

**SOCIALIST REPUBLIC OF VIETNAM**



# **IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT**

**National Report at the United Nations Conference on Sustainable Development (RIO+20)**



**HANOI - MAY 2012**



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# FOREWORD

*Sustainable development represents a common trend along which the entire humankind is endeavouring. It is also an important strategic goal that the Communist Party, Government and people of Viet Nam are determined to attain.*

*Sustainable development, as such, has become part of the Party's guidelines and views as well as the State's policies and been clearly reflected in the country's national, sectoral and local socio-economic development strategies, schemes and plans.*

*20 years' implementation of sustainable development, especially nearly 10 years' implementation of the Strategic Orientation for Sustainable Development, has seen Viet Nam taking advantage of good opportunities, overcoming numerous difficulties and challenges, and achieving major gains in the economic, social and environmental fields. The country has escaped underdevelopment, recorded relatively fast economic growth, and improved its population's material and spiritual living standards. Environmental protection has been attended to, and become better in certain aspects. Viet Nam's international status has been uplifted, important premises have been created for fast and sustainable development and a life with higher quality for the people.*

*However, those achievements are not commensurate to what the potentials would have promised. Viet Nam remains fraught with global challenges such as energy security, cyber security, water source security and climate change, etc. which are hindering the country's process of sustainable development. Viet Nam will have to continue to work to maintain the sustainability of the development gains it has recorded.*

*Assessment of achievements and shortcomings of the last 20 years' implementation of sustainable development is necessary, not only to Viet Nam but other countries in the world as well in order to take stock of the results and lessons of experience so far gained, identify opportunities and challenges, and map out orientations and solutions for continued successful implementation of sustainable development objectives.*

*Motivated by new understanding, new resolve and new ways of operation, Viet Nam is convinced that sustainable development is an inevitable path and will be vividly and effectively realized in Viet Nam's process of development and integration.*

*Viet Nam looks forward to the continued multi-sided cooperation and assistance from the international community, particularly from international organizations and developed countries, with a view to overcoming challenges and moving forward toward a green economy, further improvement of the institutional set-up, hence continued sustainable development of the country.*

**PRIME MINISTER**

**SOCIALIST REPUBLIC OF VIET NAM**

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**NGUYEN TAN DUNG**



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# ACRONYMS

## IN VIETNAMESE

<b>BĐKH</b>	Climate change
<b>BVMT</b>	Environment protection
<b>CTNS 21</b>	Agenda 21
<b>ĐDSH</b>	Bio-diversity
<b>KT-XH</b>	Socio-Economic
<b>KH&amp;CN</b>	Science and technology
<b>PTBV</b>	Sustainable Development
<b>LHQ</b>	United Nations
<b>SDNL TK&amp;HQ</b>	Economical and Efficient Use of Energy

## IN ENGLISH

<b>ASEAN</b>	Association of Southeast Asian Nations
<b>CITES</b>	Convention on International Trade in Endangered Species of Wild Fauna and Flora
<b>CPRGS</b>	Comprehensive Poverty Reduction and Growth Strategy
<b>ECOSOC</b>	United Nations Economic and Social Council
<b>GDP</b>	Gross Domestic Product
<b>GDI</b>	Gender Development Index
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
<b>HDI</b>	Human Development Index
<b>MDG</b>	Millennium Development Goals
<b>NTP-RCC</b>	National Target Program on Responses to Climate Change
<b>NGO</b>	Non Government Organization
<b>ODA</b>	Official Development Assistance
<b>RIO+20</b>	World Summit on Sustainable Development 2012
<b>UNCSD</b>	United Nations Commission on Sustainable Development
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNCCD</b>	United Nations Convention to Combat Desertification
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UN-REDD</b>	The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

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# INTRODUCTION

Vietnam has taken part in the Earth Summit on Environment and Development in Rio de Janeiro, Brazil in 1992, the World Summit on Sustainable Development in Johannesburg, South Africa in 2002, signed the Rio Declaration on Environment and Development, the Global Agenda 21, etc. and committed to implementing sustainable development.

During the 20 years' implementation of national sustainable development, particularly since the adoption of the Strategic Orientation for Sustainable Development (Vietnam Agenda 21) on 17 August 2004, Vietnam has made remarkable achievements in the economic, social and environmental fields. The causes requiring sustainable development implementation in Vietnam, however, maintain numerous shortcomings and challenges.

At present, together with the international community, Vietnam is determined to, step by step, surmount all obstacles implementing sustainable development towards establishing a green economy.

As a runner-up to the High-level United Nations Conference on Sustainable Development (Rio+20) to be held in June 2012 to mark 20 years' implementation of sustainable development since the Rio Conference of 1992, this Report "Implementation of sustainable development in Vietnam" is prepared for the following objectives:

- To provide a broad based assessment of 20 years' implementation of sustainable development, as well as the achievements and shortcomings in implementing sustainable development in Vietnam;
- To bring forward Vietnam's positions on and commitment to the global issues to be discussed at the Conference and solutions to the currently emerging challenges, toward a green economy and in response to climate change for sustainable development ; and
- To present Vietnam's lessons of experience and recommendations to the United Nations Commissions on Sustainable Development.

This Report has been written based on a process of frequent and effective consultations between the Government's ministries and agencies; and the United Nations bodies, the international donor community, civil society organizations, local and international research institutions and researchers.. With this Report, Vietnam wishes to share with the international community its own experience in sustainable development implementation, while looking forward to the international community's continued cooperation and support, especially financial and technical support, with a view to continuing its efforts for sustainable development given the new crises in the 21<sup>st</sup> century.



# SUMMARY

## OVERVIEW OF 20 YEARS' IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT IN VIETNAM

### Institutional development

#### Policies aimed at sustainable development

For sustainable development objectives to be realized in Vietnam, a series of policies have been adopted in the economic, social and environmental fields and with the implementation of international commitments on sustainable development to which Vietnam is a signatory.

Throughout these documents, Vietnam's position on sustainable development has been confirmed, and highlighted in the Socio-Economic Development Strategy for 1991 – 2000, Instructive No 36-CT/TW dated 25 June 1998 issued by the Politburo of the Communist Party of Vietnam (CPV) on enhanced environmental protection in the period of national industrialization and modernization, confirmed in the documents adopted at the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> CPV National Congresses. The Socio-Economic Development Strategy for 2011-2020 also underlines that “Rapid development in close linkage with sustainable development represents an all-thru requirement in the Strategy”. The CPV has adopted a position guided by sustainable development, also being incorporated into the State's policy. For the sustainable development objectives to be realized, the Vietnamese Government adopted “Strategic Orientation for Sustainable Development in Viet Nam” (Vietnam Agenda 21). A number of ministries and localities have also designed and enacted their respective Agenda 21.

Over the past time, Vietnam has signed international conventions related to sustainable development. The Government has assigned relevant ministries and agencies to serve as contact points which are responsible for the governance, coordination of organization and integration of these commitments into development plans and programs at all levels for the execution.

#### Institutional Framework

The National Council on Sustainable Development was established, mandated to advise the Prime Minister, help the latter guide the implementation of the Strategic Orientation for Sustainable Development on a national scale, monitor and assess the implementation of sustainable development objectives in Vietnam in line with the Strategic Orientation for Sustainable Development. A Steering Committee/Council on Sustainable Development and an Office on Sustainable Development has also been set up in a number of ministries, agencies and localities to implement the Strategic Orientation for Sustainable Development in Vietnam. Vietnam has also established the Vietnam Business Council on Sustainable Development (VBCSD) with a view to building a Vietnamese business community that is sustainable, energetic and successfully integrating into the world in the 21<sup>st</sup> century, contributing to the nation's sustainable development.

### Integration of sustainable development into socio-economic and sectoral development strategies, master plans and plans

In the process of sustainable development implementation, the internationally agreed principles and objectives have been localized to suit Vietnamese conditions. The results have been integrated into

the socio-economic development strategies and plans of the country. Various ministries, agencies and localities in which economic, social and environmental objectives and targets are closely linked, are harmonized.

## **Participation of stakeholders in sustainable development implementation in Vietnam**

Mobilization and participation of the Vietnamese people in implementing sustainable development represents a characteristic feature in implementing the Vietnamese Agenda 21 and an important determinant for the success of the sustainable development process in Vietnam.

In Vietnam, well-organized and experienced in operation as they are, civil society organizations require extensive development. They have all chosen sustainable development objectives and Millennium Development Goals as their guiding operational directions. As such, they act as a pillar in mobilizing the people's participation and organizing activities to aim for sustainable development. The vigorous development of the Vietnamese business community in recent years has also made a major contribution to the country's sustainable development process. In addition, bilateral and multilateral international organizations have actively supported the Vietnamese Government in sustainable development implementation. Sustainable development has been integrated into development cooperation strategies of donors.

## **ACHIEVEMENTS AND SHORTCOMINGS**

### **Overall assessment**

Vietnam has recorded remarkable achievements in economic, social and environmental sectors, all three pillars of sustainable development and certainly since the adoption of the Strategic Orientation for Sustainable Development, reviewed by the first, second and third National Conferences on Sustainable Development, held in December 2004, May 2006 and January 2011, ..

### **In the economic field**

Vietnam has been recognized as one among the developing countries which have made notable achievements in economic reform toward growth and poverty reduction. Its average annual GDP growth rate was 7.85% during 2000 - 2008. The scale of the economy and the productive capacity of sectors have all gone up. The average GDP per capita in 2011 has reached USD \$1,200, which is a threefold increased as compared to 2000. Vietnam has jumped out of the group of poor countries into the group of middle-income countries.

### **In the social field**

Initial encouraging achievements have been recorded in hunger eradication, poverty reduction, population, job creation, education and health care. In addition, care for the people, education and training, and generation of employment for workers. Social security has been attended to so as to ensure stability for the people's livelihoods and productivity, especially given the high inflation and frequent natural disasters. Vietnam accomplished in 2000 the target of primary education universalization by the national universalization standard. The poverty rates have nosedived, from 28.9% in 2002 to 9.45% in 2010, resulting in an average reduction of 2% per year nationwide. Vietnam's gender equality index is higher than countries with a similar level of development and income. The HDI has also improved over the years.

