

# Joint Programme Document

## - Simplified Template -

### A. COVER PAGE

**1. Fund Name:** Joint SDG Fund

**2. MPTFO Project Reference Number**

**3. Joint programme title**

Supporting Viet Nam towards the 2030 integrated Finance Strategy for accelerating the achievement of the SDGs.

**4. Short title**

2030 Finance Strategy for Viet Nam

**5. Country and region**

Viet Nam, Asia-Pacific region

**6. Resident Coordinator**

Kamal Malhotra, [Kamal.malhotra@un.org](mailto:Kamal.malhotra@un.org)

**7. UN Joint programme focal point**

Caitlin Wiesen, UNDP Resident Representative, [Caitlin.wiesen@undp.org](mailto:Caitlin.wiesen@undp.org)

**8. Government Joint Programme focal point**

Vu Dai Thang, Vice Minister of Planning and Investment, c/o: [hmaipham@mpi.gov.vn](mailto:hmaipham@mpi.gov.vn)

**9. Short description:**

The overall objective of the joint GOV-UN Program (JP) is to support Viet Nam's transformation to a more inclusive, productive green and climate resilient economy and accelerate the achievement of the SDGs. The JP will assist the development and rolling-out of Viet Nam's 2030 integrated financing and investment strategy, of which the SDGs are at the heart, while considering the impact of the recent pandemic, COVID-19. This will be achieved through supporting Viet Nam's 2030 Finance Strategy, Medium-Term Investment Plan and Medium-Term Budget Plan to deliver the following expected results: (i) Strengthened resource allocation through better alignment of development finance with the new national Socio-Economic Development Plan (SEDP) as well as national SDG priorities; (ii) Improved effectiveness of public investment gained through better integration across government (vertically and horizontally); and (iii) Increased private sector investment, and quality FDI flows that support the development of green, productive domestic private enterprises.

**10. Keywords:**

INFF, integrated, whole government, whole society, gender sensitive, human capital, inclusive, green growth, finance strategy.

### 11. Overview of budget

<b>Joint SDG Fund contribution</b>	<b>USD 935,266</b>
Co-funding PUNO's (UNDP, UNICEF, UNWOMEN in cash and in-kind contributions)	USD 300,000
<b>TOTAL</b>	<b>USD 1,235,266</b>

### 12. Timeframe:

Start date	End date	Duration (in months)
July 2020	June 2022	24 months

### 13. Gender Marker: 2

### 14. Participating UN Organizations (PUNO) and Partners:

#### 14.1 PUNO

- Convening agency: UNDP
- Other PUNO: UNICEF, UNWomen

#### 14.2 Partners

- National authorities: Ministry of Planning and Investment, Ministry of Finance, State Bank of Viet Nam.
- Civil society organizations: Viet Nam Women's Union
- Private sector: Viet Nam Chamber of Commerce and Industry
- International Financial Institutions: World Bank Group, International Monetary Fund, Asian Development Bank
- Other partners: European Union, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), OECD

Other partners will also be engaged throughout the implementation of this JP. For example, relevant committees of the National Assembly, Ministry of Education and Training, Ministry of Labor and Social Affairs, Ministry of Health, selected provincial authorities, and private sector through consultations and dialogues as necessary.

## SIGNATURE PAGE

<p><b>Resident Coordinator</b> Kamal Malhotra</p>  <p>Date and Signature:  11/6/2020</p>	<p><b>National Coordinating Authority</b></p> <p>Ministry of Planning and Investment, Viet Nam</p> <p>Vice Minister, Vu Dai Thang</p> <p>Date</p> <p>Signature and seal</p>
<p><b>Participating UN Organization (lead/convening)</b> <b>UNDP</b> Caitlin Wiesen</p>  <p>Date: 11/6/20</p> <p>Signature and seal: </p>	
<p><b>Participating UN Organization</b> UNICEF Rana Flowers</p>  <p>Date: 11/6/20</p> <p>Signature and seal: </p>	
<p><b>Participating UN Organization</b> UNWOMEN Elisa Fernandez-Saenz</p>  <p>Date:</p> <p>Signature and seal: 11/6/20</p>	

## B. STRATEGIC FRAMEWORK

### 1. Call for Concept Notes: SDG Financing (12/2019) – Component 1

### 2. Programme Outcome [pre-selected]

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

### 3. UNDAF Outcomes and Outputs

**3.1 Outcome** - New economic growth model: By 2021, Viet Nam's growth policies and institutions support a new economic model, which is inclusive, sustainable with enhanced productivity, reaping gains from trade liberalization, international integration and migration.

#### 3.2 Outputs

Output 3.1.1 - A more inclusive and productive growth model enhancing the resilience of vulnerable groups developed.

Output 3.1.2 - Strengthened capacities, institutions and policies to promote favorable, transparent and fair business environment for sustainable enterprise development

### 4. SDG Targets directly addressed by the Joint Programme

#### 4.1 List of goals and targets

- SDG Target 17.3

Mobilize additional financial resources for developing countries from multiple sources.

- SDG Target 17.9

Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation.

- SDG Target 17.14

Enhance policy coherence for sustainable development.

- SDG Target 17.16

Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular, developing countries.

- SDG Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

- SDG Target 8.4

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation,

in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

- **SDG Target 8.5**

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

#### **4.2 Expected SDG impact**

The JP will positively and directly impact the achievement of SDG 17 by supporting the mobilization of finance through a variety of sources, promoting policy coherence and facilitating effective public and public-private partnerships. Additionally, the JP will positively and directly impact SDG 8 through the creation of decent jobs, entrepreneurship and innovation, as well as supporting Viet Nam’s transition to a low-carbon economy. It is also expected that by strengthening the alignment of the 2030 Finance Strategy with SEDS the JP will have a positive impact on all the remaining SDGs.

### **5. Relevant objective(s) from the national SDG framework**

The National SDG framework is a nationalized version of the global SDG framework with 17 Viet Nam SDG (VSDGs) and 115 VSDG Targets. Below are the overall goal and specific VSDG targets to which this Joint Programme will contribute:

#### **Overall goal:**

Sustaining economic growth alongside ensuring social progress and justice and environmental and ecological protection with effective management and utilization of natural resources, and a proactive response to climate change. Also, ensuring that the full potential of all citizens is promoted and that they participate in development and benefit equitably from the results of development; and build a Vietnamese society that is peaceful, prosperous, inclusive, democratic, just, civilized and sustainable.

#### **VSDG Target 17.3:**

Enhance policy coherence for sustainable development (SDG Target 17.14).

#### **VSDG Target 17.5:**

Encourage and promote public partnerships and public-private partnerships, building on the experiences and resourcing strategies of past partnerships (SDG Target 17.17).

#### **VSDG Target 8.3 (SDG Target 8.3)**

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services.

#### **VSDG Target 8.4 (SDG Target 8.4)**

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

#### **VSDG Target 8.5 (SDG Target 8.5)**

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

## **6. Brief overview of the Theory of Change of the Joint programme**

The overall objective of the JP is to support Viet Nam's transformation to a more inclusive, productive, green and climate resilient economy and accelerate the achievement of the SDGs. The JP will assist the development and rolling-out of Viet Nam's 2030 integrated financing and investment strategy, of which the SDGs are at the heart. *The Theory of Change of the JP is that the achievement of the SDGs will be accelerated by: (i) Strengthened resource allocation through better alignment of development finance with national SDG priorities; (ii) Improved effectiveness of public investments gained through better integration across government (vertical and horizontal); and (iii) Increased crowding-in of private finance, and quality FDI flows that support the development of domestic private enterprises.* Through the JP, the UN will advocate to place people at the center of the national development finance strategy through the provision of multi-disciplinary policy advice and technical assistance; and sharing of international best practices. This will be complemented by an inclusive multi-stakeholder platform on national financing priorities to support key reforms at the INFF implementation stage.

## **7. Trans-boundary and/or regional issues (optional)**

## C. JOINT PROGRAMME DESCRIPTION

### 1. Baseline and Situation Analysis

#### 1.1 Problem statement

Following ambitious market reforms which began in the late 1980s, Viet Nam has achieved remarkable development success over the last 30 years and today enjoys a growth rate averaging 6.6 percent, one of the highest in the world. By investing heavily in human development at the turn of the century, Viet Nam made great strides in raising living standards; reducing the poverty rate from more than 60 percent in the 1980s to below 5 percent by 2019; and attaining lower middle-income country status by 2010.

Despite these successes, Viet Nam still faces challenges which could negatively impact its ability to achieve the SDGs by 2030. The key challenge is to avoid the risk of the 'middle-income trap', where a country's growth stagnates after reaching middle-income status due to inefficient allocation of resources, a low-skilled labour force and low levels of innovation. As integration into global value chains have become a critical component of competitiveness, Viet Nam will need to use its domestic public and private finance resources more strategically to avoid this risk and maintain its competitiveness, while at the same time achieve inclusive, productive, green growth by 2030. Yet another challenge is the need to invest more in greening its private SMEs, innovation, human capital development, especially for women and children, whilst addressing the demands of a rapidly aging population. This is of utmost importance if Viet Nam is to move towards a more inclusive, productive and sustainable economy, which minimizes inequalities and ensures no one is left behind.

The levels of development finance required to address these challenges are substantial. The International Monetary Fund recently estimated that total spending needs would increase to 20.7% of GDP by 2030 if Viet Nam achieved as good levels of performance across five sectors (education, health, roads, electricity, water and sanitation) as its peer countries. This effectively means public spending in these sectors would need to be increased to 14.8% of GDP by 2030 from the 2017 level of 10.6% of GDP.<sup>1</sup> Meeting these needs in such a short timeframe will require an entire new way of approaching development finance, especially in the context of high, unpredictable costs that arise as a result of shocks and crises such as the new, previously unforeseen COVID-19 pandemic. It is envisaged that establishing an INFF will be the first step towards transforming how development finance is mobilized and managed as we work to achieve the SDGs in Viet Nam by 2030.

The 2018 joint UNDP-Government of Viet Nam development finance assessment and other studies have closely examined development finance flows in Viet Nam, and identified 3 key areas that impede the effective use of resources for achieving the SDGs:

*I) The weak alignment of development finance flows with the SDGs and wider national development priorities:* Viet Nam has put in place a framework for formulating socio-economic development strategies (SEDS), a socio-economic development plan (SEDP), a National Action Plan for SDG implementation (NAP), financial-budgetary plan and public investment plan. However, the linkages between these instruments are considered weak in some areas.

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<sup>1</sup> Baum, A., (2020) Viet Nam's Development Success Story and the Unfinished SDG Agenda. IMF Working Paper WP/20/31. International Monetary Fund: Washington D.C.

The impact of this is three-fold. Firstly, the weak linkages make it difficult to match appropriate finance policies to the implementation of SEDP to achieve its goals, whether the country has sufficient resources or there is a financing gap to be covered. Secondly, it is difficult to set priorities among the many competing objectives for allocation of available but insufficient resources and to know how much additional funds is needed to close the financing gaps. Thirdly, the effectiveness of SEDP and NAP is reduced, as the links between the goals, investment plans and budgetary allocations remain opaque. These weak linkages also make it difficult to assess the impact of spending on SDG-related outcomes. This is especially worse for green growth, environment and climate action as the related national action plans are relatively new.

