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FINAL REVIEW REPORT 2021

United Nations Development Programme

VIET NAM

Support developing and implementing the new reforms and development partnership framework to accelerate the achievement of SDGs and Agenda 2030 (Partnership for Agenda 2030)

Date of report: 31ST December 2021

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Country	Viet Nam
Project Title	Support developing and implementing the new reforms and development partnership framework to accelerate the achievement of SDGs and Agenda 2030 (Partnership for Agenda 2030)
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Revenue received	<ul style="list-style-type: none"> • UNDP TRAC (in cash): \$200,000 • GoV (in cash): \$35,000 <li style="padding-left: 20px;">(in kind): \$35,000 • To be mobilized: \$500,000
Unfunded budget	
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I. BACKGROUND INFORMATION

Viet Nam's achievements on MDGs are remarkable, however the challenges in continuing the progress are enormous. Viet Nam's economic slowdown deepened after the global financial crisis in 2008 and revealed structural problems of Viet Nam's economy signalling that its once powerful growth model has now run out of steam, calling for further reforms to renew the country's engines of growth.

While the national average poverty rate has rapidly decreased, it remains relatively high among ethnic minority groups and in mountainous areas. In addition, new forms of vulnerability, associated with the remaining pockets of poverty and formation of a large (more than 50% of population in 2016) lower middle-income group, has emerged characterized by non-income deprivations in dimensions such as health and education, water and sanitation, housing and social protection in Viet Nam. As the country embarks on a new growth model that will be based more on higher productivity and competitiveness in the context of the Fourth Industrial Revolution 4.0 acceleration, the challenge is to ensure leaving no one behind in terms of having 21st Century skills to seize new more productive employment opportunities and accessing to social protection services to cope with shocks. These together with serious environment degradation, negative impacts of climate change, changing development finance landscape require a new, more inclusive, greener and sustainable development pathway in low middle-income Viet Nam, if it is to achieve the Sustainable Development Goals (SDGs), and to maintain its position among the world's leading nations in delivering Agenda 2030.

One of the key challenges for Viet Nam in achieving SDGs is to unblock financing bottlenecks in the context of the fast-changing development finance landscape. The Development Finance Assessment Report that UNDP conducted in close cooperation with the Ministry of Planning and Investment (MPI) and Ministry of Finance (MOF) highlighted following issues: (i) a sharp decline in grant ODA – key financial resource for technical assistance and capacity development and less concessional ODA loans; (ii) low and slowly increasing private sector investments, while the quality of FDI does not match its quantity; and (iii) serious government budget constraints due to declining revenue from natural resources and revenue from more regular source of taxes not increasing fast enough while spending obligations increasing fast. It's therefore necessary to develop a new partnership strategy to effectively mobilize and utilize development financial resources for achieving the ambitious SDGs, within a national integrated finance framework that is suited to Viet Nam's new growth model and linked to its development results.

In this new context, and with the strong commitment to implement the 2030 Sustainable Development Agenda, the Government of Viet Nam (GOVN), with MPI playing the focal role, embarks on the process of formulation of its ten-year Social Economic Development Strategy (SEDS) 2021-2030 and the five-year Social Economic Development Plan (SEDP) 2021-2025. These documents will provide the strategic directions to ensure that Viet Nam's growth can continue to be inclusive growth, development will be sustainable with improved equality providing opportunities for all Vietnamese to participate in, contribute to and benefit from the development process.

Building on the past successes and experience of UNDP-MPI partnership, including projects supporting the formulation of the previous SEDS and SEDPs, and projects: "Support to the Country Program Management (CPMS)" (2006-2011) and "Support for Results-Based Management and Communications under the One Plan (RBMC)" (2012-2016), this project is designed to further strengthen the strategic partnership between UNDP and the Government in general and MPI particular to support Viet Nam in achieving SDGs. The project aims at assisting MPI, Foreign Economic Relation Department in particular, in contributing to Viet

Nam's implementation of SDG17 "Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development", and low middle income Viet Nam's transition from 'donor-recipient' partnership toward a new 'partnership' among development partners (which is planned to be one of the key directions of the ODA orientation 2021-2025 that MPI/FERD is requested by the Prime Minister to prepare). In addition to that, SDGs and inclusive growth principles will be integrated during the formulation of SEDS (2021-2030) and SEDP (2021-2025).

The project contributes to the One UN Strategic Plan (OSP) 2017-2021 Outcome 1.1 "Poverty and Vulnerability Reduction"; Outcome 3.2 "Inclusive labour market and expansion of opportunities for all"; and Outcome 4.1 "Participatory decision-making and responsive institutions". It will also contribute to UNDP Country Programme Document (CPD) 2017-2021 Outcome 1 "Poverty eradication and greater socioeconomic equity" and Output 4.5 "National data collection, measurement and analytical systems in place to monitor progress on the Sustainable Development Goals and to inform plans, policies and budgets at national and subnational levels".