## **In the environmental field**

The system of policies and laws on environmental protection has been in place in a sufficient and comprehensive manner. The system of State governance agencies on environmental protection from the central to local levels has been, step by step, completed and put into regular operation. Funding benefiting environmental protection has increased. Many of the tasks regarding pollution prevention and control and biodiversity conservation have brought about heartening results. Integration of environment-related issues into strategies, schemes and plans right at the designing stage as well as into projects at the stage of investment preparation has helped limit and minimize environmental pollution.

All in all, the recent economic development achievements have created resources for successfully addressing a series of social issues: eradication of hunger, reduction of poverty, development of education and accomplishment of the Millennium Goals, with a view to continuously improving the quality of the people's life. These socio-economic gains were initially linked to environmental protection in terms of institution, policy, organization, management, mobilization of social participation, and international cooperation. By integrating sustainable development objectives into the national and sectoral socio-economic development strategies, schemes, plans and programs, the sustainability of development or, other words, the close, reasonable and harmonious combination of the 3 aspects, namely economic development, social development and environmental protection, has been initially established and strongly asserted in reality.

## **Implementation of 19 prioritized areas in the Strategic Orientation for Sustainable Development in Vietnam**

The Strategic Orientation for Sustainable Development in Vietnam defines 19 prioritized areas under the three economic, social and environmental pillars. During this time, many policies were adopted aimed at implementing these 19 prioritized areas. The majority of results have been positive with unforeseen difficulties presenting some negative results

## **Honouring of international commitments.**

Vietnam has acceded/is signatory to many international conventions/agreements on sustainable development: the Ramsar Convention on wetlands of international importance, the United Nations Framework Convention on Climate Change and the Kyoto Protocol, the United Nations Convention to Combat Desertification, the Vienna Convention on Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Stockholm Convention on Persistent Organic Pollutants, the Millennium Development Goals, and the WTO. Vietnam has seriously and effectively honoured these commitments.

# **TOWARD A GREEN ECONOMY FOR SUSTAINABLE DEVELOPMENT**

## **Challenges to sustainable development in Vietnam.**

On the way to continued implementation of its national sustainable development objectives, Vietnam is faced with many inherent or emerging challenges, including:



## **Impacts of financial crisis and fluctuation of food and energy prices**

During 2007-2010, the world was confronted by three grave problems: the financial crisis and the fluctuations of energy and food prices, all on the global scale. In such a context, Vietnam's implementation of sustainable development has been compromised due to the negative impact of these problems, most seriously the global financial crisis.

## **Climate change**

Vietnam is considered as one of very few countries in the world hardest hit by climate change. During the past time, climate change has made its presence increasingly visible, with an increase in natural disasters, causing huge human and material destruction to the Central coastal region and significant destruction to many others.

## **Exhausting natural resources**

In the past years, for different reasons, natural resources, especially water and biodiversity resources, have been seriously degenerated. In certain localities, land and minerals resources have suffered from exhaustive or highly wasteful exploitation.

## **Environmental pollution**

The prolonged degeneration of the environment as a consequence of the war (bombs, landmines, Agent Orange/dioxin) and the environmental pollution due to the present socio-economic development, constitute a very grave challenge to Vietnam in the sustainable development process.

## **Wasteful and ineffective production and consumption**

Most recent production and consumption could not be thought to promote an “environmentally friendly” policy. In production, many sectors and localities, especially craft villages, still employ labour and energy resource intensive means of production, lowering both production and market share. In consumption, a significant section of the urban population maintain an extravagant lifestyle, presenting a major challenge in the process towards a green economy and for sustainable development today.

## **Green growth - the way to sustainable economic growth**

Currently, Green Growth is a key pillar of Vietnam's sustainable development strategy for 2011 - 2020 and aims to ensure efficient and sustainable growth as while addressing - and mitigating climate change impacts.

Vietnam is currently developing its green growth strategy aimed to accelerate the process of economic restructuring towards the efficient use of natural resources, reducing greenhouse gases emissions through research and application of green, modern technologies, developing infrastructure to improve the overall efficiency of the economy, coping with climate change, contributing to poverty reduction, and creating the momentum for promoting sustainable economic development.

The objectives of the Green Growth Strategy are to change economic growth pattern in a way to take comparative advantages, improve efficiency and competitiveness of the economy, namely:

- Economic restructuring and institutional improvement by encouraging the efficient, utilization of natural resources by sectors to achieve higher added value, thus restructuring, restricting or gradually phasing out industries that require extensive resources and pollute environment.

- Invest and conduct research on broad application of advanced technologies to efficiently use natural resources, reduce greenhouse gas emissions and to contribute to an effective response to climate change;
- Improving people's living standards through job generation from green industry, agriculture, services and improving quality of life through the development of green infrastructure and environment-friendly lifestyle.

To achieve the above mentioned objectives, green growth activities in the time to come will focus on the following three tasks: i) Greening production; ii) Reduce the intensity of greenhouse gas emissions per unit GDP and increasing renewable energy use; iii) Greening lifestyle and sustainable consumption.

## Improvement of institutional framework for sustainable development

Since the Earth Summit in Rio in 1992, Vietnam has exerted considerable efforts to establish and develop an institutional system that conforms to the requirements of sustainable development. Sustainable development in the future will continue to be a primary component of Vietnam's long-term development strategy, whereas green growth will be an important component of sustainable development that needs to be integrated in the long-term development strategy, in order to lessen climate change impacts at the present stage. The institutional framework of sustainable development must continue to be reformed and further completed so as to address inappropriate viewpoints, policies and operational contents of the past. During the process of reforming and further completing the institutional framework for sustainable development, it is imperative to grasp the following guiding principles:

(i) The institutional framework that Vietnam pursues must ensure harmony among the economic, social and environmental fields of sustainable development, constituted by the national institution and in keeping with international practices. It must also be implemented in vast territorial regions (economic regions and river basins) with a view toward development for human beings in the future.

(ii) The institutional framework in the time to come must be visionary, addressing the policies which are of a patchwork and defensive nature and designed in a fragmented and disconnected manner, scaling regional and national levels, or will not be suitable in today's context of international integration. It is special, that the institutional framework must embrace the important achievements recorded when implementing Agenda 21 and the Conventions to which Vietnam has acceded.

(iii) In this new institutional framework, attention must be paid to solutions related to the legal environment and the modern organizational and managerial system.

**Regarding the system of legal regulations,** it is necessary to adopt a new Constitution, including amended provisions in accordance with the views on sustainable development, green growth and people's participation as the owner of the country. This must be carried out in a democratic manner with strong decentralization. Accordingly, laws and other legal documents must be revised to reflect the views on sustainable development, which is a cross-cutting guideline in the national development process. Especially, it is necessary to make adjustments to policies and regulations related to the promotion of economic restructuring for sustainable growth, job creation, increase people's income, enhance efficiency of the use of natural resources and environment protection as well as the development of a sustainable lifestyle, of production and consumption.

**In regards to the organizational and management system,** it is essential to set up a system of governance and oversight broadly involving the population and civil society organizations, ensuring a mechanism of power oversight and broad-based democracy. Regarding issues of vital importance, the entire people must be consulted by direct democratic mechanism.

## Commitments to other global issues

The critical issues to be discussed at Rio+20, including energy, cities, food, water, ocean and natural disasters, are all presenting major challenges to sustainable development globally and in every nation like Vietnam. The Government of Vietnam will continue to adopt policies and devise national plans and programmes to surmount these challenges to achieve sustainable development.

## LESSONS AND RECOMMENDATIONS FROM VIETNAM

### Lessons from Vietnam

#### **The first lesson: Strong commitment of the government to sustainable development**

The most important lesson learnt in Vietnam's process towards sustainable development is the strong commitment and determination of the government to the goal of sustainable development. This commitment is strong from central to local levels. The approach taken is comprehensive and holistic. The international sustainable development commitments are localized and mainstreamed into national development strategies, plans and programmes.

#### **The second lesson: Mobilization of main social groups for participation in sustainable development implementation**

The involvement of the entire population in the country's sustainable development efforts is one of the decisive factors to Vietnam's effort to succeed in achieving sustainable development. With a new approach in policy making and planning, the people, through their representative, social, political and mass organizations, are increasingly involved in policy planning and consultation. The people, therefore, effectively participate in realizing the goals of sustainable development. Their involvement has also contributed to ensuring the effective use of resources and preventing wastefulness or ineffective expenditure.

Bringing into full play grass-root democracy, fostering consensus in society, exploring the combined strength of the entire nation and effectively mobilizing all resources available for national development are important lessons for every Vietnamese success.

#### **The third lesson: Combining internal resources with international cooperation**

Throughout its development process, Vietnam has always strived to combine its own strength and resources with that of the time and international cooperation. Vietnam's consistent foreign policy is to "promote active and proactive international integration, to become a friend, reliable partner and responsible member of the international community". Along that line, Vietnam is active in international sustainable development cooperation activities and always implements in full the international treaties to which it is a party. The Government of Vietnam will continue its reform policy and attract the involvement of international partners in the implementation of the Strategic Orientation for Sustainable Development in Vietnam. Vietnam wishes to strengthen international cooperation in education and training, science and technology and particularly the transfer of clean, environment-friendly production technologies. Vietnam will take an active role in regional and global environment and sustainable development forums and activities, enhance cooperation with donors and international organizations, with a view to effectively utilizing official development assistance (ODA) for sustainable development.

## Vietnam's recommendations

**Regarding sustainable development in general, Vietnam recommends that the United Nations:** (i) Introduce a set of sustainable development objectives that reflects the harmony between the three aspects of sustainable development. Conforming with the principles of Agenda 21, is universal and applicable to all nations but leaves room for approaches as appropriate to individual nations in accordance with their respective backgrounds and conditions; (ii) Prioritize sustainable development in the allocation of resources in keeping with priorities and needs of developing countries and increase considerably grants to developing countries for the implementation of sustainable development; enhance technology transfer, training and human resources development from developed to developing countries for the attainment of sustainable development objectives; (iii) Enhance cooperation/coordination at the national, regional and international levels in the implementation of sustainable development and oversee resources for sustainable development; (iv) Increase the participation of main social groups in the implementation of sustainable development. Enhance the capacity and participation of scientists from developing countries in global processes for sustainable development evaluation; (v) Strengthen close cooperation among international economic and financial organizations to ensure that developing countries, especially least developed countries, can benefit from advantages of multilateral trade systems and integration in the global market.