*II) Inefficient use of public resources driven by limited integration across government (vertical and horizontal):* The fragmented and silo-approach to development planning and public financial management, and weak coordination between line ministries (and technical departments at sub-national levels) prevent a joined-up approach to planning and execution of the budget. Also, the potential for complementary actions across sectors to speed up the achievement of multiple SDG targets is lost as government entities plan and implement with narrow consultations. This fragmentation goes against the “whole of government” principle guiding the 2030 Agenda and is identified as a key reason why the country’s public investment effectiveness stands at 25 percent lower than its potential.<sup>2</sup> Additional efficiencies could also be gained from greater coordination between the government, the private sector and CSOs (reflecting the 2030 Agenda ‘whole of society’ principle), for example in financing to achieve national priorities in climate resilience, green and inclusive growth, private sector development and social development.

*III) The domestic private sector lacks access to finance and its linkages with Foreign Direct Investment (FDI) remain weak:* Out of approximately 800,000 existing domestic firms in Vietnam, 98 percent are small and microenterprises operating mainly in low productivity agriculture, services and simple manufacturing. Few of these businesses are engaged in export activities and lack the scale, access to finance and technology to transform into green, productive producers. Although there are structural reforms required to level the playing field and increase productivity, it is of critical importance to channel finance to these firms at this juncture for upskilling, expansion and green investments towards achieving inclusive, productive, sustainable growth. Such finance may help Small and Medium-sized Enterprises (SMEs) generate real economic empowerment for women, who make up about 31 percent of these firms’ work force.<sup>3</sup> Additionally, there is little to prove that the high levels of FDI that Viet Nam enjoys have established effective or any backward linkages to domestic firms especially in the areas of technological transfer, connections to global value chains and spurring the emergence of indigenous supporting -industries. Improving the quality of FDI will thus be key to adequately leveraging this source of finance to achieving the SDGs.

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<sup>2</sup> IMF (2018) Public Investment Management Assessment, *unpublished*.

<sup>3</sup> Mastercard Index of Women Entrepreneurs 2018, [https://newsroom.mastercard.com/wp-content/uploads/2018/03/MIWE\\_2018\\_Final\\_Report.pdf](https://newsroom.mastercard.com/wp-content/uploads/2018/03/MIWE_2018_Final_Report.pdf)



## 1.2 SDGs and targets

SDG target	Joint Programme's SDG contribution - measurement of progress	Baseline (year)
<p><b>SDG Target 17.3</b> Mobilize additional financial resources for developing countries from multiple sources</p>	<p>Additional guidelines to improve access to domestic and external climate and green financial resources are produced and disseminated across Government entities and domestic enterprises.  <b>[output 3.3]</b></p> <p>Principles and best international practices on a national blended finance policy framework are compiled and disseminated.  <b>[output 3.1]</b></p>	<p>As of Quarter 1, 2020, there were 2 published set of guidelines providing support for private entities to increase access to climate and green related financing. i) <i>Handbook on how to access green financing in Viet Nam</i>, UNIDO and Viet Nam Ministry of Planning and Investment (2019) and; ii) <i>Development of Guidelines on implementation of funds, loans and tax schemes supporting industrial boiler efficiency improvements in Vietnam</i>, UNIDO (2019)</p> <p>As of Quarter 1, 2020, there were no resources specifically on principles and best international practices to improve blended finance policy across different sectors in Viet Nam.</p>
<p><b>SDG Target 17.9</b> Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation</p>	<p>Technical assistance and capacity building to monitor the effectiveness of public spending and accountability measures towards achievement of the national SDG targets is delivered and considered of high-value by the Government.  <b>[output 1.2]</b></p>	<p>As of Quarter 1, 2020, there was no mechanism or capacity to monitor and assess public spending and accountability measures towards achievement of the national SDG targets.          (Source: Ministry of Planning and Investment (MPI), Ministry of Finance (MOF), <i>Joint UNDP-GOV Development Finance Assessment, 2018</i>).</p>
<p><b>SDG Target 17.14</b> Enhance policy coherence for sustainable development</p>	<p>At least 1 mechanism developed to enhance policy coherence of sustainable development in the areas of:</p> <ul style="list-style-type: none"> <li>i) Establishing links between national SDG targets and financing policies and instruments;</li> <li>ii) Implementing monitoring and accountability mechanism to assess effectiveness of development finance policy</li> <li>iii) Enhancing government integration</li> <li>iv) Integrating policies on SME development, productivity and green and climate finance and;</li> <li>v) Assessing the quality of FDI according to linkages with domestic sector; environmental, social and governance criteria</li> </ul>	<p>Currently 0 mechanisms to enhance policy coherence of sustainable development in the areas of i)-v):</p> <ul style="list-style-type: none"> <li>i) Establishing links between national SDG targets and financing policies and instruments;</li> <li>ii) Implementing monitoring and accountability to assess effectiveness of development finance policy</li> <li>iii) Enhancing government integration</li> <li>iv) Integrating policies on SME development, productivity and green and climate finance and;</li> <li>v) Assessing the quality of FDI according environmental, social and governance criteria</li> </ul> <p>(Source: <i>Joint UNDP-GOV Development Finance Assessment, 2018</i>, and MPI)</p>

	<b>[outputs 1.1, 1.2, 2.1, 2.2, 3.3]</b>	
<p><b>SDG Target 17.16</b> Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, particularly developing countries</p>	<p>A multi-stakeholder platform is established to support the development finance dialogue at the national level and to enhance partnership for sustainable development. <b>[output 1.3]</b></p>	<p>As of Quarter 1, 2020, there was no specific Multi-Stakeholder Platform established for dialogue on financing priorities to support the achievement of the national SDG targets. (Source: <i>Joint UNDP-GOV Development Finance Assessment, 2018</i>, and MPI)</p>
<p><b>SDG Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p>	<p>Guidelines to integrate policies to support SME-development, and green and climate resilient growth are established. <b>[output 2.2]</b> National Resolution on FDI quality and efficiency which enhances linkages to domestic enterprises is implemented. <b>[output 3.2]</b></p>	<p>As of Quarter 1, 2020, the number of tools to better integrate policies towards SME development (horizontally and vertically) are considered low by the Government of Viet Nam) (Source: <i>Joint UNDP-GOV Development Finance Assessment, 2018</i>, and MPI)</p>
<p><b>SDG Target 8.4</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.</p>	<p>Increased proportion of overall lending going to green activities. <b>[output 3.1; and 3.3]</b></p>	<p>The proportion of overall lending going to green activities is low at 5% in 2016 (source: IFC)</p>

**Interlinkages amongst the SDGs and opportunities for systemic change:**

A strengthened INFF in Viet Nam is expected to foster better alignment between development finance, the SEDS and the SDGs, whilst supporting the mobilization of additional resources to impact SDG 17. With appropriate and strong governance structures, over time the mobilization of additional resources could strengthen domestic resource mobilization (DRM) more generally. If realized, these shifts will lead to greater economic resilience as Viet Nam

becomes more self-sufficient and is better able to withstand shocks and crises. The improved alignment, DRM and economic resilience should accelerate the achievement of the SDGs that are national priorities such as green growth, climate resilience, and leaving no one behind (poverty, equality, inclusive growth). On the micro level, aligning domestic private finance and FDI with green, transformative sectors and activities will enable domestic enterprises to become more productive and greener, as well as improving their competitiveness. Targeted policy actions have the potential to transform domestic enterprises into drivers of poverty reduction and inclusive growth. This would positively impact SDG 1 and SDG 8.

### 1.3 Stakeholder mapping and target groups (max 2 pages)

The JP proposes to establish partnerships with multiple Ministries and Government bodies. The table below outlines the primary stakeholders and their involvement and interest in the areas addressed by the JP.

<b>Stakeholder</b>	<b>Involvement, interest and relationships in the area addressed by the joint programme</b>
Ministry of Planning and Investment (MPI)	Leading the preparation of the 10-year Socio-Economic Development Strategy (SEDS), 5-year Socio-Economic Development Plan (SEDP), Medium-Term Public Investment Plan (MTIP), annual public investment plan, National Action Plan for Implementation of the SDGs (NAP), and National Action Plan on Green Growth. Also leading the implementation of Viet Nam’s INFF. Target beneficiary of the JP.
Ministry of Finance	Leading the development and implementation of 2030 Finance Strategy, Medium-Term Budgetary Plan (MTBP) and annual financial budgetary plan, management of state budget (including revenue collection, and government bond issuance, management of public debt and allocation of recurrent expenditure). Will also lead the development and coordination of the implementation of Viet Nam’s INFF. Target beneficiary of the JP.
Viet Nam Chamber of Commerce and Industry (VCCI)	Representing private sector in Viet Nam and particularly VCCI’s Enterprises for Sustainable Development Council. Involved in the design and implementation of the JP. Main convener for private enterprises in (i) development finance priorities and (ii) the SDG implementation.
Ministry of Labor and Social Affairs (MOLISA) and VN Women Union	Provide guidance on gender equality and mainstreaming dimensions into the INFF formulation and implementation. To be consulted with on matters regarding gender-sensitive policymaking.
Representatives of National Assembly, especially committees for finance and budgetary, and social affairs, as well as from academia,	To be consulted and engaged in multi-stakeholder platforms; and help build consensus needed for the INFF approval and effective implementation. Target beneficiary of the JP.

<p>professional and mass organizations</p>	
<p>The World Bank (WB), International Monetary Fund (IMF), Asian Development Bank (ADB), The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), the European Union (EU), OECD</p>	<p>Development partners active in supporting the development of Viet Nam’s 2030 finance strategies and development plans. The International Financial Institutions (IFIs) have an extensive partnership history with the UN, on Public Financial Management (PFM) Topics, such as on Public Expenditure Reform, tax reform, Public-Private Partnerships and capital market development. The OECD just completed a Multi-Dimensional Review of Vietnam. The EU’s extensive experience in development finance will provide important contributions to the JP-supported policy dialogues and oversight of the JP implementation.</p>
<p>Private Sector</p>	<p>Target group and beneficiaries of policies to improve access to finance for green, productive growth.</p>

## 2. Programme Strategy

### 2.1. Overall strategy

The strategy will be to further strengthen the INFF in Viet Nam that combines development planning and finance instruments, namely: i) the SEDP; ii) the NAP; iii) the 2030 Finance Strategy; iv) the MTIP; and v) MTBP, by addressing three critical deficiencies as defined in the diagnostics and needs-assessment stage of the Viet Nam INFF process. The overall strategy of the JP is to address three critical deficiencies as defined in the diagnostics and needs-assessment stage of the Viet Nam INFF process. This will be done by improving the alignment of development finance flows to national development priorities; strengthening the integration of public investment processes across Government (both horizontally and vertically); and using public investment to encourage the flow of private finance towards strategic sectors for green growth and private SME development to enable the achievement of the SDGs.

Strengthening the alignment of finance policies to national priorities will help maximize the effectiveness of national development tools as well as ensuring plans are well-resourced for implementation. Such alignment also brings priority areas, such as private sector development, health, gender, education, environment, and nutrition, to the forefront and thus helps accelerate the achievement of the SDGs. The JP will provide specific analytical tools, gender dimension considerations and international best practice to link Viet Nam's development plans to investment and budget frameworks. The JP will also work to develop mechanisms to monitor and assess spending outcomes, as well as accountability frameworks. This will include improved data collection and management capabilities for tracking.

