



# Joint Programme 2021 Annual Progress Report

## SDG Financing Portfolio - Component 1

### Cover page

**UNCT/MCO:** Vietnam

**Reporting Period:** 1 January - 31 December 2021

**JP title:** Supporting Viet Nam Towards the 2030 Integrated Finance Strategy for Accelerating the Achievement of the SDGs

**PUNOs:** UNDP, UNICEF, UN-Women

**Government partner:** Ministry of Planning and Investment

**Target SDGs:** SDGs 17, 8

**Gender Marker:** 2

**Approved budget:** USD 935,266

**Co-funding:** USD 300,000

**Total Disbursement by 2021:** USD 935,266

**Total estimated expenditures:** USD 172,024.9 (est. Delivery rate: 18.4%)

**Total estimated commitments** (including expenditures): USD 427,904.9 (est. Committed rate: 45.8%)

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### Executive Summary

The most significant achievements of the PUNOs on development financing under the Joint Program framework during its first 7 month of the implementation since June 2021 are:

- (i) Completing the final draft of Viet Nam's 2021-2030 National Financing Strategy which emphasized the importance of investing in human capital and human resources including children and women and climate action. The Government Recovery Plan and the associated stimulus package, which was discussed and approved by the National Assembly in early January 2022, have (i) paid much more attention and allocated significant financial resources to important Covid-19 response measures as the UN advocated such as strengthening the health system, social protection and employment and supporting the affected enterprises, cooperative and household businesses; (b) relied much more on fiscal (than monetary) policy and (c) relied much more on mobilization of domestic resources as the main source of funding.

- (ii) Building consensus, with the UN policy advice and UN-supported inclusive policy dialogues, on A) key Vietnam-specific development financing issues (such as the limited link between development plan/targets and finance; fostering a greater reliance on domestic finance; the limited provision of long-term capital; fragmentation of authority in policy formulation, implementation and outcome-based M&E) that need to be addressed; and B) the importance of investment in the social sector, STI, accelerating poverty reduction in the poorest ethnic minority areas, and gender mainstreaming in the SDG financing strategy. These will work to support the implementation of the country's short-term recovery plan and longer-term sustainable development plan.
- (iii) The use of UN policy advising contributions to forming linkages between development finance and outcomes – national SDG targets and mechanisms for outcome-based M&E/holding accountability for the outcomes, most notably in public investment, social sectors, STI, acceleration of poverty reduction in the poorest ethnic minority areas, and gender mainstreaming.

## Annual Progress

### Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

**Comments on self-assessment:** The GoV newly introduced ODA regulation led to the delayed GoV approval and initiation of the JP implementation on June 2021, 11→ months behind the original start date. Despite the delay and 2-month hard 'lockdown' because of the fourth wave of COVID-19 cases in 2021, progress has been accelerated. By 31 December 2021, more than 70% of the JP activities for the full two-year JP WP are "completed" or "on-going", the combined expenditure and commitment rate of the JP exceeded 90% of the first transfer. All output targets set out in the (revised) JP result framework have been achieved or are to be achieved in the first Q1 2022.

### Overall progress and key developments to date (3 key JP milestones)

1. Policy advisory products and policy dialogues contributing to the formulation of the Government Recovery Plan and stimulus package:
  - Policy papers: Financing Development for Recovery and Long-Term Sustainable Development in Viet Nam, Viet Nam Can and Should Finance a Larger Cash Assistance Program without Fear of Inflation; rapid assessments of (i) Covid-19 impact on vulnerable households and businesses and (ii) the Government second social protection support package. - Vietnam Economic Pulse Forum on Financing Recovery and Sustainable Development in Viet Nam engaged 150 participants. - Discussion notes, policy brief, a presentation delivered at the National Assembly's Consultation Meeting and Economic Forum on recovery, and other policy consultations to influence the finalization of Viet Nam 2021-2030 National Financing Strategy and Viet Nam's recovery plan. - The policy papers and dialogues contributed to the formulation of Government Recovery Plan and the associated stimulus package, notably in the Plan and Stimulus Package (a) paying much more attention and allocated significant financial resources to important Covid-19 response measures as the UN advocated such as strengthening the health system, social spending/investing in human capital, especially social protection and protecting employment; (b) relying more on fiscal (than monetary) policy and (c) relying more on mobilization of domestic resources as the main source of funding.
2. Key tools provided to Vietnam's financial processes and policies: - A costing exercise to provide viable financing options and scenarios to inform the finalization and approval of a costed national plan of action on nutrition. - Tools, experience and recommendations provided to promote (i) an increased public investment in human capital/social sectors (nutrition, water, sanitation and hygiene), (ii) improvements in outcome-based budgeting/allocation, M&E and accountability measure in science and technology, national targeted programs for accelerating poverty reduction, green and climate resilience and gender mainstreaming. -An analysis of gender mainstreaming and equality in Medium-Term Budgetary Plan; an analysis of Viet Nam's