**Regarding a green economy in the context of sustainable development and poverty reduction, Vietnam recommends that the United Nations:** (i) Introduce a uniform concept on a green economy; (ii) Elaborate and implement global and regional institutions and policies, and mechanisms for enhanced multilateral and regional cooperation targeting green economic development; (iii) Establish an international forum for the sharing of knowledge and experience in the elaboration and implementation of global and regional institutions and policies targeting green economy realization; (iv) Coordinate with other international organizations concerned in providing support to developing countries, including Vietnam; (v) Enhance support in technology transfer, technical assistance, training and human resource development from developed to developing countries for green economy realization.

**Regarding the institutional framework for sustainable development, Vietnam has the following recommendations:** (i) The United Nations should further enhance the roles and tasks of all levels in sustainable development realization and consolidate and develop a system of UN agencies related to regional sustainable development; (ii) Reform and enhance the roles of the United Nations Economic and Social Council (ECOSOC), the United Nations Commission on Sustainable Development (UNCSD) and the United Nations Environment Program (UNEP). Enhance the capacity of UNEP or establish a specialized UN agency on environment; (iii) Enhance the institutional capacity in sustainable development of governments and national sustainable development councils through technical assistance packages; (iv) Promote institutional frameworks for enhanced cooperation and investment in environmental, economic and social fields between developed and developing countries.

**At the same time, Vietnam wishes to receive continued support from other countries, international organizations and friends in the following domains:** (i) Ensure comprehensive coordination in sustainable development policies and collective efforts in issues related to sustainable development at the interstate, Southeast Asian, Asia-Pacific and international levels in order to respond jointly to climate change and move toward green growth, thereby protecting and preserving the Earth – the common home of humankind; (ii) Increase Official Development Assistance (ODA) while diversifying forms of aid to Vietnam both in material resources and in counselling and experience sharing, with a view to helping Vietnam ensure an ever better and more comprehensive implementation of its national sustainable development strategy, including elaboration and realization of a Green Growth Strategy, assured sustained growth, sustainable poverty reduction, successful response to adverse impacts of climate change, thus moving further ahead with sustainable development.

## CONCLUSION

Over the past twenty years, especially the last decade, Vietnam has taken advantage of opportunities, overcome many challenges, implemented national sustainable development projects and recorded great achievements in the economic, social and environmental fields. The outstanding achievements result from an aggregate of many factors which include Vietnam's strong commitment and determination to attain sustainable development with the effective mobilization of every available domestic resource and international assistance. The country has yet to exploit its resources to maximum potential and work remains to be done in achieving further success.

At the present stage, sustainable development in Vietnam is faced with many sizeable difficulties and challenges of global dimensions: financial and energy crises, food security and climate change, as well as subjective challenges to the country. Vietnam will keep implementing sustainable development objectives and international commitments through the following holistic solutions: (i) Further improvement of the system of sustainable development institutions; amelioration of the quality of state governance over the country's sustainable development; (ii) Increase of financial resources for sustainable development implementation; (iii) Dissemination of information and education to raise awareness on sustainable development; (iv) Enhancement of sustainable development management and implementation capacity; (v) Heightening of the role and responsibility of the business community, socio-political organizations, socio-professional organizations, non-governmental organizations, population communities, and augmentation of their participation in sustainable development implementation; (vi) Development of human resources for sustainable development implementation; (vii) Enhancement of the role and effect of science and technology and the promotion of technological innovation in sustainable development implementation; (viii) Expansion of international cooperation.

Vietnam wishes to continue receiving the cooperation and assistance in all fields from the international community, and the latter's partnership along the road to green growth, sustainable poverty reduction, and successful response to climate change impacts, thus enabling the country to move ahead with sustainable development.

# PART ONE

## OVERVIEW OF 20 YEARS' IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT IN VIETNAM

### INSTITUTIONAL DEVELOPMENT

#### Policies aimed at sustainable development implementation

For sustainable development objectives to be realized in Vietnam, a series of policies have been adopted in the economic, social and environmental fields and by honouring international commitments on sustainable development to which Vietnam is a signatory (Annex 1).

In all these documents, Vietnam's position on sustainable development is confirmed and highlighted in the Socio-Economic Development Strategy for 1991-2000 adopted at the 7<sup>th</sup> National Congress of the Communist Party of Viet Nam (CPV) which emphasizes that *“Economic growth must go hand in glove with social progress and equity, cultural development, and environmental protection”*. The 8<sup>th</sup> CPV Congress goes on to confirm that *“Economic growth is to be closely associated with social progress and equity, preservation and promotion of the national identity, and protection of the ecological environment”*. The CPV Politburo's Instructive n# 36-CT/TW dated 25 June 1998 on enhanced protection of the environment in the period of national industrialization and modernization underlines that *“Environmental protection constitutes a fundamental and inseparable component of socio-economic development guidelines, policies and plans at all levels and of all agencies, and an important basis that guarantees sustainable development and successful implementation of the national industrialization and modernization process”*. This position on sustainable development is reconfirmed in the documents adopted at the 9<sup>th</sup> CPV Congress as well as in the Socio-Economic Development Strategy for 2001-2010 which state that *“Development must be fast, efficient and sustainable, economic growth must be coupled with implementation of social progress and equity and environmental protection”* and that *“Socio-economic development is to be closely linked to environmental protection and betterment, ensuring the harmony between the man-made environment and the natural environment, and preserving the biodiversity”*. The Socio-Economic Development Strategy for 2011-2020 also stresses that, *“Rapid development in close linkage with sustainable development and sustainable development represent an all-through requirement in the Strategy”*. Sustainable development has thus become the CPV's guiding principle and position and the State's policy.

Over the past few years, Vietnam has signed international conventions related to sustainable development, such as the Montreal Protocol on Substances Which Deplete the Ozone Layer; the Vienna Convention on Protection of the Ozone Layer; the United Nations Convention on the Law of the Sea; the United Nations Framework Convention on Climate Change; the Convention on Biodiversity (1994); Commitment to Implementation of the Millennium Development Goals, etc. (Annex 1, Box 2). The Government has assigned relevant ministries and agencies to serve as contact points responsible for the management, coordination of organization, and integration of these commitments into development plans and programs at all levels for their implementation.



## **In the economic field**

In Vietnam, many policies have been adopted and institutionalized into laws and by-laws aimed at implementing the Strategic Orientation for Sustainable Development. In the 5-year 2006-2010 period, policies continued to be directed toward the objective of rapid and sustainable development in the entire economy, every sector and field, in all localities, adopting the conditions of international integration. On 7 November 2006, Vietnam concluded negotiations and officially signed accession to the World Trade Organization (WTO). Starting 1 January 2007, Vietnam became the WTO's 150<sup>th</sup> member, marking a significant hallmark in the country's intensive and comprehensive participation in the world economy and integration into the international community. In such conditions, policies have been directed to a continued and more open market to both the world at large, East and Southeast Asia, accompanied by many important policy measures.

Over the past years, a series of policies have been adopted in Vietnam to enable the country to make full use of emerging opportunities brought about by the comparative advantages of its market access reaching more than 150 WTO member countries and when it signs bilateral agreements with non-WTO partners. As a result, trade and investment have been promoted, and the country's economic physiognomy has been improved in the economic scale, export scale, competitive capacity and the use of scientific and technological advances in production, business and management alike. Inside the country, in order to grasp the above-mentioned opportunities, in 2005 alone, Vietnam enacted a unified Law on Investment and unified Business Law applicable to all public and private economic categories, which won high appreciation both domestically and internationally. Administrative procedures have also been ceaselessly streamlined, allowing businesses to be set up with one-stop shop procedures, favorable market and credit access, and favorable tax payment and import-export procedures.

Further improvement of such policies and the business environment and national competitiveness has also helped elevate Vietnam's relationship with the international community. Given the global financial crisis and recession (2007 - 2008) resulting in adverse impacts in terms of trade and investment on the domestic economy, Vietnam worked hard to adjust its economic policy so as to develop production and business, bring inflation down to low levels, maintain growth at reasonable rates, ensure macro-economic stability, and move forward toward sustainable development. In the past two years, the economy has witnessed improvement, importantly in part thanks to sound economic policies and good regulation of the authorities at all levels, and the support from people of all walks of life and the international community.

## **In the social field**

High attention has been given by Vietnam to combining economic growth with social development, focusing on policies regarding poverty reduction and social security, implementation of social progress and equity for the goal of human development, and constant improvement of the people's material and spiritual livelihoods.

The Party and State have endorsed and focused guidance on implementation of many policies, projects and mobilized resources available within society to help poor people and regions overcome hardships and emerge from poverty. A series of policies have been adopted to not only encourage legitimate accumulation of wealth, mainly through the openness in business development, but also enable disadvantaged people to sustainably free themselves from poverty. Vietnam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS) adopted in 2002 has been effectively implemented through the National Target Program on Poverty Reduction for 2006-2010 and the National Target Program on Sustainable Poverty Reduction for 2012 - 2015. Accordingly, policies and solutions regarding hunger eradication and poverty reduction have been put in place in a concerted manner in all 3 aspects: i) To help the poor enhance access to public/basic services, especially those in healthcare, education, legal support, housing, and domestic water; ii) To help develop production through policies on guaranteeing land for production, preferential credit, vocational training, agro-forest-fishery extension,



and development of crafts and trades; and iii) To develop essential infrastructures for those communes, villages and hamlets in especially difficult circumstances.

Immediate attention in economic policies was given to an important criterion of macro economic stability relating to social development, which is job creation for both urban and rural populations. A system of policies on labour market and generation of employment was amended and improved in all three dimensions: i) To support job training and re-training, vocational counselling, job placement, and labour movement; ii) To support access to preferential credits for self-employment, to encourage community development through local initiatives, and to support private sector development, etc.; and iii) To support workers find a job, help them find a better job, including to work overseas as guest workers, particularly in case of the young and the unemployed, by way of labour market information channels and job placement counselling.

The policy on gender equality has enjoyed ever greater attention. The Law on Gender Equality, the Law on Prevention and Combat Against Domestic Violence, the Law on Marriage and Family, and the Land Law are the basic pieces of legislation that guarantee equality between women and men. National strategies such as the Comprehensive Poverty Reduction and Growth Strategy, the National Strategy on Reproductive Health Care for 2001-2010, the Strategy on Education Development during 2001-2010, the National Strategy on Women's Advancement to 2010, and the National Target Program on Poverty Reduction for 2006-2010 have all touched upon the issue of gender equality with a view to strengthening women's status and interests. Meanwhile, an important requirement by the Government for many socio-economic programs and policies remains the incorporation of gender perspective.