The project objectives are: *(i) support for experimenting and formulating innovative development partnership with UN/DP for accelerating the achievement of SDGs; (ii) support the implementation of SDG 17 (partnership); and (iii) support the Ministry of Investment and Planning in contributing to the formulation and implementation of Viet Nam's ten-year Social Economic Development Strategy (SEDS, 2021-2030) and five-year Social Economic Development Plan (SEDP, 2021-2025).*

The project objectives will be realized through delivering the outcomes and expected results as mentioned in Part III below. Specifically, under *Project's Outcome 1 "Innovative development partnerships and resource mobilization solutions mapped, experimented and scaled up for accelerating the achievement of SDGs and contributing to the new GOVN's development partnership framework with UN/DP"*, UNDP has been working closely with MPI to:

- Promote international and local knowledge and experience sharing to build more equal development partnerships between Viet Nam and international/local partners in general and a GOVN-UN/DP development partnership framework in particular.
- Support the MPI in development of a coordination mechanism among government agencies and building a multi-stakeholder platform to facilitate exchanges on development lessons and experiences between Viet Nam and other countries that have experienced similar transitions, especially on overcoming challenges of MICs, ODA graduation, SDGs implementation innovation, development finance mobilization and management to support national development needs and priorities (SDG17).
- Strengthen Viet Nam's participation in Global Partnership for Effective Development Cooperation - GPEDC and International Aid Transparency Initiative - IATI) and other obligations/activities under SDG17.
- Identify new/innovative partnership arrangements (especially Government-private-development partners) that could be experimented and scaled up nationwide as alternated solutions for resource mobilization/development finance in the new context of low-middle-income country of Viet Nam in general and in current UNDP CPD and future country programming in particular. Results of the experimentation will be shared and used as input during the development of the national "plan for establishment of the national innovation centre" and "financing and financial mechanism for innovations and start-ups", which is under the responsibility of the MPI.

- Identify opportunities for accessing alternative development finance sources (including new mechanisms like Global Climate Fund, social impact fund, crowdfunding, and domestic sources...) and necessary steps to improve national capacity in mobilizing, coordinating and managing these funds.

In order to achieve Project's Outcome 2 "SDGs and inclusive growth principles integrated in SEDS (2021-2030) and SEDP (2021-2025) with improved tools for integrated planning, budgeting and monitoring SDG implementation", UNDP and MPI have been working closely with MPI, the Party's Theoretical Council and Viet Nam Academy for Social Sciences to:

- Bring international knowledge/experiences, evidence-based analysis for integration of inclusive growth, SDGs and development finance to the formulation of SEDS and SEDP.

- Integrate Viet Nam's SDG indicators (that meet international standards and disaggregation requirements) into country's sustainable development (SEDP) M&E framework; and support the National SDG and Voluntary National Review reports to meet Viet Nam's commitments to 2030 Sustainable Development Agenda.

Below are the specific results achieved during the project duration (2019 – 2021).

II. PRPGRESS REVIEW

1. General achievements

a) Under the Outcome 1:

The Project has provided MPI with technical inputs and policy advices through mapping, experimenting and scaling up the identified innovative development partnerships and resource mobilization solutions for accelerating the achievement of SDGs and contributing to the new GOVN's development partnership framework with UN/DP.

Some key expected outputs can be seen as below:

Formulation of future UN/DP-GOVN cooperation program, which is based on new partnership principles and scaling up successfully experimented initiatives.

New development partnerships identified and experimented, including:

ODA commitments and disbursement monitored closely (including for strengthening Viet Nam's participation in GPEDC and IATI);

New forms of partnerships, including with private sector partners and resource mobilization (opportunities, bottlenecks and solutions) for joint GOVN - UNDP programmes, mapped, experimented and documented for policy dialogues aiming at scaling up the successfully experimented solutions.

Technical advice provided for formulation of Viet Nam's South-South Cooperation strategy under SDG17 and coordination mechanism among government agencies.

Strengthened joint UN-GOVN monitoring for UN/DP-supported projects within the framework of One UN Strategic Plan.

An ODA graduation plan, which identifies opportunities for accessing alternative development finance sources (including new mechanisms like Global Climate Fund, social impact fund, crowdfunding, and domestic sources...) and necessary steps to improve national capacity in mobilizing, coordinating and managing these funds.

b) Under the Outcome 2:

SDGs and inclusive growth principles have been integrated in SEDS (2021-2030) and SEDP (2021-2025) with improved tools for integrated planning, budgeting and monitoring SDG implementation.

Below are some key expected results:

The project provided policy advice and technical support contributing to SEDS (2021-2030) and SEDP (2021-2025) on inclusive growth principles, SDGs integration and development financing.

Conducted multi-stakeholder engagement events for policy dialogues and consultations which resulted in inclusive growth principles and SDGs to be discussed and mainstreamed into SEDS and SEDP.

Studied and proposed Viet Nam's SDG indicators and data collection methods which were inputs for integrating into Viet Nam's sustainable development (SEDP) M&E framework; National SDG and Voluntary National Review reports.