development finance from gender perspective; a policy paper reviewing the readiness of Viet Nam for mainstreaming gender in stages of the INFF process; and a policy dialogue on financing gaps for gender equality to achieve the SDGs and gender targets under the National Strategy on Gender Equality in Viet Nam was conducted, contributing to strengthening stakeholders' understanding of gender mainstreaming in the Viet Nam's financial processes and policies. 3. Work has commenced on providing expert solutions to enhance the public investment regulations for coordination and accountability for outcomes and improve SME access to long term capital. - Two training modules on gender responsive budgeting toward the achievement of the SDGs have been developed for government staff. Trainings were provided to more than 300 officials working on gender equality, gender-responsive budgeting and mobilizing domestic resources for advancing gender equality. - An analysis on gaps in gender statistics and recommendations to strengthen the collection, analysis and dissemination of gender statistics, including integration of gender information into annual statistical surveys and censuses to inform the increase investment on gender equality in Viet Nam across the SDGs. - Expert development finance solutions being developed to improve national development banking and capital markets. - Exploring viable financial options (including private sector engagement) to inform the implementation of 2021-25 WASH, Nutrition and Health Sectoral Plans.

**Changes made to JP:** The joint program document has been revised slightly in line with the request for a 6 months no-cost extension. The changes, including in the result framework and work plan, mainly reflect the new JP time-frame: new start and end dates and duration. The country JP team will continue maintain the close links and contributions of the JP to the preparation and implementation of the Government recovery plan and associated financial stimulus packages, while focusing on offering solutions to address the key development finance issues for the long-term sustainable development of Viet Nam.

**Main Challenges:** The main challenge to implementing the JP was the Government of Viet Nam's newly introduced ODA regulation, which requires a long internal process of appraisal and approval of the JP document and its work plan. As the result on 17 May 2021 the JP document was signed by GoV with a start date of June 2021, 11 months behind the original start date. Furthermore, the implementation of the JP experienced a 2-month hard 'lockdown' (beginning 24th July 2021) because of the fourth wave of COVID-19 cases in Viet Nam. Nonetheless, significant progress has been made due to the application of several accelerating approaches, including (i) preparing all Terms of References necessary for implementing activities within the full two-year JP work plan, (ii) applying mixed in-person and virtual meetings/workshops; (iii) establishing "hotlines" partners to quickly share the information on implementation problems encountered and find solutions.

## Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
N/A	Previously Completed	Advancing (50-99%)	Emerging (1-49%)	N/A

## Descriptions on progress by INFF building blocks

**Inception Phase:** NA

**Assessment & Diagnostics:** The Development Finance Assessment and SDG costing exercise were previously completed. Further analysis and dialogues in 2021 focused on identifying the key development financing issues and feasible options/solutions. The contributions include: (i) policy advisory papers (such as Financing Development for Recovery and Long-Term Sustainable Development in Viet Nam, Viet Nam Can and Should Finance a Larger Cash Assistance - Fiscal Stimulus Program without Fear of Inflation; rapid assessment of the Government second social protection support package), (ii) dialogues such as the Viet Nam Economic Pulse and National Assembly policy events on Recovery Plan and Stimulus Package; (iii) a costing exercise to provide viable financing options and

scenarios to inform the finalization and approval of a costed national plan of action on nutrition; (iv) An analysis of gender mainstreaming and equality in Medium-Term Budgetary Plan and INFF, (v) an analysis of Viet Nam's development finance from gender perspective, (vi) a policy paper reviewing the readiness of Viet Nam in mainstreaming gender in stages of the INFF process; (vii) a policy dialogue on financing gaps for gender equality to achieve the SDGs and gender targets under the National Strategy on Gender Equality in Viet Nam; and (viii) a financing assessment on water, sanitation and hygiene and analysis of household expenditures on healthcare and nutrition.

**Financing Strategy:** The Government's Socio-Economic Development Plan, budgetary framework and medium term public investment plan have been completed, the financial strategy and sectoral plans/programs (on WASH, Nutrition, National Strategy on Gender Equality in Viet Nam and national targeted programs for accelerating poverty reduction and rural development) have been/are being finalized. The JP work has focused on making policy advisory contributions to the Recovery Plan and associated stimulus package as well as refining the financing strategy and sectoral plans/programs to support the long term sustainable development and achieving the SDGs. The JP contributions include the policy advisory papers and dialogues as noted in the section 14 above.