Policies on healthcare and education have also been introduced in order to keep driving further efforts aimed at improving the population's material and spiritual livelihoods, despite the many difficulties the nation is confronting. Whereas the scale of investment for education and healthcare remains modest as compared to many countries, the ratio of budget expenditures for education and healthcare to the level of income is very high. More and more provinces and cities have met the criteria on universalization of secondary education, and the life expectancy has reached 75 years old.

Development of culture and information, as well as improvement of the people's spiritual life, have always been treated as an important priority of the Vietnamese Government. The implementation of the National Target Programs on Culture for the 2001-2005 and 2006-2010 periods has yielded a considerable improvement in cultural, information and sport activities. The network of culture houses, libraries and bookcases at the district, commune and hamlet levels in mountain regions, ethnic minority areas, areas in especially difficult conditions, and remote and hinterland areas has benefitted from investment for development; historical relics and tangible and intangible cultural assets have been conserved, renovated or restored, better responding to the people's need of cultural enjoyment.

### **In the environmental field**

The Law on Environmental Protection was enacted in Vietnam as early as in 1993 and amended in 2005. Since then, policies on environmental protection have been implemented extensively and intensively, ensuring a harmonious combination between environmental protection and socio-economic development.

Apart from the Law on Environmental Protection, the system of legal normative documents regarding environmental protection embraces laws and ordinances on the protection of various environmental components (also called laws and ordinances on natural resources). At the moment, there are approximately 33 laws and 22 ordinances with a content relating to environmental protection, among them the 2008 Law on Biodiversity; the 2004 Law on Forest Protection and Development; the 2003 Land Law; the 2003 Law on Aquaculture; the 1998 Law on Water Resources; the 1996 Law on Minerals (amended and revised in 2005). In addition, regulations on environmental protection obligations or obligations to comply with legal regulations on environmental protection applicable to organizations and individuals can be found in many other pieces of legislation.

By-laws have been introduced in order to provide for Vietnam's environment-related national specifications; processes in evaluation of environmental impacts and strategic environmental evaluation; environment licensing; environment inspection; sanctions against administrative violations in environmental protection; environmental protection institutions (organization, machinery, division of responsibilities among environmental protection agencies), etc.

The above-mentioned documents, plus international legal instruments to which the Vietnamese State is a signatory, constitute an important basis on which to carry out the work of State governance over environmental protection.

The National Strategy on Environmental Protection to 2010 and Orientations to 2020 approved by the Prime Minister in 2003<sup>1</sup> determine broad guidelines regarding environmental protection by defining 5 fundamental tasks, 8 executive solutions and 36 programs, projects and schemes aimed at achieving specific objectives by 2010 and 2020.

Vietnam is presently designing a National Strategy on Environmental Protection to 2020 and Vision 2030 with a view to putting in perspective the new context, reviewing the past work in environmental protection, from where charting positions, objectives, contents, tasks and solutions for the time to come, in conformity with the new context of the world and Vietnam at present. Building on this, the current Law on Environmental Protection of Vietnam is intended to be upgraded to become the Law on Environment which will focus on the objective of environmental governance and oversight, thus creating a legal framework for environmental protection and sustainable development, when socio-economic development policies will be designed and socio-economic development activities implemented.

Environmental protection therefore has turned from being a policy and legal content into actions undertaken by all agencies and people's organizations, with constant awareness and regular actions by the population, and a step forward deserving recognition.

## **The Strategic Orientation for Sustainable Development in Vietnam (Vietnam Agenda 21)**

In implementation of the objective of national sustainable development as determined by the 9<sup>th</sup> CPV National Congress Resolution and in honoring the country's international commitments, the Government of Vietnam on 17 August 2004 adopted the "Strategic Orientation for Sustainable Development" (Vietnam Agenda 21). Having undergone the 10<sup>th</sup> and 11<sup>th</sup> CPV Congresses held in 2006 and 2011 respectively, the idea of sustainable development has become an all-through policy of Vietnamese national development (Index 1, Boxes 1 and 2).

The overarching goal as set forth in the Strategic Orientation is *"To achieve the material sufficiency, spiritual and cultural prosperity, equality among citizens and consensus of the society, the harmony between human beings and the nature; development must succeed in closely, reasonably and harmoniously combining three dimensions, namely economic development, social development and environmental protection"*.

As stated in the Strategic Orientation, the objective of economic sustainable development is to achieve stable growth with rational economic structures, meet the need to improve the people's livelihoods, avoid future recession or stagnation, and avoid leaving a heavy burden of indebtedness to succeeding generations. The objective of social sustainable development is to record high yield in implementing social progress and equity, ensure a continuous increase in the people's nutritional regime and healthcare quality and provide schooling and employment opportunities for all. In addition to alleviate hunger and poverty, reduce the rich-poor gap between different social strata and groups, keep social vices down, and heighten the level of equity in terms of interests and obligations among members and

<sup>1</sup> Decision No 256/2003/QĐ-TTg dated 2/12/2003

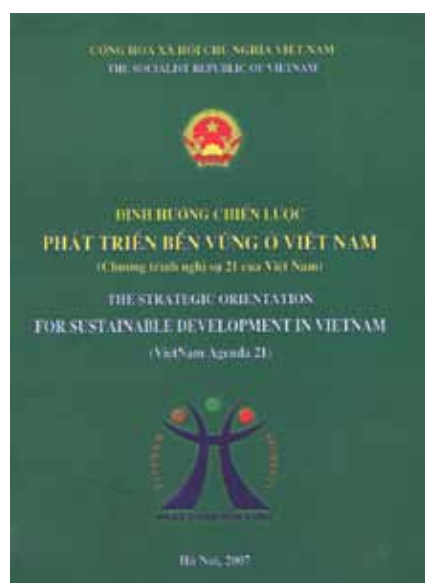
between generations in a society. The objective of environmental sustainable development is to exploit rationally and use economically and efficiently natural resources; prevent, curb, address and control effectively environmental pollution, and properly protect the living environment; and overcome the degeneration while improving the quality of the environment.

The Strategic Orientation on Sustainable Development in Vietnam pinpoints challenges the country faces and maps out guidelines, policies, legal instruments and prioritized areas of activity demanding implementation in order to ensure sustainable development in the 21<sup>st</sup> century. On the basis of the current planning system in force, the Strategic Orientation for Sustainable Development in Vietnam focuses on 19 prioritized activities to be selected for implementation, including 5 activities in the economic field, 5 activities in the social field, and 9 activities in the field of environment.

As a framework strategy, the Strategic Orientation for Sustainable Development in Vietnam contains major orientations serving as legal grounds on which relevant ministries, agencies, localities, organizations and individuals are to implement and coordinate their activities with a view to ensuring sustainable development for the country in the 21<sup>st</sup> century. The Strategic Orientation for Sustainable Development in Vietnam provides foundations on which sectoral and local development strategies, schemes and plans are formulated to combine closely, reasonably and harmoniously economic development with implementation of social progress and equity and environmental protection, ensuring sustainable development for the country. During the process of its implementation, the Strategic Orientation for Sustainable Development in Vietnam is subjected to regular review for amendment and adjustment suitable to each stage of development.

### Sectoral and local strategic orientations for sustainable development (Sectoral and local Agenda 21)

Basing themselves on the Strategic Orientation for Sustainable Development in Vietnam, various Ministries and agencies, such as the Ministry of Natural Resources and Environment, the Ministry of Aquaculture and the Ministry of Construction, have designed their own sectoral Strategic Orientations for Sustainable Development. Local Strategic Orientations for Sustainable Development (Local Agenda 21) have also been designed, approved and put in place in 27 out of 63 provinces and cities of the country ((Hai Phong, Lang Son, Thai Nguyên, Son La, Bac Ninh, Ninh Binh, Yên Bái, Thừa Thiên Huế, Quang Nam...)) (Figure 1).



Vietnam Agenda 21.



Ninh Binh Provincial Agenda 21

Figure 1: National and local Agenda 21

## Organizational system

### National Council on Sustainable Development

The National Council on Sustainable Development was established by the Prime Minister's Decision No 1032/QĐ-TTg dated 29 September 2005. In February 2009, the Prime Minister issued Decision No 248/QĐ-TTg providing for the adjusted functions, tasks and organizational structure of the National Council on Sustainable Development, according to which the Council is to advise the Prime Minister, help the latter guide the nationwide implementation of the Strategic Orientation for Sustainable Development, monitor and assess the implementation of sustainable development objectives in Vietnam in line with the Strategic Orientation for Sustainable Development. The National Council on Sustainable Development is chaired by a Deputy Prime Minister and composed of 30 members who represent National Assembly Government bodies, Ministries, Agencies, social and professional organizations, businesses, and the mass media. The Council membership is expected to expand in the time to come to cover the issue of enhancing national competitiveness. The Council will be tasked to serve as a think-tank and advisor to the Prime Minister on sustainable development and competitiveness enhancement.

### Steering Committee/Sectoral, local and business Council on Sustainable Development

- *Steering Committee/Sectoral and local Council on Sustainable Development*

An executive system on sustainable development has also been established at ministries, agencies and localities. So far, a Steering Committee or a Council on Sustainable Development has been set up at a number of Ministries (the Ministry of Natural Resources and Environment, the Ministry of Industry and Trade) and 26 provinces (Ho Chi Minh City, Hai Phong, Lang Son, Thai Nguyen, Son La, Bac Ninh, Ha Nam, Ninh Binh, Thua Thien Hue, Dak Nong, Ben Tre, Soc Trang, Vinh Long, Bac Lieu, Ca Mau ...) to guide the implementation of the Strategic Orientation on Sustainable Development in Vietnam.

- *Business Council on Sustainable Development*

The Vietnam Business Council on Sustainable Development (VBCSD) was established on 17 December 2010 and chaired by the Vietnam Chamber of Commerce and Industry with a view to forging a Vietnamese business community that is sustainable, energetic and successfully integrating internationally in the 21<sup>st</sup> century, contributing to social and economic development, hunger eradication, poverty reduction, and environmental protection, thus contributing its part to the country's sustainable development. The Council is to act as a bridge between Government agencies and the business sector, to ensure information flows and reflect businesses' actual needs during the implementation process of sustainable development.