Reducing fragmentation and improving coordination within the Government will result in improved utilization of public investments. This will ensure that the work on the alignment of finance and development priorities is captured in investment and budgetary plans and monitoring and accountability roles are supported by robust systems and devolved to the appropriate entities for reporting and follow-up. The JP will use existing research and expertise to inform Standard Operating Procedures for an integrated public investment management e-system.

By targeting private finance, the JP's strategy will leverage the alignment and integration achieved at the Government level to shape and steer both domestic and international private flows towards achieving Viet Nam's national development priorities. Public investment will be better directed to areas most likely to crowd-in private finance, whilst using policy instruments to improve the quality of FDI. The JP will provide technical assistance to share international best practices on blended finance, especially in green growth; and assist the implementation of the recent Resolution on attracting quality FDI which supports the development of domestic private enterprises. The overall premise of INFF is a departure from the conventional approach to resolving development finance constraints.

This strategy seeks to capture the 'whole of government, finance and society' principles which form the basis of the Addis Ababa Action Agenda, and the 2030 Agenda. The JP seeks to use common development priorities to improve government integration across the board, through linking expenditure to national outcomes. Finally, governments tend to seek higher volumes of FDI and see foreign investment as a signal that their economies are strong and attractive. This strategy therefore moves away from this mindset by focusing on the quality of FDI to ensure positive effects in the economy and contribute directly to the next stage of transformation of the domestic private sector in Viet Nam. The JP's strategy is linked to a

parallel programme in development which seeks to directly catalyze domestic finance towards SMEs and green growth (See Component 2 of the SDG Fund Financing Call).

At the time of preparing the JP, and despite Viet Nam's laudable efforts to combat the virus and keep it under control which at the time of writing has been done relatively successfully, the ongoing COVID-19 pandemic had already caused significant disruption to key sectors in the Vietnamese economy, such as business, trade, health and education. The crisis has compelled the Government to initiate several policy responses ranging from tax breaks for local enterprises to accelerating public investment disbursements to shore up the economy. The intensive resource burden (both human and financial) the pandemic has placed on Viet Nam further highlights the increasing need for a flexible, integrated financing framework that will strengthen the resilience of the economy. In these times the JP's overall strategy seeks to retain an element of flexibility to respond to evolving national priorities.

By leaning on the 'Whole of finance, government and society' principles as well as targeting private SMEs the strategy exploits the integrated nature of the SDGs thereby accelerating its attainment. The JP will focus on improving public spending on health and education; and increasing finance for climate issues and green growth. The JP will engage the Vietnamese Women's Union, as well as women-led enterprises in the policy consultations and dialogues to ensure women's views on gender equality are fully incorporated. Boosting the growth and competitiveness of private SMEs, especially women-led enterprises, will work towards providing decent jobs as well as improving women's empowerment.

Building on the results and experience of UN support to establish numerous development policy tools in Viet Nam, and its expertise on the SDGs and INFF, the UN brings invaluable expertise and knowledge of Viet Nam to the INFF process. The UN's comparative advantages of being a trusted policy advisor to the Government, impartial convener of policy dialogues and coordinating development partners will be used to broaden the dialogue around finance and investment strategies. The UN will bring together the interdisciplinary experience, expertise and tools as well as those of the IFIs and other partners to support a comprehensive approach to the formulation and implementation of Viet Nam's INFF. The European Union (EU), a key supporter of the INFF, will provide its expertise and experience in development finance as well as supporting oversight of the JP. The UN will also advise on necessary reforms to promote transparency and accountability.

The JP is fully aligned with Outcome 3.1 of the One UN Strategic Plan, the current key strategic cooperation framework. This outcome indicates that by 2021, Viet Nam's growth policies and institutions support a new economic model, which is inclusive, sustainable and more productivity-led, reaping gains from trade liberalization, international integration and migration. The JP will be a continuation of the UN cooperation with the Government in developing the National Action Plan for implementation of the SDGs; as well as UNDP's support to the government in developing Directions for ODA mobilization, public investment, the 2018 Development Finance Assessment; and the Joint UN initiative to support the follow-up of the 2017 Public Expenditure Review (PER).

The INFF process (which integrates the SEDP, 2030 Finance Strategy, MTIP and MTBP) will be led by the Government, with MPI leading on SEDP, NAP and MTIP; and MOF on the 2030 Finance Strategy and MTBP. As key implementing partners of the JP, it is expected that the inputs from the JP will directly strengthen the implementation of these public finance tools, especially through improved M&E and accountability systems. It should be noted that the duration and resources of the JP necessitate a focus on where the Government of Viet Nam expect maximum returns. This approach will ensure that the management of the INFF as well as leadership of the JP work seamlessly for Viet Nam, with a minimal burden on scarce

resources or duplication of effort. The Government owned and led oversight arrangements, together with the existing planning, budgeting and M&E mechanisms underpinning the INFF should ensure the scaling up and sustainability of the JP results in the future. After the JP is completed, it is expected that the INFF and its tools in Viet Nam will be strengthened, responsive and inclusive in a manner consistent with accelerating the achievement of the SDGs. The 2030 Finance Strategy is also expected to better align the SEDS, SEDP, NAP, and the governance systems for implementation should be well-integrated. Consequently, the MTIP and MTBP will better reflect the priorities outlined in the 2030 Finance Strategy and will proactively allocate resources to crowd-in private funds for improving productivity and competitiveness of Vietnamese private SMEs. At the institutional level, the JP aims to introduce monitoring and evaluation systems that will track and feedback results into the planning cycle in a cost-effective yet comprehensive manner. If these mechanisms are well implemented, it is expected that the JP will accelerate the attainment of the SDGs as well as achieving Viet Nam's wider development ambitions.

## 2.2 Theory of Change

**Summary:** The overall objective of the JP is to accelerate the achievement of the SDGs in Viet Nam, particularly those on inclusive, productive green growth, gender equality, climate resilience and leaving no one behind. The JP will assist the development and rolling-out of Viet Nam's 2030 integrated financing and investment strategy, of which the SDGs are at the heart, through the provision of policy advice, technical assistance, and international best practices. There are three key pathways towards the attainment of the overall objective: (i) Strengthened resource allocation through better alignment of development finance with SDG priorities; (ii) Improved effectiveness of public investment gained through better integration across government (vertical and horizontal); and (iii) Increased crowding-in of private finance, and channeling quality FDI flows to support the development of domestic private enterprises.

Within the framework of the Addis Ababa Action Agenda and its Integrated National Financing Framework, on which Viet Nam will implement its 2030 National Development Plan and the SDGs, the UN will help the Government of Viet Nam place people at the center of the national development finance strategy. By establishing an inclusive multi-stakeholder platform on national financing priorities to support key reforms to implement the INFF, the JP will also advocate for and support long-term institutional change.

**Detailed:** The overall objective of the JP is to support Viet Nam's transformation to a more inclusive, green and climate resilient economy and accelerate the achievement of the SDGs. Towards the full implementation of the SDGs by 2030, the Addis Ababa Action Agenda called for countries to establish INFFs that can support cohesive, nationally-owned sustainable development strategies. To date, diagnostics of development finance in Viet Nam have identified a number of actions that, if taken, would not only enable the achievement of the SDGs by 2030, but also propel Viet Nam into the fastest growing emerging market in the world within the same period.<sup>4</sup>

As a result of further consultations with the Government of Viet Nam, and given the JP duration and resources, the scope of this JP narrows down the recommendations made at the diagnostic stage to specific priority areas, which would translate to 'Quick Wins'. These areas are: a) strengthen the alignment of financing policies with the SDGs, for example improving health and social protection financing to mitigate the impact of the COVID-19 pandemic and

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<sup>4</sup> See The joint UNDP-Government of Viet Nam Development Finance Assessment (2018)  
Found at: <https://www.vn.undp.org/content/vietnam/en/home/library/poverty/DFA.html>

other disease-related crises; b) improving public investment by establishing Standard Operating Procedures (SOP) which help the Government develop a digital public investment project management system; c) increasing the crowding-in of private finance; and d) attracting more quality FDI flows that support the development of domestic private enterprises.

There is a need for the Government of Viet Nam to improve the linkages between planning, budgeting and results. Such an improvement would lead to a better allocation of public resources to achieve priority targets, particularly on green and climate resilient growth and human resource development, and to proper tracking of government spending. It would also enable an evaluation of the impact of public expenditure on development goals for future planning and budgeting, as well as public accountability.

Taking advantage of the market in Viet Nam, which is on the cusp of capitalizing on various sources of finance, the JP will seek to help Viet Nam accelerate the achievement of the SDGs through the following means. Through these means, Vietnam's development finance landscape would correspond strongly to the national development ambitions and the reduction of inequalities to ensure 'No one is Left Behind':

- i) By strengthening resource allocation through better alignment of development finance with SDG priorities such as inclusive, green economic growth strategies. This will increase Vietnam's competitiveness, regionally and globally;
- ii) By strengthening both horizontal and vertical integration of public investment mechanisms, and reducing fragmentation in the planning to results cycle and the coordination problems related to decentralization; and
- iii) By increasing the crowding-in of private finance; and assisting in the implementation of the recent Party Resolution to harness and steer FDI towards sectors and activities that have forward and backward linkages with the local private enterprises, promote knowledge and technology transfer and keep returns circulating in the domestic economy.

This JP focuses on 'low-hanging fruit' by zooming in on institutional processes and capacity to ensure that existing development finance flows are fully harnessed within the economy and sufficiently utilized towards economic transformation. Leveraging the United Nations' comparative advantage, the JP will support the formulation of Vietnam's National 2030 Financing Strategy, as well as the MTIP (2021 -2025) and MTBP (2021 - 2025). These three financing instruments form the core of the INFF in Viet Nam and will all be aligned with the upcoming national development plans. The main assumptions for the TOC are that the Government of Viet Nam create space for greater institutional integration; and current legal/policy frameworks contain sufficient flexibility to accommodate proposed enhancements. The TOC also assumes low political risk/resistance in developing investment and expenditure plans that speak broadly to SDG/national development priorities rather than narrow political interests or exogenous factors. There also needs to be enough uptake of opportunities in the green growth and human resource development sectors for public investment to results pathway to be realized.

Given the sophistication of the public administration and its partners in Viet Nam, the JP approach will be to increase the government's access to innovative instruments for financial analysis developed globally and to the experiences of other relevant countries in taking forward institutional innovations towards INFFs. As analysis is implemented and experience shared, the JP will ensure targeted technical assistance is made available to implement priority actions through the duration of the programme's two-year timeframe. Given the catalytic nature of the JP and its limited resource the focus will be on ensuring that new approaches to the management of public and private finance are integrated into larger and longer-term processes of institutional development and financial reform.