**Monitoring & Review:** The tool to establish linkages between finance and outcomes has been provided, recommendations and options on improving the outcome-based M&E/budget allocation and accountability for the achievement of outcomes are being provided for the social sectors (nutrition, health, water, sanitation and hygiene), science and technology, national targeted programs for accelerating poverty reduction and the equity agenda; an analysis on gaps in gender statistics and recommendations made to strengthen the collection, analysis and dissemination of improved gender statistics, including the integration of gender information into annual statistical surveys and censuses to inform the increased investment on gender equality in Viet Nam across the SDGs as described in the section 14 above. It is however noted that it is a bit too early to assess the benefit of these interventions on monitoring and review results.

**Governance & Coordination:** NA

## Priority Cross-cutting Issues

### How did the JP adapt to the COVID-19 context

In 2021, the JP, in line with UN SERP, has been focusing on providing contributions to the (i) formulation and implementation of the Government's second social protection package for the Covid-19 affected and (ii) formulation of Recovery Plan. With the UN contributions, the Government Recovery Plan and the associated stimulus packages, approved by the National Assembly in January 2022, have (i) paid much more attention and allocated significant financial resources to important Covid-19 response measures such as strengthening the health system, investment in social sectors/ social protection and protecting employment of affected enterprises, cooperative and household businesses; (b) relied much more on fiscal (than monetary) policy and (c) relied much more on mobilization of domestic resources as the main source of funding.

### How did the JP apply the Gender Marker

The JP significantly contributed to gender equality in its implementation. Just after the launch of the global guidance on mainstreaming gender into INFF, an analysis was conducted to assess to what extent gender can be mainstreamed into the INFF and provided key recommendations for Viet Nam to advance gender mainstreaming in financial policies. The JPs generated evidence to advocate for gender responsiveness of the financial policies in Viet Nam through the development of an analysis on gender mainstreaming in strategic planning and financial development policies of Viet Nam with the aim to strengthen stakeholders' understanding on gender mainstreaming in the Vietnam's financial processes and policies and gender responsive budgeting.

The JP supported the development of two training modules on gender responsive budgeting toward the achievement of the SDGs for two target groups: 1) government staff working on planning and 2) government staff working on gender equality. Use of one of the gender responsive budgeting training modules developed under the JP, more

than 300 staff working on gender equality was strengthened their capacity on gender responsive budgeting and how financial policies can be responsive to gender equality.

*Estimated % of overall disbursed funds spend on gender: 36%*

### **Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)**

The JP, especially under the outcomes 1 and 2, makes contributions to the UN policy advisory work and advocacy on LNOB. The contributions include: outcome-based M&E of the national targeted programs for accelerating poverty reduction in the poorest ethnic minority areas (in partnership with DFAT and a group of international NGOs, Committee for Ethnic Minority Affairs and MOLISA), and financing an inclusive and shock-responsive social protection system (in partnership with PUNOs of JP on SP and MOLISA).

### **How did the JP work to build ownership and buy-in of key stakeholders**

The key strategy of the JP in building partnership and buy-in of key counterparts and partners is to (i) ensure the UN's relevance and its support through JP will address Viet Nam's specific development finance issues, meet concrete the needs of national partners and make contributions to the Government agencies-led initiatives.

The JP launch and stakeholder event organized in December 2021 has (i) contributed to raising the awareness among Government agencies engaged in the JP and (ii) engaged partners in a constructive dialogue on INFF and the JP. The MPI-UNDP co-organized VEP Forum, the UN participation and discussion notes delivered at the National Assembly-organized events and other Government-led consultations demonstrated the UN's leading role in advocating for a larger social assistance program and increased the importance of investing in human capital development and climate action with a focus on LNOB in the final draft of 2021-2030 National Financing Strategy, Recovery Plan and sector plans/programs. At the same time the UN participation in the consultations on the Government-led initiatives contributed to engaging a wide range of stakeholders to identify development finance issues and options for financing recovery actions and long-term sustainable development and raised public awareness about development finance topics.

## **Annual Reporting on Results**

### **Results achieved in promoting the priority thematic SDG agendas**

There has been no actual result achieved in promoting the priority thematic SDG agendas, in 2021, as per the JP document section 1.2 SDGs and targets. The main reason is that the implementation period to date is too short (seven months); technical assistance, capacity building and policy advisory work are on-going and thus it is too early for actual results to be measured credibly. With regards to the target of "A multi-stakeholder platform is established to support the development finance dialogue at the national level and to enhance partnership for sustainable development, output 1.3" under the SDG target 17.16, it is noted that one multi-stakeholder platform (Viet Nam Economic Pulse Forum) for the dialogue on financing recovery and long term development took place in 2021, and a series of multi-stakeholder dialogues is planned to take place in 2022.

### **JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)**

Result targets have not been set for 2020 and 2021. The implementation to date is too short to credibly measure planned results in 2021. It is noted that on the result 4.3: # of 'functioning partnership frameworks for integrated financing strategies to accelerate SDG progress', while the target has not been set for 2021, one multi-stakeholder platform (Viet Nam Economic Pulse Forum) for the dialogue on financing recovery and long-term development and 4 other consultations on national finance strategy, nutrition/WASH and gender mainstreaming took place in 2021. A series of multi-stakeholder dialogues is planned to take place in 2022.