### Sustainable Development Offices at various levels

The National Sustainable Development Office was set up on 28 June 2004 and headquartered at the Ministry of Planning and Investment, functioning as a support organ for the National Council on Sustainable Development. At Ministerial and local levels, a Sustainable Development Office was also set up with similar mandates at their corresponding levels.

## INTEGRATION OF SUSTAINABLE DEVELOPMENT INTO SOCIO-ECONOMIC AND SECTORAL DEVELOPMENT STRATEGIES, MASTER PLANS AND PLANS

Throughout the process of sustainable development implementation, international sustainable development principles and objectives have been localized to adapt to the Vietnamese conditions and integrated into the national, ministerial and local socio-economic development strategies and plans, with close linkage to economic, social and environmental objectives and targets. The set of sustainable development indicators was also studied and designed for oversight and assessment.

For the afore-said to be realized and in order to raise the quality of the institutional framework targeting sustainable development, Vietnam right at the start paid attention to integrating sustainable development objectives into its national development strategies, schemes and plans. The Prime Minister declared sustainable development policy as an all-through task, and this has been demonstrated in the 2006 – 2010 5-year Socio-Economic Development Plan, the Socio-Economic Development Strategy for the 2011-2020 period, and the 2011-2015 5-year Socio-Economic Development Plan. These plans have concretized the afore-said development position, drawn out specific roadmaps and policies with a view to successful implementation of social, economic and environmental development tasks and objectives defined in the Strategy.

These strategic documents constitute a foundation on which a process was launched to design a system of sectoral development strategies and plans and to implement 19 prioritized economic, social and environmental areas of the Strategic Orientation for Sustainable Development (Annex 1, Box 1).

Viet Nam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS) adopted in 2002 organically linked the economic growth objectives to hunger eradication, poverty reduction, ensured social equity and sustainable development. CPRGS continues to underline that "Poverty reduction is not only one of the fundamental social policies enjoying the Vietnamese State's special attention, but an important component of the development goal"; at the same time "implementation of renewal and acceleration of economic growth are to couple with hunger eradication, poverty reduction and implementation of social equity so as to curb rich-poor polarization among the different strata of people and regions". What is special, this Strategy covers development goals specific of Viet Nam (often referred to as the Viet Nam Development Goals - VDG) which is in fact a system of targets supporting the promotion and improvement of the quality of the realization of sustainable development objectives. The Strategy has been successful through the implementation of such target programs set for individual periods as the National Target Program on Poverty Reduction for the 2006 – 2010 period, the National Target Program on Sustainable Poverty Reduction for the 2012 - 2015 period, etc. as well as the support from and integration with other sectoral programs, including the National Target Program on Rural Clean Water and Sanitation for the 2006 – 2010 period; the National Strategy on Water Resources to 2020; the Program on Saving Electricity for the 2006 – 2010 period; the Program on Distribution of Populations in Areas Prone to Natural Disasters, in Especially Difficult Conditions, Adjacent to Borderlines, in Islands, With Unplanned Migrating Populations, Critical And Highly Critical to Protective Forests and Strictly Protective Premises of Special-Use Forests for the 2006 - 2010 period and Orientations to 2015; and the National Target Program on Construction of New Rural Areas for the 2010 – 2020 period.

Vietnam has successfully tapped considerable resources from both domestic sources and international donor community for the execution of national economic, social and environmental development objectives and the Millennium Development Goals (MDGs) alike. Moreover, the Vietnamese Government has also made extraordinary efforts to ensure the implementation of sustainable development objectives in general and the MDGs in particular for people of ethnic minorities and poor people in difficulty-stricken areas.



## PARTICIPATION OF STAKEHOLDERS IN SUSTAINABLE DEVELOPMENT IMPLEMENTATION IN VIETNAM

The process of sustainable development implementation in Vietnam is one involving all related stakeholders, including the Government, civil society organizations and the business community, including both public and private businesses.

Mobilization of all-people to participate in implementing sustainable development is characteristic in implementation of the Vietnam Agenda 21, in line with the motto “*sustainable development is an all-people undertaking*”. The process of designing and implementing development policies must involve the participation of the entire population in keeping with the motto “*People know, people discuss, people implement, and people inspect.*”

In Vietnam, the Ordinance on Implementation of Democracy in Rural Communes, Urban Wards and District Towns was enacted to clearly stipulate what should be disclosed publicly for the population to know, what to be discussed and decided upon regarding the population, what should be referred to the population for comments before decisions by relevant authorities, what to be inspected by the population, and what to be responsible for by Government officials and agencies at various levels. Increase of grassroots democracy was to be in parallel with improvement of law knowledge for the people. The Law on Legal Assistance and Decree n# 07/2007/ND-CP have laid foundations for legal assistance activities to be carried out. By now, 100% provinces and cities across the country have set up their centers for legal assistance.

In sustainable development, it has always been Viet Nam’s consistent stance that human beings are both the objective and the object of development. Therefore, implementation of democracy represents both the objective and the motivation and also a component of sustainable development, for it allows for the promotion of the human resources as a long-term cutting-edge and a determinant for a nation’s development. Implementation of broad-based democracy will bring into play creativity of every individual, thus contributing to the country’s rapid and sustainable development. The higher the level of democracy is, the deeper the social consensus becomes and the more solidly the strength of the all-people unity bloc can be built and consolidated.

### Forms used to mobilize civil society organizations in implementing sustainable development

Civil society organizations’ participation in sustainable development can be mobilized in the following forms:

- Formulate, innovate and implement institutions and policies so as to further promote the people’s initiatives and ownership in social and community governance. Civil society organizations play an extremely important role in ensuring sustainability in economic and social development and environmental protection in each and every locality.
- Disseminate information, educate and raise awareness for the people on sustainable development by way of civil society organizations and community activities. Community-based education in protection of natural resources and the environment through formulation of a village code of conduct and launch of knowledge contests and campaign-like activities has proved to be a very effective in reality.
- Launch mass movements covering sustainable development content in individual social groups, localities and a national scale with a view to generating more employment, developing production, reducing poverty, maintaining a good living environment, protecting the local natural resources and environment, and raising awareness of the population on issues relating to sustainable development.

- Support and facilitate civil society organizations and residential communities in all aspects in order for them to succeed in achieving objectives set for movements aimed at sustainable development.
- Forge typical examples in sustainable development communities, in systems of self-governance over natural resources and environmental protection, and replicate such examples.

### **Civil society organizations' participation**

In Vietnam, civil society organizations include socio-political organizations, socio-professional organizations, and non-governmental organizations. In fact, major social groupings such as trade unions (the Vietnam Confederation of Labor), front organization (the Central Committee of the Vietnam Fatherland Front), women (the Vietnam Women's Union), young people (the Ho Chi Minh Communist Youth Union, the Ho Chi Minh Vanguard Pioneers Union), farmers (the Vietnam Farmer's Union); people of ethnic minorities (the Committee on Ethnic Minorities), intelligentsia (the Vietnam Union of Science and Technology Associations)... and non-governmental organizations (NGO) all have been involved in sustainable development activities according to their respective organization, features and advantages. In Vietnam, enjoying extensive development, close-knit structures and rich experience, these organizations operate to unite the population and mobilize the latter's participation. Each social grouping has its own organization through which individual activities of members are coordinated to become broad-based movements. Mobilization of all-people participation represents an important factor determining the success of Vietnam's process of sustainable development. Contributions by civil society organizations to the policy making and implementing process often concentrate on the following areas:

#### **Hunger eradication, poverty reduction and community development**

Civil society organizations' activities are put in place vigorously and yielding the best results are those targeting hunger eradication, poverty reduction, enhancement of gender equality and community development, especially for poor communities and people living in remote, hinterland areas and of ethnic minorities. Localities with many programs and activities targeting hunger eradication, poverty reduction, enhancement of gender equality and community development are Hà Nội, Hải Phòng, Đà Nẵng, Lai Châu, Sơn La, Lào Cai, Lạng Sơn, Thái Nguyên, Quảng Ninh, Thái Bình, Hà Tây, Nghệ An, Quảng Bình, Cần Thơ, An Giang...

#### **Community health care**

Community health care activity conducted by civil society organizations focuses on disadvantaged groups in society, such as people with a disability, children, HIV carriers, etc. By their own activities in community health care, civil society organizations have made considerable contributions, helping the State tackle many difficulties of this significant social task.

#### **Environment and climate change**

Over the past years, climate change has been considered an important area of operations of civil society organizations. Typical of them is the network Vietnam NGOs and Climate Change (VNGO&CC) initiated by 4 NGOs (Center for Sustainable Rural Development – SRD, Center for Community Development and Conservation of Marine Resources – MCD, Center for Development, Training and Research on the Environment – CERED, and Institute for Social Studies – ISS). The Network has drawn the participation of more than 100 NGOs and served as an open forum for members to exchange information, cooperate and assist each other in associating with the National Assembly, Government bodies, social organizations and donors.



## Land use and management

Civil society organizations involve in land-related issues through the following concrete activities:

- Dissemination, education and raising of awareness and promotion of village institutions:
- Transfer of knowledge and appropriate technologies in sustainable land use:
- Execution of intermediary role in providing the State, financial institutions and donors the necessary support in projects related to sustainable land use.

The academic circles have made meaningful multi-faceted contributions to the sustainable development process through building and providing scientific grounds for institution building; conducting social counter-argumentations to development policies, schemes and plans; conducting scientific research with a view to actually implementing sustainable development objectives (Box 1).

As such, civil society organizations can be said to have played a key role in mobilizing the broad participation of the population and organizing activities targeting sustainable development. Many mass movements have taken shape aimed at achieving sustainable development objectives<sup>2</sup>. Most civil society organizations have chosen sustainable development objectives and MDGs as guiding directions, therefore they have enjoyed encouragement and support from the Vietnamese Government to this end.

What limits civil society organizations' operational sustainability lies in the lack of cohesion among organizations which makes it difficult to come up with a policy formula applicable to all organizations. It is also difficult to produce scientifically convincing evidence on replicability of sustainable development initiatives. More recently, civil society organizations have started to conduct integrated or coordinated activities toward formation of networks and working groups. Certain networks like the Network of Viet Nam NGO and Climate Change (VNGO&CC), the Gender and Community Development Network (GENCOMNET) have proved to be relatively effective, contributing to both community-level sustainable development activities and central-level policy making process. The Food Security and Poverty Reduction Network (CIFPEN), or those working groups on ethnic minorities (EMWG) and on climate change (CCWG), have all been coordinated through the NGO Resource Center. These networks and working groups constitute an important basis on which to accelerate the sharing and enhance the sustainability of the organizations and contribute to sustainable development policies in Vietnam.