2. Key actions and specific results

1.1. Activity group 1: Supporting the MPI in development of a coordination mechanism among government agencies and building a multi-stakeholder platform to facilitate exchanges on development lessons and experiences between Viet Nam and other countries that have experienced similar transitions, especially on overcoming challenges of MICs, ODA graduation, SDGs implementation innovation, development finance mobilization and management to support national development needs and priorities (*Development of new GOVN-UNDP development partnership mechanism*)

The overall objective of this activity group was to develop a proposal on a new GOVN-UNDP development partnership that contribute to Viet Nam's implementation of SDG17 "Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development", and low middle income Viet Nam's transition from 'donor-recipient' partnership toward a new 'partnership' among development partners, which in turn, is expected to provide inputs as key directions for (i) the ODA orientation 2021-2025 that the Ministry of Planning and Investment is requested by the Prime Minister to prepare, in line with SEDS and SEDP and (ii) the UNDP Country Programme Document 2022 – 2026.

The activity group 1 has resulted in an deep analysis of global and regional context and the current UN reform process influence to the GOVN-UN/DP development partnership; Proposed revisions/improvement in institutional and legal frame work; Proposed measures and solutions for integrating the GDGs into SEDS and SEDP implementation with SDGs, using a more "whole of Government" approach to critical, cross-cutting challenges such as climate change and addressing inequalities; Effective mobilization and utilization of development financial resources for achieving SDGs, within a national integrated finance framework that links to the country's development results; and Promoted South-South and Triangle Cooperation based on mutual learning, sharing experience and knowledge among countries.

The 10 recommendations and lessons learnt by the activity group *have been welcome and used by MPI/GoV*, for UNDP-GOVN development partnership modalities in the new context as follows: (1) Long term GOVN-UNDP partnership strategy under the renovated GOVN's coordination and lead with relevant roadmaps that closely linked to the UNDP global

mandate and its global network; (2) Upstream policy advisory works as UNDP's core country programme strategy, which should specifically support Viet Nam's development needs in addressing some strategic 'problems' areas in the new context such as private sector development, urbanization related issues, middle-income class, emergency response policy, etc. (3) GOVN-UNDP development partnership framework should be in line with this SDCF 2022-2026 under GOVN's coordination and lead; (4) Aligned, systematic and priority-based incremental approach for UNDP's programming, which closed linked to the UNDP global mandate and global trend localized to align to SEDP 2021-2025 and highly prioritized to achieve maximum and incremental impacts with limited funding in the new context; (5) Effective cooperation with UN agencies and IFIs to enhance programme complementarity for significant, synergized impact in common development challenges; (6) Collaborative resource mobilization from global funds / vertical funds on climate and disaster resilience, low-carbon development, etc.; (7) Inter-agency coordination for effective project implementation through GACA coordinated mechanisms and relevant cross-thematic partnership groups; (8) Improve efficiency and effectiveness of UNDP interventions with GACA-led joint review mechanisms and strong UNDP's prioritization of important interventions with relevant resources allocation and optimal use of its in-house capacity and outsourcing; (9) Knowledge development, management and sharing systematically through South- South cooperation; (10) Support Viet Nam's position in the international community in promoting Viet Nam's contribution to the global development agenda, e.g., as an 'emerging donor'. *Please see details in Annex 1.*

Activity group 2: Promoting international and local knowledge and experience sharing to build more equal development partnerships between Viet Nam and international/local partners in general and a GOVN-UN/DP development partnership framework in particular (*Documentation of Good Practices under Doi Moi for Sharing at South-South cooperation Fora*)

Under the "Partnership for SDGs" project, UNDP provided MPI with technical support in developing a set of reference material on Viet Nam's experience during Doi Moi, which would be shared by Viet Nam with other countries, especially developing/developed countries that may have similar context via South-South cooperation (SSC) network or triangular cooperation (TrC).

South-South and triangular cooperation have become an integral part of development cooperation. Their roles are increasingly critical to bolstering the capacities of developing countries towards positive impacts on development performance and prospects in the Global South in poverty eradication, trade and financial flows, technological capabilities and economic growth. South-South Cooperation has emerged as an important vehicle in contributing to the achievement of the Sustainable Development Goals (SDGs) and will assume greater importance in the future. One important aspect of the SSC contribution is the fostering of a spirit of inclusive development with global partnerships involving Governments, civil society, academia, international financial institutions, foundations and the private sector.

Within this context and based on request from MPI, UNDP supported to intensify its cooperation and improve its support to partners, including regional and sub-regional organizations, to enable their Member States to build more partnerships and cross-border frameworks, with a view to promoting and scaling up best practices in South-South and

triangular cooperation with the potential to benefit many other developing countries. This includes knowledge sharing in the areas where South-South cooperation has proven effective, including policy coordination, regional integration, interregional linkages, infrastructure interconnectivity and the development of national productive capacities.

The activity group 2 has resulted in developing a set of reference materials that takes stock the comprehensive reforms undertaken under the Doi Moi in the some selected sectors, which could be used as a Doi Moi's lessons for Viet Nam consideration in it's next stages of development and as a reference for policy makers in other countries facing a similar period in their countries' development. These set of material has contributed to South-South Cooperation and Triangle Cooperation, based on experience and knowledge sharing among countries.

The findings and recommendations from this activity group focused on the following areas: (1) The transition from a centrally-planned economy to market economy toward socialist orientation; (2) Mobilization and utilization of development finance, especially good and successful stories relating to Foreign Direct Investment (FDI), Official Development Assistance (ODA) and domestic resources; and (3) Ensured inclusive development, equality and economical-social-environmental sustainability for leaving no one behind, and during the transformation from MDGs to SDGs.

