifying “in compliance with international standards” (No. 85), but noted recommendations referring to the Paris Principles (Nos. 68, 71, 80), Report of the Working Group on the UPR, A/HRC/41/7 (<https://undocs.org/A/HRC/41/7>). The Human Rights Committee and CESCR noted this issue (CCPR/C/VNM/CO/3 (2019) paras 7-8 (<https://undocs.org/CCPR/C/VNM/CO/3>) and E/C.12/VNM/CO/2-4 (2014), para 10 (<https://undocs.org/E/C.12/VNM/CO/2-4>)). Viet Nam established a national Human Rights Steering Committee, which includes representatives from key ministries and agencies and is mainly responsible for coordinating human rights activities and submitting strategies, plans, projects, and programs on human rights to the government, Prime Minister’s Decision 63/2004/QĐ-TTg, 16 April 2004, available at <http://khpl.moj.gov.vn/qt/tintuc/Lists/CacAnPham/Attachments/22/Thong%20tin%20so%20082016.pdf>
- 135 Despite accepting during the 3rd UPR, inter alia, recommendation “38.16 Consider adhering to the International Convention for the Protection of All Persons from Enforced Disappearance and the International Convention on the Rights of All Migrant Workers and Members of Their Families (Mexico);” Report of the Working Group on the UPR, A/HRC/41/7 (<https://undocs.org/A/HRC/41/7>).
- 136 The government was due to submit its periodic report to the CERD in 2015, and to the CESCR and the CEDAW in 2019. It is understood that the government is currently preparing these reports.
- 137 Visit by the Special Rapporteur on the right to food, report available here: <https://undocs.org/A/HRC/40/56/Add.1>.
- 138 See <https://spinternet.ohchr.org/ViewCountryVisits.aspx?visitType=all&lang=en>. During the 3rd UPR, Viet Nam received many and accepted several recommendations to invite special procedures to visit the country (Nos. 38.8, 38.11-38.13, 38.17, 38.27, 38.34, 38.37), Report of the Working Group on the UPR, A/HRC/41/7, (<https://undocs.org/A/HRC/41/7>).

- 139 Ocean Conservancy 2017
- 140 [Science Shows Chinese Dams Are Devastating the Mekong, Brian Eyster, 22 April 2020, Foreign Policy](#)
- 141 See Human Rights Committee, CCPR/C/VNM/CO/3 (2019), paras 41-42 on the right to leave and enter one's country. Concerns also raised by Special Procedures (Communications VNM 4/2020 (<https://spcommreports.ohchr.org/TMResultsBase/DownloadPublicCommunicationFile?gld=25649>) and VNM 1/2019 (<https://spcommreports.ohchr.org/TMResultsBase/DownloadPublicCommunicationFile?gld=24537>), and by the Committee against Torture (CAT/C/VNM/CO/1 (2018), paras 38-39 (<https://undocs.org/CAT/C/VNM/CO/1>).
- 142 Also see: <https://www.ohchr.org/EN/HRBodies/UPR/Pages/UPRVNUNContributionsS32.aspx>
- 143 UNDP, 2018. Financing Sustainable Development in Viet Nam: A Development Finance Assessment. UNDP: Ha Noi.
- 144 *ibid.*
- 145 Averages are for 2015-16, since the 2017 values in IMF 2019 Article IV are only estimations. OECD, 2020. *A Multi-dimensional Country Review of Viet Nam*. OECD: Paris.
- 146 *Ibid.*
- 147 Development Partners Group Working Group in Viet Nam, 2019. *Position Paper on Restructuring Vietnam's Financial and Banking Sector 2021 – 2030*.
- 148 During the 3rd UPR, Viet Nam received and accepted five recommendations on climate change and the environment, see OHCHR matrix of recommendations, pgs 12, 20, 31, 32 (<https://lib.ohchr.org/HRBodies/UPR/Documents/Session32/VN/Recommendations.docx>).
- 149 Viet Nam had received recommendations from UN human rights bodies in all of these areas prior to the COVID-19 pandemic.



**UNITED
NATIONS
VIET NAM**