<b>Overall Objective:</b> Accelerate Viet Nam’s transformation to a more people-centered, equitable, inclusive, productive, green and climate resilient economy and achieve the SDGs.		
<b>Impact:</b> By 2022, Viet Nam’s Integrated National Finance Framework is established and rolled out with full financial alignment to national priorities, integration across government vertically and horizontally, and integration of public and private finance.		
<b>Outcomes</b>		
<b>1.</b> Strengthened resource allocation through better alignment of development finance with national SDG priorities	<b>2.</b> Improved effectiveness of public investment gained through better integration across government, vertically and horizontally	<b>3.</b> Increased public investment crowding-in of private finance, and attracting quality FDI flows that support the development of domestic private enterprises
<b>Outputs</b>		
<b>1.1.</b> Tools provided to establish links between national development goals and financing policies and instruments.  <b>1.2.</b> A monitoring and accountability mechanism to assess effectiveness of development finance policy instruments.  <b>1.3.</b> A National multi-stakeholder platform for inclusive dialogue on financing priorities towards key reforms in the INFF implementation stage.	<b>2.1.</b> Standard Operation procedures introduced and applied in the e-system for enhancing integration across the government and alignment of public investment projects to national SDG targets.  <b>2.2.</b> Principles and instruments designed for integration between policies and public investments to support private SME development, green & climate resilience, R&D and human capital development.  <div style="background-color: #fff9c4; padding: 5px;"> <b>Assumptions:</b> (i) Space for greater institutional integration; (ii) Flexibility to accommodate the JP proposed enhancements; (iii) sufficient uptake of opportunities in the green growth and human resource for public investment.         </div>	<b>3.1.</b> Principles and best international practices introduced and applied on public investment crowding in domestic private investment.  <b>3.2.</b> Quality FDI implementation plan formulated with clear actions for enhanced linkages between FDI and domestic private enterprises.  <b>3.3.</b> Guidelines developed and applied for designing innovative legal/regulatory instruments for Government and private sector to mobilize additional climate and green financial resources.
<b>Activities/Inputs:</b> Providing relevant analytical tools, consultancy services, training, sharing international experience and policy advising on: (i) linking the finance to outcomes, designing finance-outcome performance criteria and monitoring system, (ii) reviewing the implementation of fiscal decentralization, (iii) introducing principles and procedures for horizontal and vertical integration of public investment projects; (iv) public investment crowding-in more private investment, (v) promoting linkages between FDI and domestic private firms; establishing national multi-stakeholder platform and conducting inclusive dialogues around financing priorities; JP’s coordination, monitoring, evaluation and reporting.		

### **2.3 Expected results by outcome and outputs**

By supporting Viet Nam to accelerate its transition towards an inclusive and integrated finance strategy, the JP is expected to contribute to better resource allocation, a more integrated governance system and higher resources for inclusive green growth. This JP will focus on strengthening the alignment of development finance with national priorities towards the successful implementation of the National Socio-Economic Development Strategy and Plan (SEDS and SEDP). With this financing strategy, it would be possible to execute investment and budgetary plans in line with inclusive green growth and the SDGs. The following outcomes are expected to be reached by 2022:

#### **Outcome 1. Strengthened resource allocation through better alignment of development finance with national SDG priorities.**

At the policy level, the JP will help the Government deliver its 2030 Finance Strategy. With such a Strategy it will be possible to ensure that different financing flows are allocated to specific deliverables as detailed in the National implementation plan for the SDGs, SEDS and SEDP. In terms of outputs and activities, each UN agency (UNDP, UNICEF and UNWomen) will take advantage of its strengths to support the Government in developing an INFF which would be responsive to the needs, goals and constraints of the economy. To reach this goal, a series of joint activities are planned, both in terms of joint UN intervention, but also involving different government units.

To implement this strategic element, the JP will organize this outcome around three outputs. Output 1.1. Tools provided to establish links between national development goals and financing policies and instruments.

Output 1.2. A monitoring and accountability mechanism to assess effectiveness of development finance policy instruments.

Output 1.3. A National multi-stakeholder platform for inclusive dialogue on financing priorities towards key reforms in the INFF implementation stage.

Output 1 focuses on a strategic approach to development finance in a lower middle-income country such as Viet Nam with the view to graduate to higher middle-income country status. This will be supplemented by analytical tools to link finance to inclusive, productive, green outcomes with both gender and human development considerations. All the PUNOs will contribute to this Output. Existing tools and new diagnostic methodologies will be brought to bear in delivering on Output 1.1. The UN will work with other international partners including potentially an adapted IMF Public Investment Management Assessment (PIMA), focused on SDG integration; the World Bank Public Expenditure Finance Assessment (PEFA)'s new climate module and other diagnostics that directly link finance with the SDGs including a potential SDG oriented Public Expenditure Review.

Under Output 1.2, technical assistance will focus on developing a system for monitoring outcomes and accountability. UNDP, with the assistance of UNEP will provide tools for tracking and monitoring, establishing baseline data and providing training and advocacy on priority areas. UNICEF will provide technical assistance to ensure children and human resource development are adequately prioritized in the monitoring system. UNWomen will advocate for mainstreaming gender into monitoring finance to outcomes processes. Output 1.3 will be led by UNDP to first review current institutional arrangements/mechanisms for inclusive dialogues around financing priorities. UNWomen will lead the integration of gender perspectives into the

dialogues, review available gender statistics and advocate for strengthened use of sex-disaggregated data.

**Outcome 2: Improved effectiveness of public investments gained through better integration across government, vertically and horizontally.**

The expected Outcome here is the governance and institutional reform, resulting in reduction of the fragmentation and lack of coordination in public finance management processes. The JP will explore mechanisms to improve government coordination, especially in areas which are cross-sectoral. Outcome 2 reinforces Outcome 1 by ensuring that investment and budget plans are tied and monitored according to goals; and reflected across government entities and from the Central to Provincial levels.

To implement this strategic element, the JP organizes this outcome around two outputs:

Output 2.1. Integrated public investment management system introduced for enhancing integration across the government and alignment of public investment projects to the national SDG targets.

Output 2.2. Principles and instruments designed for integration between policies and public investments to support private SME development, green & climate resilience, R&D and human capital development.

Output 2.1 will be anchored by a study on fiscal decentralization and review gaps in the current public investment management system. The study will focus on green and climate resilient growth, human capital development and equality. The output will be led by UNDP and UNEP. UNICEF will also contribute to this output with technical assistance on integrated public investment with a focus on human resource development. The work under Output 2.1 will also be informed by the diagnostics undertaken in Output 1.1. Output 2.2 will be informed by a review of bottlenecks in regulatory/policy frameworks concerning human resource development to enhance productivity and the competitiveness of private SMEs. UNWomen will lead the public-private dialogue on innovative finance for boosting gender equality, and gender responsive budgeting.

**Outcome 3. Increased public investment to crowd-in private finance, and attract better quality FDI flows that support the development of domestic private enterprises**

The expected Outcome here is higher levels of private finance towards domestic private enterprises. The JP aims at providing the policy framework for launching initiatives to crowd-in private finance towards greening private SMEs (such as that proposed for Component 2 of the SDG Fund Financing Call) and re-directs FDI to work better for Viet Nam. Outcome 3 complements Outcomes 1 and 2 by operationalizing the alignment of finance with key sectors for inclusive, productive, green and climate resilient growth.

To implement this strategic element, the JP organizes this outcome around three key outputs:

Output 3.1. Principles and best international practices introduced and applied on public investment to crowd-in domestic private investment.

Output 3.2. 'Quality FDI' implementation plan formulated with clear actions for enhanced FDI to domestic private enterprise linkages.

Output 3.3. Guidelines developed and applied for designing innovative legal/regulatory instruments for the Government and private sector to mobilize additional climate and green financial resources.

Under Output 3.1, UNDP and UNEP will lead the identification of bottlenecks impeding domestic private investment in green growth sectors and compile international best practices addressing these. UNICEF will compliment this with a sectoral focus on water supply and green sanitation. Output 3.2 will be led by UNDP and will support the implementation of the government resolution on quality FDI focusing on environmental, social and governance (ESG) considerations; and with good links to the domestic private enterprises. UNDP will provide a review of the current bottlenecks and propose actions to improve the quality of FDI whilst UNWomen will provide expertise on integrating a gender-lens across the analysis of the ESG criteria. Output 3.3 will be informed by a review of the current quality FDI bottlenecks and propose actions supported by technical consultations and policy dialogues. The resulting guidelines on innovative legal/regulatory instruments is expected to support the achievement of Outcome 3.

### **Expected Impact by Early 2022**

By 2022, SEDP will be well aligned with national SDG targets and wider national development objectives. The improved resource mechanism will be captured through three key instruments: First, the 2030 Finance Strategy will bring together various financing policies and instruments in an integrated manner. The Finance Strategy will center gender equality and inclusivity by identifying where women are most disadvantaged and allocate finances to address barriers that prevent the realization of their full potential. Overall the JP would support a Finance Strategy that best responds to national goals, needs and constraints. Second, the MTIP will better reflect the 2030 Finance Strategy by matching appropriate financial resources with short and long-term development targets. This should successfully increase the flow of resources, especially towards green growth and climate resilience. This will support the productivity and growth of private SMEs. Thirdly, the MTBP will be strengthened through increased public investment integration across Government. This will improve the monitoring of public spending and ensure adequate attention is paid to priority sectors at the outset of the planning cycle. The multi-stakeholder platform will help sustain the results of the JP and cement institutional leadership from the Government. This platform will also provide the institutional platform for important discussions for the eventual full implementation of the INFF.

### **Progress on Select SDG Targets**

By strengthening the institutional arrangements and tools for development finance, the JP will mobilize and share knowledge, expertise, technology and financial resources to advance progress on SDG 17. The JP will also encourage progress towards SDG 8 by promoting policies that foster greater productivity and the growth of private SMEs. By steering resources towards inclusive green growth and climate resilience, the JP will positively impact resource efficiency, and eventually help reduce Viet Nam's carbon footprint by 2030.

## **2.4 Budget and value for money (max 2 pages)**

The total budget for the UNJP will be \$1,235,266 with \$935,266 being provided by the Joint SDG Fund and an additional \$300,000 (both in cash and in-kind contributions) being provided by participating PUNOs. The PUNO's co-financing resources will be used to support policy research and high-level policy advocacy events in specialized areas. In addition, the UN will leverage other resources, from its existing initiatives to co-finance technical expertise and advocacy for including the human (and child) dimensions in the INFF. The JP will provide a unique opportunity for PUNOs and national partners to work together to achieve an integrated approach across the Government and society in formulating and implementing the country's INFF.

Given the importance of gender in the JP, almost 30 percent of the budget has been allocated to generating gender-sensitive outcomes. Outcome 1 will ensure that finance is allocated to tackling gender equality issues in the 2030 Finance Strategy and ensure that finance policies reflect this. Outcome 2 will place gender firmly in the planning to budget cycle across sectors and levels of Government, ensuring planning and budgeting will be gender-responsive. Outcome 3 will identify specific ways to target women-led SMEs and ensure finance is made available for their growth and transformation. The JP strategy provides value for money by tackling gender equality as part of an integrated programme rather than independently. The JP will benefit from gender expertise across all areas to ensure recommendations are unified across multiple issues.

The added value provided by the UN through this JP includes: (i) UN's convening power in facilitating and broadening the multi-stakeholder dialogues on finance priorities and cooperation in defining and implementing integrated solutions; (ii) UN's high quality technical and cross-cutting thematic expertise and international experience, which is critical given the current silo approach of government agencies, limited cooperation between government and non-state partners, and limited technical and cross-thematic expertise/capacities; (iii) UN provision of systemic and rights-based integrated solutions, and experimentation approaches; and (iv) UN's expertise in Data for Development.