The recommendations and lessons learnt by the activity group 2 *have been appreciated, used and shared by MPI/GoV at international fora, especially:* The main orientations for renovation have been specified as follows (i) Transformation from a centralized, bureaucratic economy to a socialism- oriented market economy; (ii) Active participation in global economic integration, mobilizing and effectively using development finance sources, especially official development assistance (ODA) and foreign direct investment (FDI); and (iii) Sustainable economic development with social justice, not leaving anyone behind, environment protection and sustainable use of natural resources. During the renovation process, Vietnam has learned a lot of lessons from successful experience and from the cases with problems, which hadn't timely adjustment of policies was needed for development. *Please see details in Annex 2.*

Activity group 3: Development of a joint UNDP-GOVN monitoring mechanism for UNDP programme/projects

Based on the current UNDP CPD (2017-2021), UNDP has focused on three following areas (i) Poverty eradication and greater socio-economic equity: Human Development, Multi-Dimensional Poverty (MDP) reduction and EM development, social protection, SME/private sector development, development financing, inclusive innovation, women economic empowerment, etc; (ii) Low-carbon, resilience and environmentally sustainable development: low-carbon and climate-resilient development, green growth, climate change and disaster risk management, biodiversity conservation, environmental protection and reducing emissions from deforestation and forest degradation, green-house gas (GHG) emission and adaptation; and (iii) Increased voice, institutional accountability and access to justice: public participation, anti-corruption, rule of law and access to justice (esp. by vulnerable groups), women's representation and gender awareness in the justice sector, youth and women in leadership.

Under this context, UNDP, in collaboration with MPI reached an agreement on developing a joint-monitoring mechanism for UNDP programme/projects in Viet Nam. This activity was to monitor and timely support around 40 on-going projects, with an aim to provide input to the design and implementation of the new UNDP Country Programme 2022-2026.

This consultancy has resulted in three key outputs, including (1) Preparing 3 sets of guiding documents, both in English and in Vietnamese (each set includes 1 ppt presentation and 1 Q&A notes) as standard to serve not only this workshop and future training workshops on this new Decree; (2) Overall introduction of the new ODA Decree including: (i) New elements/changes of the new Decree (in comparison with the current one); (ii) Detailed guidance on procedures (depending on different programs/projects categories and nature); (iii) Functions/responsibility of relevant agencies/stakeholders; (iv) Introduction of international treaties/agreements; (v) Conditions and procedures for signing international treaties/agreements on ODA; (vi) Functions/responsibility of relevant agencies/stakeholders; (3) Financial management of ODA projects (relating to MOF's functions) including: (i) Objectives and scope of ODA financial management; (ii) Financial planning, implementing and reporting. The above outputs have contributed to more effectively monitor and timely support the on-going projects of UNDP. *Please see details in Annex 3*

Activity group 4: Review of the Viet Nam - UN Harmonized Programme and Project Management Guidelines (HPPMG)

The Viet Nam - UN Harmonized Programme and Project Management Guidelines (HPPMG) were jointly developed by the Government of Viet Nam and UNDP, UNICEF and UNFPA for the management and implementation of UN-supported programmes and projects and became effective on 1 July 2010. After 6 years of implementation, on the basis of the consensus of related parties, the HPPMG has been assessed for conformity by domestic experts, making recommendations to improve the HPPMG, accordingly, in 2016, the Joint UN-VN Working Group has adjusted 28 key points - urgent issues. Although this adjustment is not comprehensive, it has actively facilitated Implementing Partners (IPs) and other stakeholders in implementing cooperation programs and projects more effectively, while waiting for the parties to agree on the overall adjustment to the HPPMG.

During period of HPPMG implementation, there have been updated regulations and procedures from both government and UN agencies. Especially the recently issued Decree 56/2020/ND-CP by the Government dated May 25, 2020 on management and the use of ODA and concessional loans from foreign donors brought along many changes in the decentralization and management process of ODA. In addition, there has been commitment by both UN and the GOV to consider expanding the application of HPPMG to other UN agencies' funded programmes/projects. These require HPPMG to be reviewed and amended.

This consultancy has resulted in identifying: (a) Challenges faced the related parties (IPs, government aid coordinating agencies (GACA), UNDP/UNICEF/UNFPA and other partners involving in the implementation of HPPMG); (b) Similarities and differences between the current policies and procedures of both the Government and the three UN Agencies and the existing HPPMG in terms of programme & project management guidelines and requirements; (c) Overall lessons learnt over ten years of HPPMG implementation and opportunity for

expanding HPPMG to programmes/projects supported by UN Agencies other than UNDP, UNICEF and UNFPA. The findings and recommendations from this assignment have been discussed and agreed by the related stakeholders. Upon approval of the revision, the revised HPPMG would be rolled out for implementation by IPs supported by the above three UN Agencies. *Please see details in Annex 4.*

Activity group 5: Review of Viet Nam’s Current Legal Framework that contribute to the implementation of the International Covenant on Economic, Social and Cultural Rights

In early 2020, an outbreak of the viral disease COVID-19 has spread across the globe, impacting hundreds of thousands of people. Governments around the world, including Viet Nam, are driven to take more and more drastic measures to slow down its spread within and between countries. On this matter, international law (including ICESCR) allows emergency measures in responding to significant threats. However, the measures must be proportionate to the evaluated risks. They must be necessary and applied in a non-discriminatory way under Article 4 of ICESCR. As a member state of ICESCR, Viet Nam observes and exercises no exception. Therefore, it has been recommended that the review report of Viet Nam will include a specific section analysing current legal framework that relates to ICESCR rights for public health protection.