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<sup>2</sup> The Learning Extension Fund has launched in many localities a campaign to persuade families to bring children to schools; the Women's Union worked together with the Ministry of Health to conduct a campaign on combat against child malnutrition, reproductive health care and family planning, and a campaign on "clean villages, fertile rice fields"; the Movement on Planting Trees And Preserving a Clean and Beautiful Environment At Communities was launched by the Elderly's Association, the Women's Union and the Young Pioneers' Union; the Volunteers' Drive launched by the Youth Federation; the Movement of "the Entire People United to Build a Cultured Life at Residential Quarters", the program "All People Participating in Environment Protection" and the campaign "Days for the Poor" launched by the Central Committee of the Vietnam Fatherland Front; or movements initiated by the Labor Federation, for instance those on "Emulation for Excellence in Productivity, Quality and Efficiency", "Green – Clean – Beautiful", "Work with safety, sanitation and prevention of fire", or programs on "Funds to lend to the poor for self-employment" or on "Warm shelters sponsored by trade unions". Recent movements calling for support of responses to climate change, disasters prevention and mitigation such as those on "Green Journey", "Green Life", "Campaign 350", "Drive 26", etc. have won active responses from a great number of organizations and communities, especially of the young people.

### Box 1

#### Academic circles' contributions to sustainable development



In Vietnam, science and technology are defined as the foundation and motivation for the country's development process toward sustainable development. The scientists' contributions include:

#### **1. Provision of scientific basis for sustainable development policy formulation and implementation:**

- Study on fundamental issues related to sustainable development in conditions of an underdeveloped country engaged in industrialization, modernization and urbanization, striving for freedom from poverty while protecting the environment in order to ensure that the socio-economic development process is sustainable;
- Access to studies on new scientific issues, new approaches, new management methodologies related to sustainable development; Making of warnings regarding deficiencies, deviations, tendencies in development movements of development phenomena and processes as against sustainable development requirements along with proposals on solutions for adjustment and correction;
- Provision of new expertise for the training, re-training and upgrading of knowledge and skills for managers and leaders at all levels, as well as for extension activities related to sustainable development in Vietnam.

#### **2. Provision of advice, counter-argumentations, recommendations regarding sustainable development policies and oversight of sustainable development implementation:**

The advice, counter-argumentations and recommendation regarding the Party and State's sustainable development policy decisions, laws, socio-economic development strategies, schemes and plans, management policies and mechanisms, implementation of environmental impact assessment, and assessment of the strategic environment, etc. have helped better and more broadly responded to sustainable development requirements.

#### **3. Research and development (R&D) and provision of scientific and technological services in support of the implementation of sustainable development objectives:**

- Vietnamese scientists have studied and applied the world's scientific and technological achievements and advanced management methodologies to the country's production and business activities and social life as well;
- Many new scientific and technological organizations have been set up, actively operating under sustainable development-oriented mandates and functions, producing services to address, overcome and improve consequences of rapid socio-economic development (such as pollution, environment degradation, social vices, etc.). The services in preventing and curbing consequences in both action and awareness provided by scientific and technological organizations have yielded positive and concrete results.

## Participation of businesses

Businesses play an important role in the implementation of national sustainable development in all economic, social and environmental fields alike. The powerful development of the Vietnamese business community over the past time has brought about major contributions to Vietnam's international economic integration and sustainable development process.

By implementing policies and programs on socio-economic development and sustainable development, such as "the Strategy on Cleaner Industrial Production to 2020"; "the National Target Program on Economical and Efficient Use of Energy in the 2006 – 2015 period"; "the Program on Saving Electricity in the 2006 – 2010 period"; the National Plan on Control of Environmental Pollution to 2010, etc. businesses have made positive contributions to the country's cause of sustainable development. Many businesses have championed in implementing sustainable production and consumption, applying cleaner production and benefitted from these activities (Box 2). Many have also actively participated in programs to accelerate application of corporate social responsibility, the national program on work safety and labour insurance, etc. The application of social responsibility has brought about benefits to businesses themselves while yielding benefits to the society as well, particularly in terms of heightened competitiveness for the businesses and the nation, and helped better implement labour legislation in Vietnam.

The Vietnam Business Council on Sustainable Development (VBCSD) has gathered businesses, economic groups, multinational corporations and trade associations related to sustainable development in order to carry out the following major roles and functions:

- To help encourage the business community to pioneer in implementing Vietnam's Strategic Orientation for Sustainable Development;
- To intensify propagation and dissemination of sustainable development policies to the foreign business community operating in Vietnam in order to both attract foreign investment and promote Vietnam's image;
- To help businesses and business associations design and implement sustainable development policies, and encourage them to set forward their respective sustainable development objectives and action plans;
- To serve as a bridge between Government agencies and the business sector with a view to transmitting information and reflect businesses' actual needs during implementation of sustainable development programs;
- To increase their role in policy advise and recommendation;
- To participate in activities conducted by the Government, Ministries, agencies and the National Council on Sustainable Development when required.

#### Box 2

#### Project on Effective Use of Energy for Small and Medium Enterprises (PECSME), 2006 - 2010

(Source: Ministry of Science and Technology)

The Project PECSME is aimed at reducing greenhouse gas emission through abolition of barriers during the process of transfer and application of technology, experience in management, operation and economical and efficient use of energy at small and medium enterprises in 5 Vietnamese industries, namely ceramics, brick, pulp and paper, textiles and food processing.

Covered by the Project are small and medium enterprises in the said 5 industries (brick, ceramics, textiles, paper and food processing). The Project was experimental in 10 provinces and cities, including Hà Nội, Hải Phòng, Bắc Ninh, Hải Dương, Hưng Yên, Đà Nẵng, Hồ Chí Minh City, Đồng Nai, Bình Dương và Cần Thơ.

The Project activities centre around the following 6 programs/components:

- The Program on support for developing policies and institutions regarding economical and efficient use of energy;
- The Program on information and raising awareness on economical and efficient use of energy;
- The Program on development of technical capacity in economical and efficient use of energy ;
- The Program on support for suppliers of services in economical and efficient use of energy;
- The Program on financial support for projects on economical and efficient use of energy and
- The Program on demonstration and replication of projects on economical and efficient use of energy.

By June 2011, PECSME had been deployed to 543 sub-projects in 25 provinces and cities, with the gross saved energy being 232,000 tons of oil equivalent (TOE), the gross reduced greenhouse gas emission reaching 944,000 tons of CO<sub>2</sub>, and the reduced energy cost being 24.3% on average on top of the production cost.

All in all, the project has brought about 4 major benefits:

- Creation of an environment enabling small and medium enterprises to innovate their technologies and apply advanced management experience in economical and efficient use of energy;
- Improvement of production efficiency: Bringing production costs down by 10-50%; improving productivity and product quality as much as by 30%; and enhancing the competitiveness;
- iii) Economical and efficient use of energy, contributing to minimize environmental pollution and mitigating climate change effects; and iv) Generation of nearly 10,000 jobs for the rural areas and craft villages in the fields of brick and ceramics.

### International organizations' role in the sustainable development process in Vietnam

Bilateral and multilateral international organizations such as the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the International Union for Conservation of Nature (IUCN) in Vietnam, the World Bank (WB), the Asian Development

Bank (ADB), etc, the Swedish International Development Agency (SIDA), the Danish International Development Agency (DANIDA), the Japanese International Cooperation Agency (JICA), Germany, Finland, etc, have been active in helping the Vietnamese Government in sustainable development implementation. Sustainable development contents have been integrate into development cooperation strategies of all these donors. The Official Development Assistance (ODA) during the past time has mainly focused on infrastructure development and creation of foundations and an environment for economic development. Apart from that, financial resources have also concentrated on developing and improving the institutional capacity and the human resources, toward further improvement of the machinery as well as policy and legal framework capable of ensuring sustainable development. In addition, financial assistance has been directed to supporting resolution of social problems, such as HIV, trafficking in women and children, combatting corruption and issues such as pollution prevention and minimization, environmental sanitation, protection of natural resources and the ecological environment.

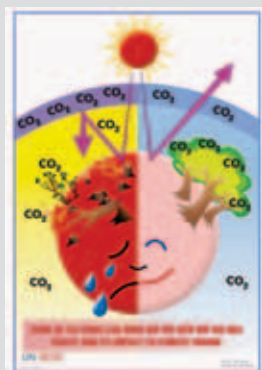
In recent years, along the development tendency in the world, international organizations have reserved increased attention to and assistance for the Vietnamese Government in addressing climate change, studying low-carbon development and formulating a green growth strategy (Box 3).

The international community’s support goes beyond mere provision of ODA, to providing policy advice, so that Vietnam’s policies are increasingly aligned internationally. Moreover, international organizations have been actively supporting the Vietnamese Government’s participation in regional and international forums and conferences related to sustainable development.

**Box 3**

**The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Vietnam (UN-REDD), 2009 - 2012**

*(Source: Ministry of Agriculture and Rural Development)*



Vietnam is one of 9 countries selected to implement a pilot UN-REDD Program. The Vietnam UN-REDD Program has been implemented in the 2 districts of Di Linh and Lam Ha of Lam Dong province with a total funding of about USD 4.4 million financed by the Norwegian Government. Apart from equitable sharing of benefits, the UN-REDD Program has carried out activities to improve professional skills in monitoring and assessing forest carbon reserves, raise REDD awareness for the population in the two pilot districts, and integrate the participatory governance activity (PGA) into the REDD+ process in Vietnam. After more than 2 years’ implementation (from September 2009 to December 2011 and currently extended to the end of 2012), the UN-REDD Program has recorded noteworthy results, helping enhance capacity, improve awareness on REDD+ and climate change; helping design the national REDD+ Program and launch pilot activities in Di Linh and Lam Ha districts of Lam Dong province.