## **2.5 Partnerships and stakeholder engagement**

The implementation of the JP, which has been jointly formulated by the Government (led by MPI) and the UN, will be led by the JP's Steering Committee (SC). As the Government are the developers and custodians of the 2030 Finance Strategy along with MTIP and MTBP, by default they will also lead the JP's implementation through two mechanisms. First, by leading and shaping the process and realization of the JP's contributions to these instruments. Second, through the key Ministries' roles as co-chairs of the JP SC alongside the UN Resident Coordinator, with the participation of relevant line ministries, EU and PUNOs. The SC will be responsible for making strategic decisions on the implementation of the JP, including approval of the JP's Annual Work Plans and oversight.

The key ministries, MPI and MOF, are currently working on/preparing for a variety of key inputs to the JP including the formulation of the upcoming SEDS (and sectoral plans/budgets), updating the NAP, developing the 2030 Finance Strategy, the associated new MTIP and MTBP, the new ODA plan, and the new FDI implementation plan. These ministries as well as other line ministries and national agencies involved in the JP will work closely with PUNOs to co-lead the JP's work planning, implementation and monitoring of the relevant components and activities of the JPs. The Ministry of Labor and Social Affairs (MOLISA) and Viet Nam's Women Union, Ministries of Health (MOH) and Education (MOET), Natural Resources and Environment

(MONRE) and Agriculture and Rural Development (MAD) will be provided technical assistance and will engage in the JP implementation and JP-supported dialogues to bring (i) gender equality and gender mainstreaming dimensions, (ii) the importance of human capital development and (iii) mainstreaming green and climate actions into INFF formulation and implementation.

The UN will bring together the UN interdisciplinary experience, expertise and tools as well as those of the IFIs and other partners to support a comprehensive approach to the formulation and implementation of Viet Nam's INFF and related reforms. A full list of UN related initiatives is provided in Annex 1 and will be built upon by the JP. These include:

- (i) Conducting the Development Finance Assessment (UNDP); and the Public expenditure Review (UNICEF and the WB).
- (ii) Supporting the development of (a) SEDS and SEDP (UNDP leading the papers on SDGs, Governance, green growth and climate resilience with UNICEF on human capital development and UNWOMEN on gender mainstreaming); (b) developing the SDG NAP, formulation of Viet Nam's SDG targets and indicators and their integration into the SEDP, preparation of Voluntary National Review; and (c) master plans such as on green growth, climate change and clean energy, and related financing options (UNDP and UNEP);
- (iii) Planning and budgeting for children (UNICEF, in partnership with MPI and MOF); discussions and advocacy on investments in human capital development especially among the vulnerable population groups. This includes the organization of a Public Finance Management Forum on fiscal policy reforms and strategies towards human capital development (UNICEF together with other UN agencies, WB and ADB).
- (iv) Undertaking evidence-based policy advocacy on financing for gender equality and strengthening capacity for gender mainstreaming into INFFs and gender responsive budgeting (UNWOMEN and MOF); and mainstreaming gender into the SEDP and national policies (UNWOMEN, MOLISA).

The PUNOs and the UNCT will act both as policy advisors to the Government and as implementers of the JP, drawing on their expertise, past initiatives and knowledge of existing programmes. For example, UNDP will draw on experiences and lesson learned at the regional and global levels (including global UN-EU INFF Initiative) which could speed up the successful implementation of the JP. UNDP will also use experiences gathered from its De-risking Renewable Energy Investment Initiative to design innovative policy instruments, which could invite additional climate and green financial resources in Viet Nam. UNDP also possesses unique partnerships, such as the UNDP Global Environmental Finance (UNDP-GEF), which could assist in directly mobilizing additional finance for green initiatives in Viet Nam. In this way, the Government, the UN and partners will be able to ensure synergies in the implementation of the JP, and capture progress in the implementation of the SDGs.

The Steering Committee will provide an official platform to engage wider stakeholders such as the private sector via VCCI, the donor community represented by the EU, development agencies and IFIs. The JP's multi-stakeholder platform will provide technical contributions from a wider pool of stakeholders, such as academia and the private sector. It is expected this will further enrich the discussions and ensure a variety of perspectives are included. The following stakeholders are expected to make a strong contribution through this platform given their expertise and ongoing work in Viet Nam: GIZ (green fiscal policy and improving budget management; the WB (Public expenditure and Financial Accountability framework, reforming public management, accounting and auditing standards, natural disaster insurance, tax management/tax policies; ADB (State-Owned Enterprise reform, state asset management,

and risk management in insurance sector); and the IMF (Public Investment Management Assessment, fiscal and monetary policy; debt sustainability and management).

The EU, in particular, is expected to bring a strong expertise to the JP through its ongoing work on improving the management and supervision of public finance; management of budget and public debt; improvement of tax policies and management for enhancing domestic revenue and improving fiscal transparency. It is expected that the EU will be invited to participate in the Steering Committee and the multi-stakeholder platform for inclusive dialogue on financing priorities. These platforms will enable the JP to benefit from the EU's invaluable experience in partnering on development finance initiatives globally. The EU's involvement will also build on existing programmes with PUNOs. For example, UNICEF's office at the regional level was successful in building the partnership with the EU for a joint programme on public finance management with several countries in the Association of Southeast Asian Nations (ASEAN) Region. This initial partnership will help Viet Nam learn and join such a joint programme with other UN agencies if such opportunities arise.

The JP could also benefit from the existing regional European Union - UNWomen WeEmpowerAsia Programme (2019-2021). The Programme was designed to encourage the private sector to expand the economic participation and business opportunities for women in seven Asian countries: China, India, Indonesia, Malaysia, Philippines, Thailand and Viet Nam. The experience from the WeEmpowerAsia programme could contribute to the public-private dialogue on possible innovative finance mechanisms to mobilize and direct private investment to financing gender equality in climate change and green growth in Viet Nam.

### **3. Programme implementation**

#### **3.1 Governance and implementation arrangements**

The JP will support the development and implementation of the INFF (comprising of the SEDP, 2030 Finance Strategy, MTIP and MTBP) which falls under the leadership of the government. MPI will lead on the formulation of the SEDP and MTIP, and MOF on the 2030 Finance Strategy and MTBP. The National Assembly provides oversight to the formulation of the SEDP, MTIP and MTBP and their final approval. Such oversight arrangements, together with the existing planning, budgeting and M&E mechanisms, present a comprehensive system for implementing the INFF.

Complimenting these arrangements, a Steering Committee (SC), co-chaired by MPI/MOF and the RC, with the participation of relevant line ministries, PUNO and EU (representing other international development partners), will be established, and provide oversight of the JP implementation. The SC will be responsible for strategic decisions on the JP, approval of the JP's Annual Work Plans and oversight of the monitoring functions. In addition, the JP-supported multi-stakeholder platform on inclusive dialogue around financing priorities will broaden the dialogue around INFF and add value to the current INFF oversight systems/mechanisms.

As a Co-Chair of the SC, the RC is responsible for the monitoring and evaluation of JP implementation, and the provision of oversight of the JP in close collaboration with the PUNOs. The RC will play a central role in political and policy advocacy, ensuring that the UN conveys harmonized messages at different policy levels. The JP will be implemented within the framework of the One Strategic Plan (OSP) 2017-2021, and subsequent development cooperation frameworks, which enjoy the commitment of the Government and UN agencies. This is expected to facilitate increased sustainability of the JP beyond its implementation period.

As an internal UN mechanism, the UNCT Results Group (RG) on Inclusive Growth and Social Protection will coordinate the implementation of the JP and incorporate other UN activities on financing for development. The four principal participating UN agencies, i.e. UNDP, UNEP, UNICEF and UNWomen, will be: (i) responsible for implementing their corresponding activities in the JP work plan; (ii) accountable for the results in accordance with the SDG Fund disbursement rules; and (iii) responsible for monitoring and reporting on their activities and results. As the lead agency, UNDP is responsible for coordination and consolidation of PUNOs' reports into a joint Report to send to the Fund Secretariat, through the RC, on the results of the JP.

The UN will also engage with the WB, IMF, ADB, EU and GiZ, as well as key partners in Public Financial Management towards the formulation of the INFF in Viet Nam. The engagement will support technical assistance, specific policy advice, and contributions to wider policy dialogue. There are already existing mechanisms, such as the Development Partners Group, to facilitate this. Moreover, the RCO will play a wider convening role to facilitate policy dialogue, involving a broad range of stakeholders (across Government, private sector, DPs, CSOs).

The JP and its governance and implementation mechanisms are designed to ensure national ownership and support to the Government in undertaking its core responsibilities in realizing the JP's results and translating UN support into formulating and implementing the country's INFF JP responsibilities. The approach ensures minimal duplication and the creation of new structures by utilizing existing arrangements, thereby ensuring implementation be cost-effective.

### **3.2 Monitoring, reporting, and evaluation**

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme<sup>5</sup>; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

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<sup>5</sup> This will be the basis for release of funding for the second year of implementation.



Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After competition of a joint programme, a final, *independent and gender-responsive*<sup>6</sup> *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

### **3.3 Accountability, financial management, and public disclosure**

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

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<sup>6</sup> [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

### **3.4 Legal context**

Agency name: The United Nations in Viet Nam (including UNDP, UN Women and UNICEF)

Agreement title: One Strategic Plan 2017-2021

Agreement date: 5 July 2017

## D. ANNEXES

### Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
INFF Initiative	SDG financing strategy	The strategy itself, the partners involved, and the key pillars of the strategy are the outcomes of the JP	UNDESA, UNDP technical EU			
OY Public Finance for Children Project	Public Finance Management Strategy reflecting human capital/children development and advocacy messages on the importance of investing in human capital development conveyed at 2020 PFM Forum chaired by the MOF	The PFM strategy and 2020 PMF forum will engage the MOF and all relevant government ministries agencies as well as development partners to advocate for human capital development	UNICEF	IFIs including the WB and ADB	UNICEF's regular and other funding sources	Ms. Lesley Millers , Deputy Representative, UNICEF Viet Nam
Child-friendly planning for socio economic development plans and plan on action for SDG implementation	Children and human dimensions reflected in SEDPs, green growth strategy and investment plan for climate change	This existing work directly links to the joint program to further build on advocacy efforts in improving capital and recurrent budget spending for human capital development	UNICEF	other UN agencies and DPs	UNICEF's regular and other funding sources	Ms. Lesley Millers , Deputy Representative, UNICEF Viet Nam
DFA, ODA and public investment analysis, fiscal decentralization, and policy advising	Development finance assessment; Strategic directions for mobilizing, utilizing and management of ODA;	The DFA, ODA and public investment, and fiscal decentralization policy papers directly contribute to the INFF;	UNDP	MPI and MOF	UNDP's regular resources	Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam
Support NAP for SDG implementation, VNR and SDG reporting, national SDG indicators development	NAP for SDG implementation, VNR and SDG reporting, national SDG indicators development	Contributing to the JP in terms of priority national SDG targets and actions and indicators to monitor the progress.	UNDP	Other UN agencies, GiZ,	UNDP's regular and other funding resources	Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam
Capacity development on gender responsive budgeting	Strengthened gender responsive budgeting capacity for staff working in the financial sector, particularly on the implementation of gender	The joint programme can continue to strengthen the capacity of MOF, particularly in advocating for ensuring gender mainstreaming in the	UN Women	National Institute for Finance, Ministry of Finance	100,000 USD (from 2016-2017)	<a href="mailto:Elisa.Fernandez@unwomen.org">Elisa.Fernandez@unwomen.org</a>