### **Progress against JP-specific outcomes**

- No actual result achieved against the Outcome 1 target of one priority national SDG target, especially on green, climate resilient and inclusive growth that are aligned with finance policies,
- No actual result achieved against the outcome 2 target of one public finance policy that applied integrated approach in designing and implementation and level of synergy created
- The outcome 3 target of 5% of the increased share of private sector investment in total investment is achieved: as shown by GSO, domestic private investment increased by 7% while both FDI and Public investment decreased in 2021 as compared to 2020.
- The main reason for no actual outcome result or lack of JP contribution to the results is that the duration of the JP implementation to date is too short (7 months) and most of technical assistance, capacity building and policy advisory work are on-going.

### **Progress against JP-specific outputs**

All output targets as per the JP result framework (revised-submitted together with the no-cost extension request) have been achieved or are to be achieved in the first Q1 2022, thanks to the PUNOs and MPI applying the measures for accelerating the JP implementation. However, the short implementation duration to date (7 month) has resulted in some short delays in achieving two output results.

### **JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts**

The JP contributed to strengthening the UN system working together in term of policy coherence as evidence by the UN statements in the National Assembly events on the national Recovery Plan advocating for the additional social assistance support to the most vulnerable affected by Covid-19, and placing greater reliance on domestic finance and fiscal policies to form the stimulus package. Development finance has also been clearly featured as a common area of work and cross-cutting theme in the UN Cooperation Framework. The JP planned series of joint UN-supported policy dialogues and division of labor on the policy advising and capacity building among PUNOs will also help reduce duplication of efforts in the UN's work.

## **Strategic Partnerships, Documents and Communications**

### **How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space**

Viet Nam Economic Pulse forum on financing recovery and long-term sustainable development facilitated collaboration b/w UN, Fulbright University and MPI, it also engaged different Gov. agencies, research institutions, businesses and donors in an inclusive policy dialogues. In conjunction with other IFIs including the IMF, PUNOs advocated for more and better social spending, especially in social protection in Viet Nam's 2021 Public Finance Management Forum on Fiscal Policy Solutions for the Implementation of 2021-2030 National Financing Strategy and Post-COVID-19 Recovery. JP policy research and advisory work also facilitates the collaboration between various national research institutes and Gov. agencies on various development finance topics.

### **Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:**

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

**Comments on additional financing secured:** Viet Nam Economic Pulse forum on financing recovery and long-term sustainable development facilitated collaboration b/w UN, Fulbright University and MPI, it also engaged different Gov. agencies, research institutions, businesses and donors in an inclusive policy dialogues. In conjunction with other IFIs including the IMF, PUNOs advocated for more and better social spending, especially in social protection in Viet Nam’s 2021 Public Finance Management Forum on Fiscal Policy Solutions for the Implementation of 2021-2030 National Financing Strategy and Post-COVID-19 Recovery. JP policy research and advisory work also facilitates the collaboration between various national research institutes and Gov. agencies on various development finance topics.

**JP organized events in 2021**

JP Launch Event	Annual Donor Event	Partners Event
Yes in 2021	Yes in 2021	Yes in 2021

*Number of strategic documents produced by the JP: 10*

*Number of strategic documents contributed by the JP: 10*

*Number of communication materials produced: 1*

**2022 Plans & Way Forward**

**JP priority activities & expected results for 2022**

In 2022 the JP will focus on completing the activities, outputs and delivering results under all three outcomes. Under the outcome 1, the priority will be to establish the finance-outcome linkages, outcome-based M&E and mechanism for strengthening accountability to achieve development outcomes in several areas such as the national targeted programs for poverty reduction, social sector (nutrition) and STI. Under the outcome 2, priority will be placed on enhancing the horizontal and vertical integration across the government in public investment and under the outcome 3 the priority will be to promote the provision of domestic long-term capital via enhancing development banking and reforming domestic capital markets.

**3 major transformative results that will be achieved by the end of the JP**

- Outcome-based M&E and strengthened accountability mechanism to achieve the development outcomes established in the national targeted programs for poverty reduction, social sectors (nutrition, water, sanitation and hygiene and health) and STI.
- Enhanced efficiency of public investment through better horizontal and vertical integration across the government.
- Identified agenda for enhancing development banking and reforming domestic capital markets as key mechanisms for providing domestic long-term capital needed for the transformation toward a more inclusive, greener and competitive economy.

**Estimated rate of completion for each result as of 31 Dec 2021**

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Result.1	Result.2	Result.3
Emerging (1-49%)	Planned (0%)	Emerging (1-49%)

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