Initial results have allowed the national REDD network to go on in late 2010 with a recommendation on the UN-REDD Program phase 2 with a total funding of USD 100 million already committed by the Norwegian Government. Phase 2 is expected to be put in place in 6 provinces with a high level of forest coverage, representing diverse ecological regions with a view to improving the sustainable forest resource governance toward minimizing greenhouse gas emission due to deforestation and forest degradation.

## PART TWO

# ACHIEVEMENTS AND SHORTCOMINGS

## OVERALL ASSESSMENT

### ACHIEVEMENTS

Over the past years, particularly since the adoption of the Strategic Orientation for Sustainable Development, Vietnam has recorded remarkable achievements in all 3 economic, social and environmental pillars of sustainable development which have been summed up at the 1st, 2nd and 3rd national conferences on sustainable development in December 2004, May 2006 and January 2011 respectively (Figure 2).



*Figure 2: Third National Conference on sustainable development (Hanoi, 6-7 January 2011)*

*Source: Ministry of Planning and Investment*

### In the economic field

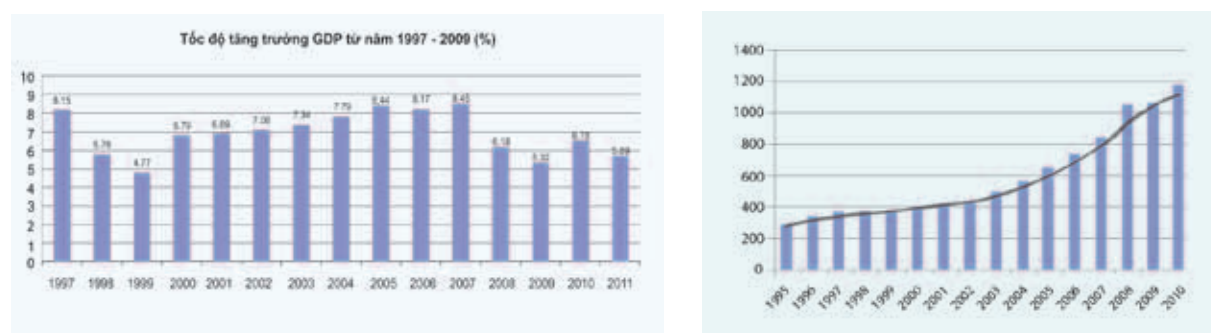
Vietnam is commended by the international community as one among the developing countries with noticeable achievements in economic reform toward growth and poverty reduction. In recent years, the Vietnamese economy has grown relatively rapidly and stably. Its GDP growth during 2000-2008 has averaged at 7.85%. Both the size of the economy and the productive capacity of all sectors have increased. Its GDP in comparative price in 2010 was more than two times that in 2000. GDP in actual price in USD was estimated at USD 101.6 billion or 3.2 times that in 2000. GDP per capita in 2011 was over USD 1,200 USD (in nominal price), a 3 time increase from the 2000 level. Vietnam has moved into the group of middle income countries from the group of poor countries.

In agriculture, major achievements have been recorded in Vietnam, most notably those in food production, aquaculture and industrial plants. From its being a country short of food, Vietnam has emerged not only sufficient in food for domestic consumption and assured of its national food security, considering an annual population increase of approximately one million, but also the world's 2nd largest rice exporter. Its economic structure has made an extraordinary change, from being a country



with agriculture accounting for more than 40% of GDP just 20 years ago, to being a country with industry and services currently accounting for as much as 80% of GDP. Economic regions have also enjoyed vigorous development. In this process, along with reform of the State sector, facilitation has been given to domestic and foreign private economic sectors to develop strongly (now accounting for two thirds of the country's GDP and the vast majority of the workforce in the economy) with an ever growing competitiveness.

The market reform and economic growth promotion in Vietnam have coupled with the country's intensive and extensive integration into the global economy, attraction of foreign investments and exploitation of international market opportunities to boost export growth. More than 20 years since the launch of Renewal have witnessed Vietnam establish trade relations with nearly 200 countries and territories; and sign more than 90 economic agreements on bilateral trade, and over 84 countries and territories have an investment project in Vietnam. Since 1995 when admitted into ASEAN, Vietnam has fully honoured its trade liberalization commitments under the ASEAN Free Trade Area (AFTA); become a member of the World Trade Organization (WTO) in 2007 and actively participated in the Asia-Pacific Economic Cooperation forum (APEC). Trade liberalization and investment have turned Vietnam into an economy with a relatively large openness. Its export turnovers have jumped from over USD48 billion in 2007 up to USD96 billion in 2011, or doubled the former. Foreign Direct Investment has seen record new commitments, with the total pledges reaching beyond USD200 billion and the realized capital reaching an increasingly large amount, accounting for more or less 20% of the country's general total investment, a rate which is even higher than that in many other countries, including China.



GDP growth

GDP growth per capita

Figure 3: Annual GDP and GDP per capita growth in Viet Nam  
Source: Ministry of Planning and Investment

### In the social field

Efforts on poverty reduction, population, public healthcare, education and training, and generation of employment for the people have all yielded initial encouraging results. Importance has been attached to social security with a view to ensuring stability for the people's livelihoods and production, especially given the high inflation and frequent natural disasters. Vietnam accomplished in 2000 the target of primary education universalization by the national universalization standard, while gradually improving education quality. The rate of poverty has sharply gone down, from 28.9% in 2002 to 9.45% in 2010, meaning an average 2% reduction a year on the national scale. The average income of a poor household has doubled during the same period, with the poor's livelihoods improved and the rural and mountain areas' physiognomy witnessing considerable changes (Figure 4). The population's housing conditions have remarkably improved. The implementation of policy to do away with poor people's poorly built houses has continued, with people living in poverty-stricken areas or areas in especially difficult circumstances enjoying materials or financial support to have their housing conditions improved. By 2009, the rate of poorly built houses throughout the country had been brought down to 7,8% only.

The average annual population growth rates have gone down gradually, being 1.2% during 1999-2009 and staying at 1.14% in 2010. The scale and network of healthcare have both expanded across the country. Alongside the State healthcare system, the private healthcare system has also developed with every passing day. The quality of health check and treatment at health stations, of the preventive medical work and of the control of diseases has improved. The under-1 child mortality rate has been brought down to 25 per thousand, whereas the child malnutrition rate has come down to 18% per year.

Vietnam's gender equality indices are relatively higher than those in countries with similar level of development and income. According to the United Nations Human Development Report 2009, Vietnam's Gender-related Development Index (GDI) ranked 94th of the 155 countries. GDI's absolute value has kept increasing over the past years, from 0.668 in 1998, to 0.689 in 2004, and 0.723 in 2009. The same Report ranks Vietnam the 62nd in Gender Empowerment Measure (GEM) among 109 countries rated.

In management and leadership, women have enjoyed ever greater equality in nomination and self-nomination for membership in the National Assembly, People's Councils, and leadership positions in political – social – professional organizations. Female cadres and public officials in State administrative bodies from the district to central levels account for about 31.1%. At the commune level, female cadres account for 16.27% of the total number of full-time cadres, subsequently allowing women to have their voice heard in grassroots socio-economic development.

Over the past 5 years, an estimated more than 8 million workers have gained employed, the ratio of trained workforce has gone up, and the urban unemployment rate has been reduced to 4.2%. The ratio of trained workforce to the total social workforce has reached 40%. Given the average annual economic development rate of 7% for the last 20 consecutive years, social development indicators have all improved, and the life expectancy reaches over 75 years of age. As a result, Vietnam's Human Development Index (HDI) has increased from 0.457 in 1990 to 0.528 in 2000 and 0.593 in 2011 on a single base standard since 2009. However, Vietnam's Human Development Index has stayed at a median level, being ranked 105 in 2008 and 128 in 2011 among 177 and 187 countries respectively surveyed.



Figure 4: Viet Nam's poverty rates over the years (by former poverty standard)

(Source: Ministry of Planning and Investment)

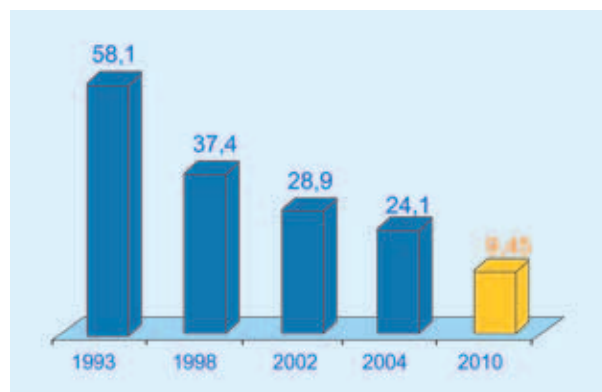


Figure 5: Improved material facilities in the education system

(Source: Chu Van An Primary School – Quang Binh)

### In the environmental field

The awareness on environmental protection and sustainable development has been strengthened. Environmental protection has become part of all Party and State's development guidelines and policies.



The system of laws and policies on environmental protection has been developed sufficiently and comprehensively, with the framework documents enacted comprising the Law on Environmental Protection of 2005 and the Law on Biodiversity of 2008. The system of documents guiding implementation has been further completed. The Laws on Land, Water Resources, Forest Protection and Development, Aquaculture, Chemicals, Minerals, etc. have better provided for environmental protection in a more sufficient and concrete manner, thanks to the gradual amendments and revisions during the past time. Vietnam has designed the “National Plan of Action on Biodiversity to 2010 and Orientation for Implementation of the Convention on Biodiversity and the Cartagena Protocol on Biosafety”. Accordingly, a series of biodiversity conservation zoning schemes have been formulated and implemented.

The system of State governance bodies responsible for environmental protection from the central to local levels has step by step been completed and put into regular operation. The Ministry of Natural Resources and Environment was set up (2002), mandated to carry out the State governance functions over natural resources and environment. In key ministries and agencies, there is always a department on environment or a unit administering the environment governance. Most provinces and cities have established an environmental protection agency subordinate to the department on natural resources and environment. A natural resources division has been set up in 672 of 674 districts (except for the two island districts of Bạch Long Vĩ and Trường Sa). In most rural communes and urban wards, the cadastral official has been co-assigned to work on environmental protection. Many businesses, economic groups, corporations, industrial zone managements as well as production and business units have also set up their desks, divisions, subdivisions or assigned a full-time staff to work on the environment.

