



UNITED NATIONS
VIET NAM



MULTI-STAKEHOLDER CONSULTATION ONE STRATEGIC FRAMEWORK FOR SUSTAINABLE DEVELOPMENT COOPERATION

BETWEEN THE UNITED NATIONS AND THE GOVERNMENT OF VIET NAM PERIOD 2022-2026

Session 2: Cooperation Framework Outcomes and
the Theory of Change

**Outcome 3: Shared Prosperity through Economic
Transformation**



Overview

- **This presentation will cover:**
 1. Summary problem analysis
 2. Theory of Change: Proposed UN Offering and Leave No One Behind (LNOB targets)
 3. Cross-cutting issues
 4. Assumptions, risks and partnerships (*WORK IN PROGRESS*)
 5. Guiding questions for discussion



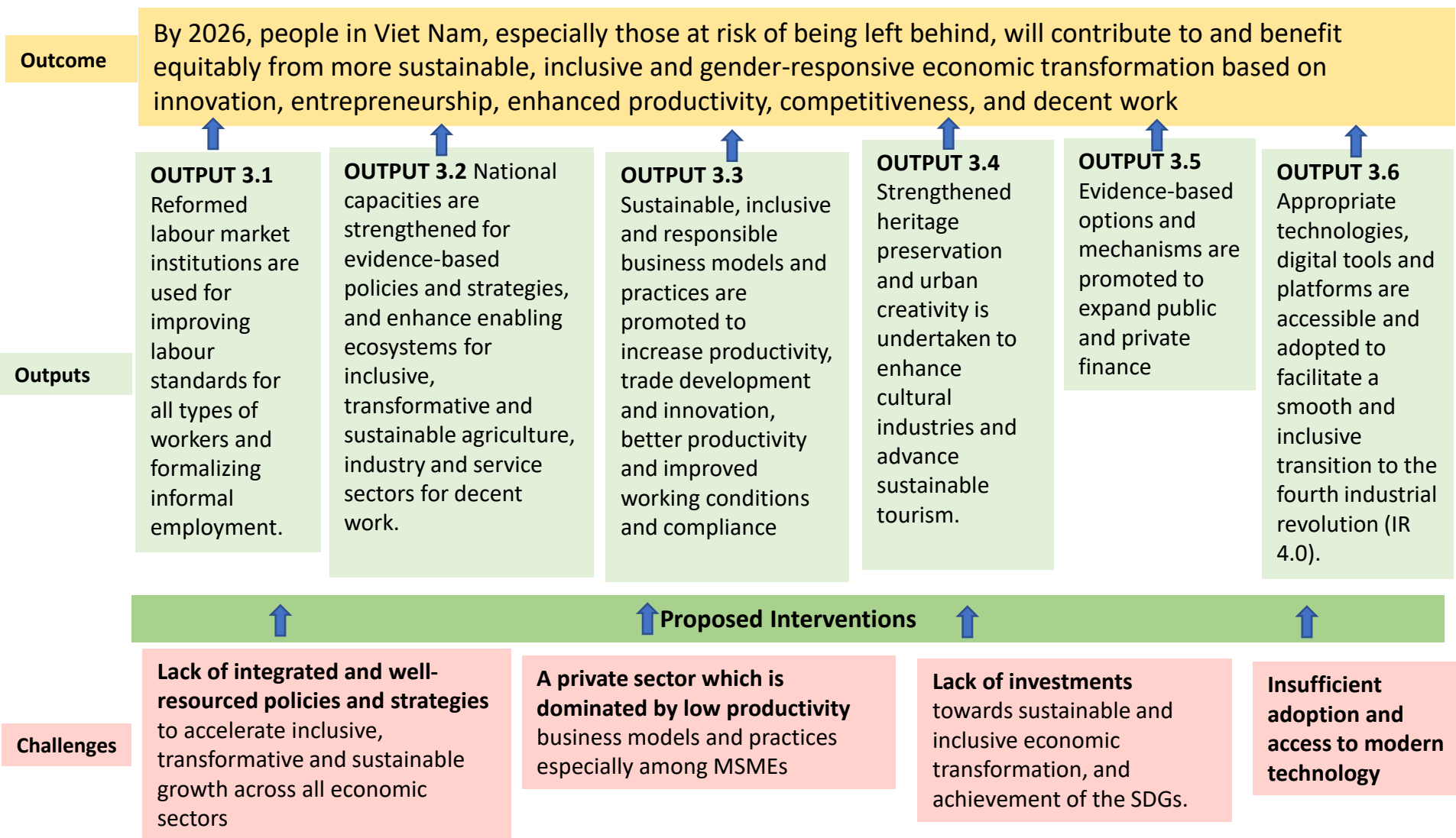
Summary Problem Analysis

- Pre-COVID-19, strong GDP growth driven by modernized, vibrant industrial base.
- High level of manufacturing exports, attracting record volumes of foreign direct investment and cementing the country's integration into global value chains.
- Income inequality is rising and may continue as economic structure shifts to better reward medium and high-skilled workers.
- Enabling shared prosperity requires economic transformation, which is sustainable, inclusive, gender responsive meaning that all Vietnamese have an opportunity to contribute to the Fourth Industrial Revolution (IR4.0) in decent working conditions with adequate social protection.



- The analysis points to four main challenges impeding economic transformation, and achievement of the SDGs: **i) lack of integrated and well-resourced** development policies and strategies to accelerate inclusive, transformative and sustainable growth across all economic sectors, **ii) a private sector which is dominated by unsustainable, low productivity business models and practices** especially among MSMEs, **iii) Insufficient adoption and access to modern technology**, and **iv) lack of investments** towards sustainable and inclusive economic transformation, and achievement of the SDGs.