Under the request by MPI, UNDP/this project provided MPI with technical support in reviewing the current legal documents, interviewing with relevant agencies/experts and drafting a roadmap for the development of the national ICESCR report of Viet Nam. This consultancy has reviewed the current legal framework in Viet Nam to the exercise of certain ICESCR rights; identified the challenges/gaps under the ICESCR in the case of public health emergencies; assessed the impact of the existing regulations and the implementation of the regulations to those directly affected, especially to vulnerable groups; proposed recommendations and workplan to ensure the submission of the Viet Nam’s national ICESCR review report to the Committee on Economic, Social and Cultural Rights by the end of 2021.

Please see details in Annex 5

Activity group 6: Development of the Orientation of ODA and concessional loan attraction, mobilization, and utilization in the period of 2021-2025 and the Development Partnership Framework toward 2030

Vietnam has been receiving official development assistance (ODA) since 1993 and is the largest recipient of Official Development Assistance (ODA) among ASEAN countries, with a high ODA-to-GDP ratio fluctuating at 4% of GDP in the early 1990s, to around 2% of GDP between 2011-2015 (compared to less than 1% of GDP in other ASEAN countries). Throughout the country's development stages, ODA is considered as one of the important resources contributing to the implementation of Vietnam's socio-economic development and poverty reduction goals, especially in supporting infrastructure modernization, institutional improvement, and human resource development.

In such circumstances, the aim of this activity group was to contribute to Viet Nam’s efforts in development and finalization of i) an Orientation of ODA and concessional loan attraction, mobilization, and utilization in the period of 2021-2025 for applying effective and practical approaches to mobilizing and managing ODA and concessional loans, within a

feasible strategy for the transition to ODA graduation while maintaining prudential public and government debt management in 2021 – 2025 period with a vision to 2030 and ii) a Framework for Development Partnership between Government of Viet Nam and International Development Partners toward 2030.

As results, this assignment has provided the GoV/MPI and UN agencies with:

- *The Orientation of ODA and concessional loan attraction, mobilization, and utilization in the period of 2021-2025.* It focused on: (i) articulating key guidelines and principles of sound ODA and concessional loan master plan based on international best practice and GOVN policy as codified in laws and decrees; and (ii) repositioning ODA and concessional loans within medium-term public investment and fiscal plans in 2021-2025 in light of the increasing cost of ODA loans and decreasing availability of grants and concessional aid; and (iii) setting out a practical program of mobilization of ODA and concessional loans in the framework of public debt management for the years 2021-2025 with a vision to 2030. This will provide a framework for line ministries, local authorities, and donors to select appropriate programs and projects; ensuring the efficient use of ODA and concessional loans in the 2021 – 2025 period.

- *The Framework for Development Partnership between Government of Viet Nam and International Development Partners* which based on two thematic reviews: (i) Reviewing of the international and national development contexts and possible trends that are affecting (passively or negatively) to the development cooperation activities with Viet Nam and Reviewing of the country development cooperations strategies/policies for international development partners in Viet Nam. *Please see details in Annex 6.*

Activity group 7: Updating the 5-year socio-economic development plan (SEDP, 2021-2025) and 2021 SEDP on the new context of COVID-19 pandemic

The COVID-19 pandemic has caused unprecedentedly negative impacts on the world's economy, forcing the lockdown and resulted in the worst recession since the Great Depression. While most of all the economies have been struggling to survive and recover there still has been an unknown evidence for the pandemic to end.

As most countries in the world, Vietnam's economy has been strongly affected. The GDP growth of the country dropped to 1.81 percent (YoY) for the first six months in 2020, lowest since 2011. Recent study points out severe effects of the COVID19, not only in term of macro-economic but also to business communities and households. Firms in most sectors were affected and struggling to survival. Similarly, the likelihood of individuals, households, particularly vulnerable groups of people have been threatening though the support package of the government was provided very soon. A report by GSO which was based on a quick survey in April 2020 expressed about 83% of firms declared being negatively affected and more than 65% of firms deeply suffered the reduction in sale and forced to cut down employment. In a short way, very soon, the affect to business sectors resulted in the reduction in income and directly affect a mass of people. A study by UNDP-UN Women in August 2020 (COVID-19: Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment) points out critical effects of the COVID19 to vulnerable groups such as formal and informal labors working for the firms in various affected sectors such as tourism, transportation, construction. The study highlighted serious impact on vulnerable households and caused the surge of transient income poverty, especially among these

households (such as poor and Ethnic Minority people, of workers in informal sectors, migrant-workers and with small children, elderly and PwD).