	equality principles in the 2015 State Budget Law	formulation of Viet Nam's 2030 Finance Strategy, 2025 MTIP and MTB				
Capacity development for key stakeholders in Ho Chi Minh city on gender responsive budgeting toward the development of safe city for women and girls	Key stakeholders in Ho Chi Minh city have capacity and tools to integrate gender priorities into the development and implementation of sectoral policies and plans	The joint programme can continue to strengthen the capacity of key stakeholders in Ho Chi Minh on tracking budgets for gender equality in the implementation of the Viet Nam's 2030 Finance Strategy, 2025 MTIP and MTB	UN Women	Ho Chi Minh Department of Labour, Invalids and Social Affairs, Ho Chi Minh People's Council	200,000 USD (from 2016-2018)	<a href="mailto:Elisa.Fernandez@unwomen.org">Elisa.Fernandez@unwomen.org</a>
Empowering ethnic minority women through gender responsive policies and programmes	Strengthened capacity of key stakeholders working on the development of ethnic minorities on gender responsive budgeting, particularly in poverty reduction programmes	The programme can provide examples for the joint programme on efforts in ensuring gender equality investment in poverty reduction programme	UN Women	Department of Ethnic Minority, Committee on Ethnic Minority	500,000 EURO from 2018-2021	<a href="mailto:Elisa.Fernandez@unwomen.org">Elisa.Fernandez@unwomen.org</a>
Development of the National Strategy on Gender Equality in Viet Nam (2021-2030)	Identified financing gaps for gender equality in Viet Nam	Suggest options to increase regular investment on gender equality in the financing strategies	UN Women	Gender Equality Department/Ministry of Labour-Invalids and Social Affairs	450,000 USD (2019-2020)	<a href="mailto:Elisa.Fernandez@unwomen.org">Elisa.Fernandez@unwomen.org</a>
Climate Finance Network	Bringing together like-minded organizations to work collaboratively to engage governments, civil society and other non-state actors in strengthening climate change finance reforms with the goal of accelerated replication of climate finance reforms.	The project provides financing solutions with analysis on private sector's current status via its private partnership platform and it is in lined with improving effectiveness of public resources and increasing crowding-in of private finance, and quality FDI flows.	UNDP	IFC, Climate Bonds Initiative	UNDP's regular and other funding resources	Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam
Strengthening Capacity and Institutional Reform for green growth and sustainable development in Vietnam (CIGG)	To build capacity to advance green growth by strengthening policies, regulations and technical guidance for the implementation of the Viet Nam Green Growth Strategy and Action Plan.	The project supports the government's empowerment of green growth and sustainable development and provides research and advice on budgeting and financing. It is linked with strengthening resource allocation through better alignment of development finance.	UNDP	MPI	UNDP's regular and other funding resources	Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam

<p>Advance private sector engagement on climate resilient and low emission NDC investment opportunities in Viet Nam</p>	<p>Supporting active engagement of the private sector to finance, support and implement technically sound and financially viable risk-informed mitigation and adaptation actions in support of Viet Nam's emerging NDC targets</p>	<p>The project supports innovative companies lack finance and enabling environment to scale up climate smart businesses and technologies and it is in line with increasing crowding-in of private finance, and quality FDI flows that support the development of domestic enterprises.</p>	<p>UNDP</p>	<p>MONRE</p>	<p>UNDP's regular and other funding resources</p>	<p>Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam</p>
<p>Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam.</p>	<p>Supporting climatic resilience in vulnerable coastal areas supports to build more resilient housing, planted and rehabilitated at 4,000 hectares of mangroves, and systematized climate and economic risk assessments for private and public sector applications.</p>	<p>Findings undertaken in the project such as climate risk assessments and financing solutions will be linked to the JP in that it supports government and enterprises' access to international climate finance.</p>	<p>UNDP</p>	<p>Green Climate Fund</p>	<p>UNDP's regular and other funding resources (GCF)</p>	<p>Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam</p>
<p>Viet Nam National Adaptation Plan (NAP) Development and Operationalization Support Project</p>	<p>Establishing an effective system to integrate climate change adaptation into government administration processes in the priority sectors</p>	<p>The project provides analysis and planning for priority areas such as agriculture, transport, environment and health and it supports strengthening resource allocation through better alignment of development finance with national SDG priorities.</p>	<p>UNDP</p>	<p>MONRE</p>	<p>UNDP's regular and other funding resources (GCF)</p>	<p>Ms. Sitara Sayed, Deputy Resident Representative, UNDP Viet Nam</p>

## Annex 2. Results Framework

### 2.1. Targets for Joint SDG Fund Results Framework

**Joint SDG Fund Outcome 2:** Additional financing leveraged to accelerate SDG achievement

	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope <sup>7</sup>		
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale <sup>8</sup>		

Given the complexity in identifying the targets of the Joint SDG Fund Outcome 2 indicators, UNCT in Viet Nam will work with the Secretariat to identify targets by the end of 2020.

**Joint SDG Fund Output 4:** Integrated financing strategies for accelerating SDG progress implemented

	Targets	
	2020	2021
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	2
4.2: #of integrated financing strategies that have been implemented with partners in lead <sup>9</sup>	0	2
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	1

### **Joint SDG Fund Operational Performance Indicators**

- Level of coherence of UN in implementing programme country<sup>10</sup>
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question

<sup>7</sup>Additional resources mobilized for other/ additional sector /s or through new sources/means

<sup>8</sup>Additional resources mobilized for the same multi-sectoral solution.

<sup>9</sup> This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

<sup>10</sup> Annual survey will provide qualitative information towards this indicator.

- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
  
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
- Joint programme featured gender results at the outcome level
- Joint programme undertook or drew upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
  
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

## 2.2. Joint programme Results framework

Result / Indicators	Baseline	First 12 month Target	Second 12 month Target	Means of Verification	Responsible partner
<b>Outcome 1: Strengthened resource allocation through better alignment of development finance with national SDG priorities</b>					
Outcome 1 indicator: Number of priority national SDG targets, especially on green, climate resilient and inclusive growth that are aligned with finance policies.	Not yet available	2	2	Review of MOF and MPI's 2030 finance strategy, MTIP and MTBP.	MOI and MOF
<b>Output 1.1: Tools provided and applied to establish links between finance (2030 FS, MTIP and MTBP) and national priorities and SDG targets (SEDP).</b>					
Output 1.1 indicator: Number of tools provided and applied	Not yet available	3	2	JP monitoring/ reporting	PUNOs, MPI/ MOF
Output 1.1 indicator: Availability of guidance to integrate financing for gender equality in INFF	Not yet available	1	1	MOF report	UN WOMEN/MPI/ MOF
<b>Output 1.2. A monitoring and accountability mechanism to assess effectiveness of development finance policy instruments.</b>					
Output 1.2 indicator: Availability of the monitoring system, that helps track development finance allocation and sending on national SDG targets including on green, climate resilient and inclusive growth and gender equality	NA	1	0	MOF report	MOF, PUNOs
<b>Output 1.3. National multi-stakeholder platform established for inclusive dialogue around financing priorities for building extra momentum for key reforms in the INFF implementation stage.</b>					
Output 1.3 indicator: Availability of policy recommendations generated through multi-stakeholder dialogue on gender integration into formulation and implementation of Viet Nam's INFF	Not yet available		Available	MOF report	UN WOMEN, MOF
Outputs 1.3 indicators: Number of multi-stakeholder consultations and dialogues	Not yet available	3	2	JP Monitoring and reporting	PUNOs, MPI, MOF
<b>Outcome 2: Improved effectiveness of public investment gained through better integration across government, vertically and horizontally</b>					



Outcome 2 indicator: The number of public finance policies that applied integrated approach in designing and implementation and level of synergy created	Not yet available	2	2	MPI/MOF reports, PUNOs' monitoring and reports	MPI, MPF,
Output 2.1. Integrated public investment management principles and procedures introduced for enhancing integration across the government and alignment of public investment projects to national SDG targets.					
Output 2.1. indicator: Standard Operation procedures introduced and applied in the MPI-led e-portal for public investment management	Not yet available	2	2	MPI/MOF reports, PUNOs' monitoring and reports	UNDP/ UNEP
Output 2.2. Principles and mechanisms designed for integration between policies and public investments to support private SME development, green & climate resilience, R&D and human capital development.					
Output 2.2. indicator: Number of principles and mechanisms designed and applied.	Not yet available	1	1	MPI reports, PUNOs' monitoring and reports	UNDP/ UNEP
Outcome 3. Increased public investment crowding-in of private finance, and attracting quality FDI flows that support the development of domestic private enterprises					
Outcome 3 indicator: Increased share of private sector investment in total investment	Not yet available	10%	15%	MPI reports, PUNOs' monitoring and reports	MPI
Output 3.1. Principles and best international practices introduced and applied on public investment crowding in domestic private investment.					
Output 3.1. indicator: Number of principles and best international practices introduced and applied in public investment policy	Not yet available	2	1	PUNOs' monitoring and reports	UNDP/ UNEP
Output 3.2. Quality FDI implementation plan formulated with clear actions for enhanced linkages between FDI and domestic private enterprises.					
Output 3.2. indicator: Availability of the implementation plan	Polit Bureau Resolution		Availa-ble	PUNOs' monitoring and reports	UNDP/ UNEP
Output 3.3. Guidelines developed and applied for designing innovative legal/regulatory instruments for Government and private sector to mobilize additional climate and green financial resources.					
Output 3.3. indicator: Availability of guideline	Not yet available		Availa-ble	PUNOs' monitoring and reports	UNDP/ UNEP