Theory of Change



Challenge

i) lack of integrated and well-resourced policies and strategies to accelerate inclusive, transformative and sustainable growth across all economic sectors

Proposed Interventions

- Promote scientific, technological and innovation policies and standards to initiate the fourth industrial revolution.
- Devise new business models and practices to improve connectivity, use of spatial economics, technological diffusion and increase economic opportunities especially for vulnerable groups.
- Design strategies to improve the mobility of people, goods and services and increase productivity, trade development and economic diversification.
- Support a green industrialization policy that incorporates and integrates green economy, circular economy and natural capital development.
- Strengthen heritage preservation and urban creativity to enhance cultural industries and advance sustainable tourism.
- Strengthen and promote linkages and synergies between food processing, handicraft, tourism and the creative industries for local and women's economic development.
- Strengthen urban policies with socioeconomic, environmental and cultural strategies.

Challenge

ii) a private sector which is dominated by low productivity business models and practices especially among MSMEs

Proposed Interventions

- Prioritize support to vulnerable SMEs and informal sector (especially those led by women, PWDs and ethnic minorities) to build resilience to economic shocks and become greener.
- Enhance domestic value-addition and productivity, growth of domestic markets and consumer demand, and connectivity of firms to domestic and global value chains for the growth of Viet Nam's MSMEs.
- Improve labour standards, support the transition from informal to a more formalized labour market.
- Facilitate safe, fair and regular labour migration (aiding the implementation of the United Nations' Global Compact for Safe, Orderly and Regular Migration).

Challenge

iii) Insufficient adoption and access to modern technology

Proposed Interventions

- Provision of solutions towards increasing access to ICT services, expanding access to 4G technology and raising ICT capabilities among MSMEs cooperatives and disadvantaged groups.
- Designing innovative approaches to improve inclusion such as developing strategies to mainstream digital services across all sectors as part of broadening the digital economy.
- Promote e-commerce adoption among SMEs and cooperatives.
- Develop innovative platforms for children and young people particularly girls and young women to learn and improve their skills for future employment.
- Support the development and enforcement of labour market policies for re-skilling of migrant and informal workers particularly female workers in the digital economy.

Challenge

iv) lack of investments towards sustainable and inclusive economic transformation, and achievement of the SDGs.

Proposed Interventions

- Promote evidence-based options and mechanisms towards expanding public and private finance for achieving SDGs
- Explore innovative financing tools, private sector partnerships and pooled funds.
- Strengthen public investment management, and gender-responsive budgeting.
- Support the acceleration of financial and fiscal stimulus for strengthened, inclusive macroeconomic policies.

Theory of Change: Proposed UN Offering and Leave No One Behind (LNOB) targets

LNOB groups were highlighted as:

- a) Ethnic Minorities
- b) People living with Disabilities
- c) Migrants
- d) People living in disaster prone areas
- e) LBGTQI People;
- f) People affected by HIV/AIDS, and
- g) Demographic foci of Children, Youth, Women and the Elderly.



WHY?

- **Inequalities and unintended marginalization** of vulnerable groups points to an uneven distribution of wealth as well as opportunities for economic prosperity.
- Rural and urban poor, ethnic minorities, migrants and other vulnerable groups **benefitting less from economic growth**, and this may persist as the economy continues to modernizes and become more digitally oriented.
- **Informal workers particularly vulnerable** as informality often precipitates working conditions contrary to the decent work agenda, restricts access to social protection mechanisms and promotes job insecurity which can lead to exploitation.

Cross cutting priorities to guide and focus the monitoring of the CF were confirmed as:

- (a) Human Rights;
- (b) Equity and inclusivity;
- (c) Gender equality;
- (d) Climate Change;
- (e) Humanitarian & Pandemic Response.



The TOC relies on the overall **assumptions** that that strategies relate to both international and internal migrants.

Risks identified

- The negative effects on child development affected by parent employment migration and children left with grandparents may impact child development, physical and mental health of caregivers.
- Issues of child protection, social protection and community-based development balanced.

Partnerships will need to include a variety of stakeholders following the whole-of-society approach

- Partnerships with International Financial Institutions and development partners to mobilize necessary resources to finance the SDGs and foster innovation.
- Open new dialogues to mobilize and engage the Vietnamese private sector in contributing to the SDGs implementation.
- Leveraging the UN's partnerships on climate change, clean energy, STEM policy, innovation, health systems, and innovative finance by fostering cooperation between government, business, academia and communities for business innovation and social impacts.
- Linking the public and private sector, employers-employees associations in nurturing a labour force and healthy industrial relations.
- Collaboration with public agencies, NGOs, civic and community-based networks to promote good governance, legal and justice reforms, and tackle social challenges.
- Collaboration with other global institutions and regional partners networks to support cross-boundary issues, particularly on climate change action, pollution, IFFs and cross-border trafficking.

Guiding Questions

- (i) Does the overall theory of change (ToC) and proposed UN offering reflect Viet Nam's reality, the UN's comparative advantage, and accelerant measures to support progress towards the achievement of the SDGs?
- (ii) Does the target LNOB groups correspond to those most at risk and does the UN offering sufficiently respond to the primary LNOB needs?
- (iii) Are the cross-cutting issues correctly identified and captured in the UN's approach?
- (iv) Are the assumptions for the TOC sufficiently realistic and comprehensive? Can any of these assumptions be sufficiently mitigated against through the UN's proposed interventions?
- (v) Are the risks adequately captured and reflect the potential impact of major events and crises e.g. COVID-19, natural disasters, worsening pollution etc?
- (vi) Which strategic partnerships would strengthen the proposed UN offering? Are there additional partnerships/collaborations that could have a transformative impact on achieving the ToC?



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