Under the request by MPI, this UNDP supported assignment has resulted in:

- analysed the global context with the focus on new global trends (particularly the shift in global supply chains, adjustment of international trade/investment/financial flows and reduction in aggregate demand), and assessed the implication/impact of the latter on Vietnam's economy in the short term (2021) and longer term (2021-2025);
- analysed the impacts of the COVID-19 on Viet Nam's socio-economic development key indicators;
- analysed and forecasted macroeconomic scenarios for Viet Nam in 2021 and in the period 2021-2025 taking into account (and based on) the thorough analysis of the global context/trends, their implications on Viet Nam, COVID-19 impact on Viet Nam and assessment of the changes in growth engines of the country under the new context of COVID-19; and
- subsequently prepared related reports as inputs to the preparation of the SEDP (5-year and 2021).

As results, this assignment helped ensure that the SEDPs (five-year and 2021) were formulated with (i) sound analysis of COVID-19 induced/intensified international trends, their implications in Viet Nam, COVID-19 impact on Viet Nam's socio-economic development and (ii) results of an updated forecast modelling exercise that took into the account such changes and impact as well as clear recommended policy actions. The contribution of this assignment was well received by MPI and National Assembly agencies. *Please see details in Annex 7.*

Activity group 8: Development of National SDGs report

Following international commitments, the GoV has issued a National Action Plan to implement the 2030 Agenda for Sustainable Development (Decision No. 622/QD-TTg dated May 10, 2018 of the Prime Minister). One of the key tasks assigned by the National Action Plan to MPI is to develop the National SDGs Report. Therefore, MPI has requested UNDP to support development of the National SDGs report 2020. With support from this project, the National SDGs Report 2020 has highlighted the following main contents:

+ Updated the implementation of SDGs in Vietnam over the past 5 years, analysed the implementation results according to the Vietnam's set of Sustainable Development Indicators (issued in Circular 03/2019 / TT-BKHDT dated January 22 / 2019 of the Ministry of Planning and Investment) and assessment of the level achieved according to the roadmap for the implementation of the sustainable development goals of Vietnam to 2030 (issued in Decision 681 / QD-TTg dated June 4, 2019 of Prime Minister).

+ Highlighted the difficulties and challenges posed when implementing the SDGs such as policy gaps, policy implementation, resources, stakeholder coordination, performance monitoring and evaluation.

+ Proposed recommendations and solutions to promote the implementation of the SDGs and issues to be focused on in the next 5 years.

The National SDGs report 2020 has been widely consulted with related stakeholders and reached the consensus on (i) the structure of the report and summarizing the progress of achieving sustainable development goals, (ii) adding more reviews and ensure consistency on the SDGs/ targets and also about LNOB, (iii) updating and add content related to Covid-19's impact; (iv) Demonstrating more clearly the whole society approach to the implementation of the sustainable development goals, in order to see more clearly that the achievement of the sustainable development goals requires contribution of all stakeholders. The report was adopted and published by MPI.

Please see details in Annex 7. <https://www.undp.org/vietnam/publications/national-sdg-report>

III. RISKS, ISSUES AND LESSONS LEARNT

1. Key risks, issues

- Lack of an effective partnership framework/mechanism for achieving SDGs, while addressing the country's development issues: structural problems of Viet Nam's economy calling for further reforms.
 - COVID-19 led to some delay of the project implementation. Virtual meetings/social distancing period have caused some difficulties in the project implementation. The COVID-19 has created new forms of vulnerability, associated with the remaining pockets of poverty.
 - A large lower middle-income group with non-income deprivations and leaving no one behind in the context of the Fourth Industrial Revolution 4.0 acceleration with serious environment degradation, negative impacts of climate change, changing in development finance landscape.
 - New, innovative solutions needed more time and efforts for people, especially policy makers to be familiar with, get involved and adapt before they can approve the reform and effectiveness. Strengthened cooperation/partnership UNDP-GoV, new form of partnership are being in place.
 - The rapid changing context of Vietnam and the world, such as natural disasters, climate change impacts, diseases, IR 4.0 technologies,... have generated new form of inequality, i.e., inequality in enhanced capabilities, which needed not only responsive, adaptive solutions/measures, but long term/strategic visions.
 - Donor funding mechanism has recently changed a lot and become more difficult to mobilize for new innovations as Vietnam has become MIC. New forms of partnership have thus been studied and applied in the future.

2. Lessons learnt

- Long term GOVN-UNDP partnership strategy under the renovated GOVN's coordination and lead with relevant roadmaps that closely linked to the UNDP global mandate and its global network.
 - Upstream policy advisory works as UNDP's core country programme strategy, which should specifically support Viet Nam's development needs in addressing some strategic 'problems' areas in the new context such as private sector development, urbanization related issues, middle-income class, emergency response policy.