### Annex 3. Gender marker matrix

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
No.	Formulation			
1.1	Context analysis integrate gender analysis	3	Gender has been mainstreamed throughout the problem analysis, and thus, it guided the identification of the theory of change and relevant activities under this JP.	Programme strategy and stakeholder mapping
1.2	Gender Equality mainstreamed in proposed outputs	3	This JP will support the government and other relevant stakeholders to advance gender equality and the empowerment of women through the development and implementation of the 2030 Finance Strategy, 2025 MTIP and MTBP to establish long-term and integrated approaches to finance national sustainable development objectives. This will strengthen the national efforts in bringing gender equality into country efforts to implement the national financing strategies and plans, including the 2030 Finance Strategy, 2025 MTIP and MTBP.	Theory of Change
1.3	Programme output indicators measure changes on gender equality	3	The JP proposed output indicators to measure changes on gender equality such as guidance to integrate financing for gender equality in Integrated National Financing Frameworks, policy recommendations to Viet Nam to enable tracking of gender equality allocations in public expenditure during the implementation of the Viet Nam's 2030 Finance Strategy, 2025 MTIP and MTB. The programme will also review available gender statistics and advocate for strengthened collection and analysis of sex-disaggregated data that contributes to the effective monitoring and tracking the implementation of the Viet Nam's 2030 Finance Strategy, 2025 MTIP and MTBP with the focus on the integration between (i) government	JP result framework

			agencies horizontally and vertically to reduce the fragmentation of public investment and expenditure and (ii) government and public and private partners on financing climate resilience, green and inclusive growth.	
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	3	Ministry of Labor-Invalids and Social Affairs (MOLISA) and Viet Nam Women’s Union will be technically supported in bringing gender equality and mainstreaming dimensions into the formulation and implementation of Finance strategy, MTIP and MTBP, including assessing gender dimensions of financing flows for SDGs. Dialogues among gender equality stakeholders, including social organizations and private sector will open the space to present evidence on the positive impact and potential efficiency returns from investing in gender equality and women’s empowerment for the achievement of SDGs.	Proposed activities and the programme report
2.2	PUNO collaborate and engages with women’s/gender equality CSOs	3	Through the implementation of this JP, UN will also support the inclusion of key stakeholders – including CSO and gender advocate – who do not often engage in financing consultation processes. Dialogue among key stakeholders will be organized to identify opportunities and advocate for mainstreaming gender into monitoring finance-outcome system for achieving the outcomes of development finance policies and ensure National Strategy on Gender Equality 2021-2030 included as analytical resource.	Proposed activities and the programme report
3.1	Program proposes a gender-responsive budget	3	The programme proposed minimum 30 % budget to promote gender equality, including gender analysis of the development financing flows, introduction of tools to advance gender equality through financial strategies and MTIP, capacity development for relevant stakeholders on gender responsible budgeting and tracking budget for gender	JP budget

		equality. The proposed gender responsive budget will make gender equality and women’s empowerment more visible in supporting Viet Nam to develop and roll out the 2030 integrated Finance Strategy, mid-term investment and expenditure frameworks for achieving SDGs.	
Total scoring		3	

## Annex 4. Budget and Work Plan

### 4.1 Budget per UNSDG categories

UNDG BUDGET CATEGORIES	UNDP		UNICEF		UNWOMEN		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	112,265	150,000	42,991	70,000	57,900	80,000	213,156	300,000
2. Supplies, Commodities, Materials	0		3,738		0		3,738	
3. Equipment, Vehicles, and Furniture (including Depreciation)	0		0		0		0	
4. Contractual services	340,274		124,299		154,200		618,773	
5. Travel	8,000		3,738		12,200		23,938	
6. Transfers and Grants to Counterparts	7,500		0		0		7,500	
7. General Operating and other Direct Costs	4,171		2,804		0		6,975	
<b>Total Direct Costs</b>	<b>472,210</b>				<b>177,570</b>			
<b>JOINT PROGRAMME MANAGEMENT COST</b>	-		-		-			
8. Indirect Support Costs (Max. 7%)	33,055		12,430		15,701		61,186	
<b>TOTAL Costs</b>	<b>505,265</b>	<b>150,000</b>	<b>190,000</b>	<b>70,000</b>	<b>240,001</b>	<b>80,000</b>	<b>935,266</b>	<b>300,000</b>
<i>1st year</i>	172,633		190,000		105,000		467,633	
<i>2nd year</i>	332,632		0		135,001		467,633	

The largest budget item of the JP is for contractual services – the main form of the UN’s provision of technical inputs under the JP. International and national contractual services will be used to conduct policy studies and reviews, share international experiences. For example, to develop and apply analytical tools to prioritize and link national priority development targets/goals and SDGs to the budget. Contractual services will also be used for technical training, policy consultations and dialogues, and communication; the RCO-commissioned independent evaluation of the JP; and the RCO’s JP monitoring and policy advocacy work.

Funds for UN technical staff and other personnel constitute the JP’s second largest budget item. These funds will enable UN staff and other mobilized personnel to bring their expertise and experience in (i) providing technical inputs to the JP-supported studies, reviews, application of analytical tools, (ii) facilitating the policy consultations and dialogues, (iii) acting as resources persons in different trainings and workshop, and (iv) policy advocacy activities, and JP monitoring and reporting.

The funds allocated for Travel and Other Operating and Direct costs will be used to cover the costs of JP activities: implementation and monitoring-related travel of the JP national partners, UN staff and other personnel, as well as costs related to procurement, contracting, financial transactions related to the implementation of JP activities.

The contributions from PUNOs will be mainly in-kind contributions (staff time, usage of existing UN vehicle and facilities, etc.). PUNOs' contributions will also be in the form of policy/research papers that will be used as inputs to the JP's policy research/reviews/dialogues, etc.

Almost 30 percent of the budget has been allocated to generate gender-sensitive results, including for (i) ensuring that development finance is allocated to tackling gender equality issues in the 2030 Finance Strategy; (ii) mainstreaming gender in the planning and budget cycle across sectors and levels of Government and ensuring that planning and budgeting will be gender-responsive; and (iii) identifying specific ways to target women-led private SMEs and ensuring finance is made available for their growth and transformation.

The JP is budgeted for 24 months, including 6 months (July – December) in 2020, 12 months in 2021 and 6 months (January – June) in 2022.

#### 4.2 Budget per SDG Targets

SDG TARGETS		%	USD
1	<b>8.3</b>	11%	137,070
2	<b>8.4</b>	10%	118,535
3	<b>17.3</b>	10%	118,535
4	<b>17.9</b>	13%	160,490
5	<b>17.14</b>	48%	588,412
6	<b>17.16</b>	9%	112,225
<b>TOTAL</b>			<b>1,235,266</b>

SDG 17 will benefit from approximately 80 percent of the JP’s total budget which is strongly aligned with the Secretary-General’s Strategy and Roadmap for Financing the 2030 Agenda. More specifically, through creating the enabling conditions and capacities for aligning public and private capital to the SDGs and related national strategies. The remaining 20 percent of the budget will be directed to SDG 8, (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) to ensure the financing strategy is formulated to promote sustainable development-oriented policies.

### 4.3 Work plan

Overall Objective:		Accelerate Viet Nam's transformation to a more people-centered, equitable, inclusive, productive, green and climate resilient economy and achieve the SDGs.															
Impact:		By 2022, Viet Nam's Integrated National Finance Framework is established and rolled out with full financial alignment to national priorities, integration across government vertically and horizontally, and integration of public and private finance.															
Output	Annual target/s			List of activities	Time frame						PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved	
	2020	2021	2022		2020		2021		2022		Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)			
					Q3	Q4	Q1	Q2	Q3	Q4							Q1
<b>Outcome 1. Strengthened resource allocation through better alignment of development finance with national SDG priorities.</b>																	
Output 1.1. Tools provided and applied to establish links between finance and national priority goals/SDGs in 2030 FS, MTIP and MTBP.	1	1		1.1.1. Provide a policy paper on development finance in middle-income Viet Nam: key strategic considerations (UNDP in kind contribution)	x	x											MPI (implementing agency) and MOF (co-implementing partner)
				1.1.2. Provide analytical tools and international experience in linking the finance to outcomes/SDGs, focusing on green and climate resilient and	x	x	x										



			inclusive growth						
			1.1.3. Conduct a desk review of targets in NAP, sectoral master plans/actions plans to establish their links to related budget frameworks and financing plans, focusing on green and climate resilient and inclusive growth	x	x	x			
			1.1.4. Conduct high-level advocacy events to advocate for the importance of investing in human capital development (nutrition/stunting, education, social protection, water and sanitation) with rigorous international evidence	x	x				

15,000	2,000	<b>17,000</b>	UNDP	MPI-MOF	
14,019	5,000	<b>19,019</b>	UNICEF		

			1.1.5. Conduct gender analysis of the development financing assessment	x	x	x	x				
			1.1.6. Providing tools and guidance and share international experience on financing for gender equality through development and implementation of INFF.	x	x	x	x				
Output 1.2. A system designed for monitoring outcomes and accountability of development finance policy instruments.	0	1	1	1.2.1 Provide technical consultancy services and international experience in developing criteria and mechanisms for monitoring/tracking and assessing spending-outcome performance and holding accountability of stakeholders for achieving outcomes			x	x	x	x	
				1.2.2. Generate baseline data (based on the currently available data) and provide			x	x	x	x	x

27,500	10,000	37,500	UN WOMEN	
21,500	8,000	29,500	UN WOMEN	
30,000	15,000	45,000	UNDP	MOF
25,000	15,000	40,000	UNDP	MOF

			technical inputs to improve data disaggregation requirements (national, subnational, ethnic groups and sexes) and data collection for finance-outcome monitoring/tracking						
			1.2.3. Organize technical training, policy dialogues and advocacy. Note: (i) UNDP/UNEP activities will focus on the finance-outcomes/SDGs on climate change, green energy, private sector/SME development						
			1.2.4. Support the reform of 2021-2030 National Finance Strategy with to better align with inclusive, productive green growth objectives	x	x				

	15,000	3,000	18,000	UNDP	MOF			
	77,570	25,000	102,570	UNICEF				

			1.2.5. Policy dialogues among government, private sector and CSOs to generate policy recommendations for integrating gender into the formulation and implementation of Viet Nam's 2030 Finance Strategy, 2025 MTIP and MTBP.				x	x			
			1.2.6. Dialogue among key stakeholders to advocate for mainstreaming gender into monitoring finance-outcomes system and ensure National Strategy on Gender Equality 2021-2030 included as analytical resource.					x	x		
Output 1.3. A National multi-stakeholder platform for inclusive	3	2	1	1.3.1. Review current institutional arrangements/mechanisms for inclusive dialogues	x	x	x				

21,500	8,000	29,500	UN WOMEN	
24,500	8,000	32,500	UN WOMEN	
8,000	2,000	10,000	UNDP	MPI, MOF

dialogue on financing priorities towards key reforms in the INFF implementation stage.	around financing priorities								
	1.3.2. Share international experience and recommendations for establishing (building on existing mechanisms) a national multi-stakeholder platform for inclusive dialogues on broadened topics on financing priorities		X	X	X				
	1.3.3. Organize high level/national multi-stakeholder dialogues around financing priorities	X	X	X	X	X	X	X	X
	1.3.4. Policy dialogues among government, private sector and CSOs to generate policy recommendations for integrating gender into the formulation		X		X	X			

5,000	2,000	7,000	UNDP	MPI, MOF	
33,500	3,000	36,500	UNDP	MPI, MOF	
0	0	0	UN WOMEN		

				and implementation of Viet Nam's 2030 Finance Strategy, 2025 MTIP and MTBP.														
				1.3.5. Review available gender statistics and advocate for strengthened collection and analysis of sex-disaggregated data		X			X	X				22,000	12,000	34,000		UN WOMEN
				<b>Subtotal outcome 1</b>										<b>375,089</b>	<b>158,000</b>	<b>533,089</b>		
<b>Outcome 2: Improved effectiveness of public resources gained through better integration across government, vertically and horizontally</b>				<b>List of activities</b>	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	<b>Overall budget description</b>	<b>Joint SDG Fund (USD)</b>	<b>PUNO Contribution (USD)</b>	<b>Total Cost (USD)</b>	<b>PUNO/s involved</b>	<b>Implementing partner/s involved</b>
Output 2.1. Integrated public investment management principles and procedures introduced for enhancing vertical and horizontal integration	0	1	2	2.1.1. Conduct a study on the fiscal decentralization and review the gaps in current public investment management system through the lens of integration across the government to ensure greater effectiveness of PIP and MTBP with a focus on green	x	x	x						Staff and other personnel; Contractual services; Travel; General Operating and other Direct Costs.	10,000	10,000	20,000	UNDP	MPI

			and climate resilient growth, human capital development and equality						
			2.1.2. Share international experiences, tools and policy advice for the formulation of the integrated PIP management principles and procedures (contributing to MPI-led development of an integrated PIP management e-platform) for enhancing the integration across the government (with a focus on green and climate resilient growth, human capital development and equality)	X	X	X	X		