- GOVN-UNDP development partnership framework should be in line with this SDCF 2022-2026 under GOVN's coordination and lead.
- Aligned, systematic and priority-based incremental approach for UNDP's programming, which closely linked to the UNDP global mandate and global trend localized to align to SEDP 2021-2025 and highly prioritized to achieve maximum and incremental impacts with limited funding in the new context.
- Effective cooperation with UN agencies and IFIs to enhance programme complementarity for significant, synergized impact in common development challenges.
- Collaborative resource mobilization from global funds / vertical funds on climate and disaster resilience, low-carbon development, etc.
- Inter-agency coordination for effective project implementation through GACA coordinated mechanisms and relevant cross-thematic partnership groups.
- Improve efficiency and effectiveness of UNDP interventions with GACA-led joint review mechanisms and strong UNDP's prioritization of important interventions with relevant resources allocation and optimal use of its in-house capacity and outsourcing.
- Knowledge development, management and sharing systematically through South-South cooperation.
- Support Viet Nam's position in the international community in promoting Viet Nam's contribution to the global development agenda, e.g., as an 'emerging donor'.
- Political will/direction and demand driven: In 2019 Viet Nam has been embarking on preparing the new country's ten-year SEDS (2021-2030) and five-year plan SEDP (2021-2025). Demand for UNDP's strategic policy advising both on long-term development directions and options and measures dealing with short-term issues has been high.
- Foreseeing the demand and proactive creation and seizing opportunities for engagement in the process have been key to enhance both relevance and visibility of UNDP's policy advising work on a wide range of topics, for example: inclusive growth and transition to IR4.0, anticipatory governance, inclusive innovation, mainstreaming SDGs and LNOB, green growth and climate change resilience.
- Strong policy commitment is needed for innovative solutions in the rapid changing context and have strong policy commitment for reform which have created opportunities for UNDP to engage in new form of partnerships in the search for generation and application of innovative solutions both in addressing complex development issues at scale and building ecosystem for mass innovation.
- A new and strong partnership for cooperation and joint mobilizing funds between UNDP as the focal point in cooperation with other UN agencies and Government of Viet Nam/MPI is established and operational to develop a joint proposals for funding mobilization.

IV. CONCLUSIONS AND WAYS FORWARD

Built on long trust and mutual commitment, the MPI/GOVN-UNDP development partnership in the current programme cycle is going strong, optimizing UNDP contribution to effective development results in Viet Nam. The main elements based on government's ownership, active leadership and UNDP's strengths in convening power, neutrality and global

network of international expertise remain to nurture collective action-forming partnerships. There are few new features evolved along Viet Nam's LMIC status in terms of changing partners, emerging funding sources and new opportunities, which require UNDP and GOVN to pursue proactive efforts to engage partners in new and multiple ways for achieving development results. There is certain risk in losing coherence and long-term vision in pursuing separate ad-hoc opportunities, which calls for long-term balanced programme approach in new direction for GOVN-UNDP development partnership with flexible implementation modality that relevant to each of projects. Some broad recommendations as follows:

a. Long term GOVN-UNDP partnership strategy

GOVN should take proactive approach in developing SEDS/SEDS in close consultation with international and domestic partners and communicating development needs and timing priorities for partners' support through various policy forums. Based on comprehensive analysis of core mandate, strengths and comparative advantages in global trend, UNDP should define long term vision and develop partnership strategy in line with SEDS and using a 'whole-of-society' approach for Viet Nam. Though this could be a serious challenge in an increasingly VUCA world (volatile, uncertain, complex, ambiguous), the long-term vision and partnership strategy should not be based on short term and fast-changing development needs and should include relevant roadmaps.

b. Policy work and partnership framework

UNDP should continue to focus on upstream policy work as its core country programme strategy linking to the coming One UN Strategic Plan outcomes and outputs. The GOVN-UNDP development partnership framework should be in line with One UN Sustainable Development Cooperation Framework (SDCF) 2022-2026, which will set out focus areas and expected outcomes for the UN towards the achievement of Agenda 2030 for Sustainable Development in Viet Nam. UNDP should move forward to policy service upon GOVN's request.

c. Balanced programme approach for CPD

In close consultation with the government and UN agencies, UNDP should further strengthen its programme approach. In order to improve development effectiveness of UNDP interventions. UNDP should further shift away from a project-focused to a more programme-focused approach in collaboration with other UN agencies. Relevant GOVN agencies should be closely and early consulted in order to develop a set of necessary and sufficient projects that contribute to each of the UN One Strategic Plan outcomes/outputs.

Develop a clear, logical pathway for UNDP Viet Nam to reach the goals defined in the CPD/OSP, by constructing a thematic outcome-specific strategy that is based on a longer-term perspective in achieving results and a programme theory of change. Here, thematic partnership groups should be established (e.g., climate change related PG) and/or reactivated (e.g., disaster related PG) to facilitate policy dialogues, management coordination and institutional capacity building.

M&E practices should also be strengthened with CPAP developed as early as in the programme's designing stage and then, regularly (bi-annually) reviewed jointly with GACA/MPI on the progress and relevance of the UNDP's CPD at outcome level.

d. Effective cooperation with UN agencies and other related development partners

UNDP should build more effective partnerships with UN agencies and with other DPs, development banks when taking an issue-based approach to its interventions, to enhance programme complementarity and a leadership role for UNDP. For joint programmes/ projects with other UN agencies, harmonizing management arrangements between UN agencies and with government agencies need to be addressed carefully and in detail in order to maximize UNDP's SDG integrator role.

For the areas recognized as UNDP's strengths, including aspects of governance, support to ethnic minorities and climate change, there are many other players such as IFIs, World Bank and ADB, who are addressing common development challenges. Policy reform and development services from UNDP can complement investment and budgetary support programmes of the major donors and lending institutions, which in combination can produce significant, synergized impact, for example, on water sustainability in the Central Highlands (as discussed in Section 3.3.2). This is the niche in which UNDP's comparative advantages lie. As it pushes forward with the issue-based approach, UNDP should actively participate in the JPGs, DPG and other development partners' forums that discuss the roles, directions and approaches of development partners in addressing those issues (e.g. discussion on 'policy matrix') in order to bring coherence and coordination to the work of all partners. In addition to the respective programme teams, policy advisors should also engage in such forums and lead the discussions.

e. Resource mobilization from global funds / vertical funds

As the aid trend is also changing for the last few years where the emerging needs of MIC countries (in addition to least developed countries) in global issues such as environmental challenges, climate changes as well as global epidemics such as recent COVID-19... For a high vulnerable country to natural disasters and climate change like Viet Nam, global funds / vertical funds are the areas to tap into in order to find new financing for development. UNDP should continue to work on mobilization of these funding for its major focus areas of cooperation on climate and disaster resilience, and low-carbon development. GOVN should provide timely support and preparation work with UNDP in securing those funds.

f. Inter-agency coordination for effective project implementation

UNDP, in close consultation with the government and the UN agencies, should facilitate innovations in inter-ministerial and inter-provincial coordination to address specific problems associated with overlapping mandates and programmes. It should engage non-government organizations to enhance delivery of government services.

Coordination barriers within government were a common theme in project implementation and lessons learned. For example, the structural issue of MONRE responsibility for biodiversity conservation and protected area policies and MARD responsibilities for land and forest management was highlighted, as well as the search for more effective inter-ministerial coordination of climate change and green growth, the cross-agency collaboration on DRM, and mainstreaming ethnic groups and minority rights into economic development programmes.

g. Improving efficiency and effectiveness of UNDP interventions

GOVN agencies should take more proactive action in aligning UN support to their priorities and needs, especially in ensuring the realization of the benefits of UN support in concrete policy reforms. This can be achieved by, but not exclusive, by the Government co-financing UN project that helps increase the national leadership and ownership of UN-supported projects.

A more flexible and conducive mechanism and framework for development partners to engage with CSOs and, NGOs on programme implementation.

More flexible rules on appraisal, approval and management of UN supported projects, including allowing access to emerging global finance facilities and private sector financing.

Distinguishing the management rules of large ODA projects from the ones for UN-supported projects and non-project activities to allow more flexibility for experimentations of innovative solutions.

GOVN and UNDP should actively work on dialogue and review mechanisms at both managerial and technical levels in order to improve project implementation.

UNDP should strengthen CO's managerial capacity and establish a registered pool of qualified international and national experts, especially in technical, environmental, climate change areas, for timely mobilization for policy research and/or project activities when needed.

h. Knowledge development, management and sharing

UNDP should assess existing knowledge development options, including South-South cooperation practices and research/analytical work produced by the PAT and the projects, and develop an effective knowledge management strategy for the country office.

Fostering knowledge flows and innovations, as well as learning from other countries' experiences, are important to Viet Nam in the MIC context. The CO should capitalize on the many knowledge products it produces as part of its research and analytical work, which can strengthen partners' communication and dialogue through effective dissemination platforms. It should also seize opportunities to share Viet Nam's lessons with other countries. Knowledge products and exchanges should go hand-in-hand with programme and operational efforts that ultimately contribute to the country programme/ OSP's goals. As knowledge products and associated work has often existed in isolation, an effective knowledge management strategy should be developed at the CO level. Such a strategy should define a specific role for information and outreach as a change agent within existing programme/project designs .

V. ANNEXES

1. Annex 1: Partnership report – New GOVN – UNDP Partnership Model.
2. Annex 2: Documentation of Best Practices for SSC.
3. Annex 3: Joint UNDP – GOV monitoring and evaluation mechanism.

4. Annex 4: Detailed Outline Report on HPPMG.
5. Annex 5: Review of ICESCR.
6. Annex 6: ODA Orientation and ODA attraction solutions.
7. Annex 7: Development of SEDP under COVID-19 Context.
8. Annex 8: National SDGs Report 2020.
9. The project document on Support developing and implementing the new reforms and development partnership framework to accelerate the achievement of SDGs and Agenda 2030 (Partnership for Agenda 2030) – UNDP format.
10. The project document on Support developing and implementing the new reforms and development partnership framework to accelerate the achievement of SDGs and Agenda 2030 (Partnership for Agenda 2030) – GOV format.



1. Partnership Report - New GOVN



2. Documentation of best practices for



3. Joint UNDP - GOV monitoring and



4. Detailed Outline Report on HPPMG_E



5. Review of ICESCR_EN.pdf



6. ODA orientation and ODA attraction



7. Development of



8.



9. Prodoc on



10. Prodoc on Partnership for Agei