35,000	5,000	40,000	UNDP	MPI	

			2.1.3. Based on the development finance policy paper (activity 1.1.1) and building on the UNDP-supported ODA paper, provide policy advice to the formulation of the directions for the MPI-led “strategic directions on Viet Nam’s 2030 development partnership” with a focus on mobilizing and utilizing international public and private resources in the transition to ODA graduation	x	x	x			
			2.1.4. Organize dialogue and advocacy events to formulate policy actions for greater integration across government. Notes: UNDP/UNEP focus on green and climate resilient growth, ODA	x	x	x	x		

20,000	10,000	<b>30,000</b>	UNDP	MPI
8,000	3,000	<b>11,000</b>	UNDP	MPI



			transition and PIP principles/procedures							
			2.1.5 Providing technical assistance to the formulation of the integrated public investment management procedures and platform to enhance the integration and effectiveness of PIP with a focus on green growth and human capital development.	x	x	x	x	x	x	
Output 2.2. Principles and instruments designed for integration between policies and public investments to support private SME development, green & climate resilience, R&D and human capital development.	0	1	3	2.2.1. Review the bottlenecks in regulatory/policy frameworks and practical implementation and coordination (horizontally and vertically) of government policies/facilities on private sector development/SME support, R&D and human resources	x	x	x	x		

20,561	10,000	30,561	UNICEF		
20,000	2,000	22,000	UNDP	MPI (MOST, MOF)	

			development, for enhancing productivity and competitiveness of SMEs/accelerating their transition to become the drivers of green, climate resilient and inclusive growth						
			2.2.2. Organize inclusive consultations for defining bottlenecks and advocacy events for formulating actions for improvements	x	x	x			
			2.2.3. Public-private dialogue on possible innovative finance mechanisms to mobilize and direct private investment towards financing gender equality in green and climate resilience, R&D and human capital development, climate change	x		x	x		

10,000	2,000	12,000	UNDP	MPI (MOST, MOF)				
27,500	8,000	35,500	UN WOMEN					

				and green growth.														
				2.2.4. Capacity development for key government stakeholders on financing for gender equality through promoting gender responsive budgeting in the implementation of policies on private SME development, green & climate resilience		X			X	X				62,200	20,000	82,200	UN WOMEN	
				<b>Subtotal outcome 2</b>										213,261	70,000	283,261		
<b>Outcome 3: Increased crowding-in of private finance, and quality FDI flows that support the development of domestic private enterprises</b>				<b>List of activities</b>	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	<b>Overall budget description</b>	<b>Joint SDG Fund (USD)</b>	<b>PUNO Contribution (USD)</b>	<b>Total Cost (USD)</b>	<b>PUNO/s involved</b>	<b>Implementing partner/s involved</b>
Output 3.1. Principles and best international practices introduced on public investment crowding in	1	2	2	3.1.1.a. Share international best experiences/practices and principles on promoting the public investment/				X	X	X			Staff and other personnel; Contractual services; Travel; General Operating and other	20,000	2,000	22,000	UNDP	MPI

domestic private investment.			expenditure to crowd-in domestic private investments, with a focus on achieving SDGs on green, climate resilient and inclusive growth, human capital and equality						Direct Costs.					
			3.1.1.b. Share international best experiences/practices and principles on promoting the public interventions to scale up SDG financing by banks, with a focus on achieving SDGs on green, climate resilient and inclusive growth, human capital and equality Notes: with UNEP's technical contribution; administered by UNDP			x	x	x		17,500	10,000	27,500	UNDP	
			3.1.2.a. Organize consultations and dialogues to identify bottlenecks			x	x	x		10,000	1,000	11,000	UNDP	MPI

			and actions for public investment/ expenditure to crow-in greater domestic private investments Notes: UNDP's focus on green, climate inclusive growth, private SME development												
			3.1.2.b. Organize consultations and dialogues to identify bottlenecks and actions for on promoting the public interventions to scale up SDG financing by VN banks, with a focus on achieving SDGs on green, climate resilient and inclusive growth, human capital and equality Notes: with UNEP's technical contribution; administered by UNDP				x	x	x			10,000	5,000	15,000	UNDP

				3.1.3. Conduct a feasibility study on financial options for improving key climate-resilient services as prioritized by the Socio-Economic Development Plan	X	X	X	X	X	X			36,449	20,000	<b>56,449</b>	UNICEF	
				3.1.4 Review and document the lessons learnt and experience from the application of financial options and organize dissemination workshops for application at scale							X	X	10,280	0	<b>10,280</b>	UNICEF	
Output 3.2. Quality FDI strategy and implementation plan formulated with clear actions for enhanced FDI to domestic private enterprise linkages.	<b>0</b>	<b>1</b>	<b>1</b>	3.2.1. Share international best experiences/practices and principles on promoting quality FDI and FDI-domestic private enterprise linkages that help develop the later						X	X		20,000	3,000	<b>23,000</b>	UNDP	MPI

			3.2.2. Review the current bottlenecks and propose actions to implement the polit-bureau's resolution on FDI						X	X			10,000	2,000	<b>12,000</b>	UNDP	MPI
Output 3.3. Guidelines developed for designing innovative legal/regulatory instruments led to GOVN and private sector mobilizing additional climate and green financial resources			3.3.1.a. Provide an overview of new (international and domestic) climate and green financial sources and the related conditions and requirements for GOVN and private sector to access, and sharing int. good practices			X	X	X					20,000	2,000	<b>22,000</b>	UNDP	MPI, MOF, SBV
			3.3.1.b. Provide experiences/ examples on mobilizing international and domestic finance for the SDGs from the financial sector & capital markets Notes: with UNEP's technical contribution; administered by UNDP			X	X	X					17,500	5,000	<b>22,500</b>	UNDP	





Output 4.1.	4.1.1. Monitoring and Reporting for JP (JP annual and final reports)	x	x			x	x			7,477	0	7,477	RCO via UNDP
	4.1.2. Advocacy & Strategic communication incl. stakeholder consultations and donor meetings	x	x			x	x			7,477	0	7,477	RCO via UNDP
	4.1.3. Final Evaluation							x	x	17,757	0	17,757	RCO via UNDP
	<b>Subtotal outcome 4</b>									<b>32,710</b>	<b>0</b>	<b>32,710</b>	
	<b>Subtotal 4 outcomes</b>									<b>874,080</b>	<b>300,000</b>	<b>1,174,080</b>	
	GMS									<b>61,186</b>			
	<b>TOTAL</b>									<b>935,266</b>	<b>300,000</b>	<b>1,235,266</b>	

## **Annex 5. Risk Management Plan**

The following risks have been identified during the joint GoV-UN process of formulation of this JP and will be monitored and updated regularly during the JP implementation, namely:

- The risk of the limited opportunity for greater institutional integration is assessed as rare (1) in term of likelihood, based on the government’s commitment to SDG and INFF implementation as well as the vigorous national oversight system. If this happens the impact on the JP’s results in promoting alignment of finance to national priorities, integration across the government and financial resources is major (4). The mitigating actions include: (i) regular monitoring and oversight by the JP Steering committee, (ii) establishing the multi-stakeholder platform and engaging different stakeholders, especially from the National Assembly, private sector and PSPMOs in the JP-supported dialogues.
- The likelihood of the risk in flexibility to accommodate the JP proposed recommendations is assessed as unlikely (2) and of moderate impact (3). The mitigating actions include regular monitoring and oversight by the JP Steering committee to ensure the relevance of JP support/proposed enhancements and clear responsibilities of the Government agencies in utilizing them in developing and implementing INFF.
- The likelihood and impact of the risk of insufficient uptake of opportunities to crowd-in private finance towards green growth and human resource development are assessed as rare (1) and moderate impact (3), based on the Government of Viet Nam’s strong commitment for the SDGs, green growth and human resource development (which is among 3 breakthroughs areas of the country’s Socio-Economic Development Strategy). Mitigation actions include continued UN advocacy and engagement of relevant stakeholders especially from the National Assembly Social Affairs Commission, education and health ministries in policy dialogues.
- The risk of low quality of engagement & coordination of different departments of MPI, MOF, VCCI, PUNOs, IFIs, other development partners is assessed of rare likelihood (1) and minor impact (2). The mitigating action is that the JP Steering Committee delivers its functions actively, creating cooperation mechanisms at working/technical levels (building on existing mechanisms, such as Development Partner Group that is co-chaired by the UNRC, WB and Development Partner representatives).

- Potential COVID-19 disruptions present a newly emerging risk. The risk likelihood is assessed as “likely” and impact as major, while noting that the risk assessment (likelihood and impact) ratings are temporary, given the uncertainty of COVID-19’s medium and long-term impacts. The mitigation measures include: regular assessments of the situation and updating/escalating this risk. The holistic nature of the INFF across public and private resources provides a good basis to look towards more systemic approaches to responding to the impact of COVID-19, as well as to establishing more adaptive and robust financing approaches to manage future risks.

<b>Risks</b>	<b>Risk Level:</b> (Likelihood x Impact)	<b>Likelihood:</b> Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	<b>Impact:</b> Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	<b>Mitigating measures</b>	<b>Responsible Org./Person</b>
<b>Contextual risks</b>					
Insufficient uptake of opportunities for green growth and human resource development for crowding-in.	3	1	3	UN advocacy and engagement of relevant stakeholders especially from National Assembly Social Affairs Commission, education and health ministries in policy dialogues.	RC, PUNOs, MPI and MOF
Potential COVID-19 disruptions	16	4	4	Regular (re-)assessments of the situation and updating/escalating this risk; flexibility.	RC, PUNOs, MPI and MOF
<b>Programmatic risks</b>					
flexibility to accommodate the UNJP proposed enhancements	6	2	3	Regular monitoring and oversight of the JP Steering committee to ensure the relevance of JP proposed improvements and clear responsibilities of the Government agencies in utilizing them in developing and implementing INFF.	RC, PUNOs, MPI and MOF
engagement & coordination of different departments of MPI, MOF, VCCI, PUNOs, IFIs, other development partners	2	1	2	JP Steering Committee delivering its functions actively, creating of cooperation mechanisms at working/technical levels (building on existing mechanisms, such as Development Partner Group that is co-chaired by the UNRC, Wb and DP representatives)	RC, PUNOs, MPI and MOF
<b>Institutional risks</b>					
space for greater institutional integration	4	1	4	(i) regular monitoring and oversight of the JP Steering committee, (ii) establishing the multi-stakeholder platform and engaging different stakeholders, especially from	RC, PUNOs, MPI and MOF

				the National Assembly, private sector and PSPMOs in the JP-supported dialogues	
Fiduciary risks					