Funding for environmental protection has enhanced. State budget expenditures targeting environmental protection have increased over the years, accounting for 1% of the total budget expenditures, and amounting to around VND 6 trillion in 2010, tripled that in 2004. Meanwhile, funding sourced from ODA during 2000 – 2009 was some USD 3.2 billion (including for forestry, water supply and sewage, liquid waste treatment and environmental sanitation), of which loans were about USD 2.4 billion and grants were some USD 0.79 billion.

Many of the tasks regarding pollution prevention and control and biodiversity conservation have been implemented with encouraging results. The integration of environment-related issues into strategies, schemes and plans as early as during their design stage as well as at the stage of project investment preparation has contributed to limiting and minimizing environmental pollution. A number of large-scale projects with potential pollution have their investment license applications refused. Vietnam has mobilized different resources to invest in building up a system of clean water supply for 76% of the urban population. The rate of urban solid waste collection has gone up, estimated at 80-82% in downtown areas and 70-72% in urban areas in general (as against 60-70% in 2003), whereas 80% of hospital solid wastes has been collected and treated, by the environmental standard.

In agricultural production, the rate of communes having applied Integrated Pest Management (IPM) is rather high nationwide, reaching some 60-65%, while 75% of communes have access to information and training about regulations regarding fertilizers and pesticides. The rural environmental sanitation has step by step been upgraded, with about 53% of rural roads having been fortified, 8 - 10% of households using biogas, some 63% of households in possession of appropriate latrines (as against 28 – 30% in 2003), 83% of rural population in 2010 having access to clean water (as against 40% in 2003), and the land acreage under forest coverage increasing from 34.4% in 2003 to 39.5% in 2010.

**Table 1. Status of clean water supply in rural areas during 2005 - 2010**

Economic-ecological region	2005		2010	
	No of people having access to appropriate water supply (person)	Percentage (%)	No of people having access to appropriate water supply (person)	Percentage (%)
Nationwide	39,912,732	62	52,122,468	83
Northern mountain region	5,559,506	56	7,469,696	78
Red River Delta	9,742,835	66	12,054,903	85
Northern Central region	5,707,670	61	7,299,170	83
Central Coastal region	3,923,530	57	5,171,268	81
Central Highlands	1,593,730	52	2,931,662	74
South Eastern region	3,259,129	68	5,161,992	89
Mekong River Delta	10,126,332	66	12,033,777	84

*Table 1. Status of clean water supply in rural areas during 2005 - 2010*

Regarding conservation of the nature and biodiversity, 164 in-land conservation sites have been established, including 30 national parks, 69 nature conservation sites, 45 cultural and historical conservation sites and 20 experimental research forests; the Government also endorsed 45 in-land wetland conservation sites (in 2008) and the system of 16 marine conservation sites (in 2010).



*Figure 6: Project on mangrove afforestation in Soc Trang*

*(Source: <http://soctrangredcross.org.vn>)*



*Figure 7: Program on rural clean water and sanitation*

*(Source: Viet Nam News Agency)*

## SHORTCOMINGS

### In the economic field

The quality and efficiency of the economy remain low. Economic growth has mainly been extensive and based on increased domestic and foreign investments as well as on exploitation of raw natural resources; the value-added content of exports remains low, and the competitiveness is lacking in both domestic and offshore markets. The social productivity is considerably lower than that in countries in the region. The scientific and technological innovation content in industrial and agricultural production remains very limited. The rate of trained workforce is still very low. Economic growth has not been harmoniously combined with social progress and equity, and protection of natural resources and the environment, etc. The growth in many economic aspects have mainly relied on export of raw natural resources or subcontracting industry with a low value-added content.

## In the social field

Poverty recurrence in certain areas such as high mountain areas, ethnic minorities' areas and natural disaster-prone areas remains high. Creation of employment has failed to leapfrog in terms of productivity and provide many sustainable job opportunities. The youth unemployment rate still stays high, at 7% per annum. The labour market has yet to develop in a concerted manner. In rural areas, underemployment remains serious, with imminent danger of unemployment, particularly in urbanized and land use purpose converted areas. The population structures have seen strong changes and increasingly serious sex imbalances at birth. There are many discrepancies in healthcare for the people and weaknesses and shortcomings in medicine manufacturing, management and use. Food contamination, food poisoning and disease contagion through food are pervasive, beyond control. The system of social security and social insurance is still in development, thus unable to cover the whole country, especially the rural and informal sectors. The national education system remains unsynchronized; its quality remains lower than needed for national development in the condition of international integration.

## In the environmental field

Many weaknesses have revealed in environmental protection; natural resources have subjected to wasteful exploitation and inefficient use, environmental problems such as water and air environmental pollution, biodiversity reduction, unfulfilled solid waste collection rates and rampant mineral exploitation have all caused resentment in the population. The system of laws and policies on environmental protection remains unsynchronized and has failed to catch up with the socio-economic development process. Sanctions against violations of environment laws are not rigorous enough to punish, or deter violations of environment laws. The pool of natural resources and environment management cadres is weak both qualitatively and quantitatively. Awareness among public officials at different levels and in different sectors as well as among the population remains to be desired. Violations of laws on environmental protection and natural resources management are relatively pervasive. As a country most affected in the future by the global climate change, sea water level rise and frequent natural disasters, the need to ensure a sustainable environment requires ever greater efforts in the time to come. At the same time, ensuring a sustainable environment represents a major challenge facing Vietnam in all environmental dimensions. Efforts by a single country are never sufficient, particularly during the process of intensive industrialization when funding for mitigating natural disasters and responding to climate change and seawater levels rising, demand close-knit cooperation of many countries.

**In an overall view**, Vietnam has in the past years enjoyed a high economic growth rate, its economic structures have witnessed a positive shift toward industrialization and modernization, its macro economy has remained fundamentally stable, its major economic balances have been well maintained, and its budget deficit and national debt have been kept under control and within safe limits. The economic achievements have helped create resources for successfully addressing a series of social issues, such as eradication of hunger, reduction of poverty, development of education and healthcare, and accomplishment of the Millennium Development Goals with a view to ever improving the people's livelihoods. The review of 10 years' implementation of the 2001-2010 Socio-Economic Development Strategy shows that Vietnam has succeeded in taking advantage of opportunities and favourable conditions, overcome numerous difficulties and challenges, particularly those negative impacts of the two regional and global financial and economic crises, recorded major and highly important achievements, brought the country out of underdevelopment and into the group of middle-income developing countries. Many of the key objectives set in the 2001-2010 Strategy have been realized, driving the country onto a new step of development in productive forces, relations of production and international integration alike (Annex 3).

The socio-economic development activities over the past time were initially linked to environmental protection in terms of institution, policy, organization, management, mobilization of social participation, and international cooperation. The implementation of Strategic Environment Assessment as stipulated by the Law on Environmental Protection during this period helped better integrate issues related

to environmental protection into social and economic development activities, so as to ensure the sustainability of development. By integrating sustainable development objectives into socio-economic development strategies, schemes, plans and programs in general and into sectors in particular, while mobilizing the participation of the entire people in combination with international support, the sustainability of development or, in other words, the close, rational and harmonious combination of the 3 dimensions, namely economic development, social development and environmental protection, in a way that meets the requirements of today and does nothing to harm the interests and responses to the needs of the generations of tomorrow, has been initially established and powerfully affirmed in reality.

However, the said achievements are yet to sustain economic development and reach their full potential. The market economic institution, the quality of human resources, and infrastructures remain bottlenecks to development. The foundation for Vietnam to become an industrialized country toward modernity has not sufficiently taken shape.

## IMPLEMENTATION OF 19 PRIORITIZED AREAS IN THE STRATEGIC ORIENTATION FOR SUSTAINABLE DEVELOPMENT IN VIETNAM

The Strategic Orientation for Sustainable Development in Vietnam has defined 19 prioritized areas of activity under the three economic, social and environmental pillars. Many policies related to the economic, social and environmental content have so far been adopted targeting implementation of these 19 areas. The outcome of implementation of the prioritized areas as defined in the Strategic Orientation for Sustainable Development in Viet Nam is presented in Table 2.

Implementation of many prioritized areas has produced positive outcomes and difficulties in other areas have provided less positive results.

**Table 2. Summary of achievements and shortcomings in implementation of 19 prioritized areas in The Strategic Orientation for Sustainable Development in Vietnam**

Prioritized areas	Achievements	Shortcomings
<b>1. Maintenance of fast &amp; sustainable economic growth</b>	Relatively fast growth of 5%-8% in the past 5 years. "Made in Vietnam" agro-based, forest and aquatic products have rapidly expanded to international markets. Vietnam's Global Competitiveness Index (GCI) in 2010 made a 16-step jump, putting the country in the group of the world's 59 most competitive economies compared to the other 137 economies of the world.	Growth quality remains low, the macro-economic stability is not high, energy consumption remains considerable. Labour productivity is markedly lower than that of regional countries. Growth in many sectors still relies on export of raw natural resources.
<b>2. Shift of production and consumption toward being environmentally friendly</b>	Greater attention has been given to environmentally friendly production and consumption methods in activities in production, business and day-to-day life. The National Target Program on Economical and Efficient Use of Energy has been extensively put in place, saving 3.2% of the total national energy consumption during 2006-2010.	Out dated and highly materials- and energy- consuming productive technologies remain in place in many sectors and localities, resulting in reduced production efficacy, reduced competitiveness of the economy and increased waste to the environment. Extravagant consumption remains common among part of the population, particularly among urban dwellers.
<b>3. Implementation of the "clean industrialization" process</b>	Many activities encouraging application of cleaner production have been carried out. By the end Of 2010, there had been some 1,031 enterprises applying cleaner production and waste auditing. The unorganized exploitation and rampant export have been corrected to a certain extent in the minerals exploitation sector.	In implementation of clean industrialization, many concrete solutions are still lacking, and so are the inspection, pushing and inter-agency coordination. Cleaner production solutions have not been applied by many enterprises.



Prioritized areas	Achievements	Shortcomings
<p><b>4. Sustainable agricultural and rural development</b></p>	<p>Agricultural development has enjoyed a relatively high and stable rate toward commodity production, contributing to the stable national food security. The output of agricultural, forest and aquatic production has always stayed at a high level, averaging at 4.85% every 5 years. The system of rural transport, electricity and social infrastructure has seen a quantitatively fast development.</p> <p>By 2010, 96% of communes and 93.3% of households had access to the national grid and over 60% of rural population to clean water. The population's income has been raised, that in 2007 was 2.7 times higher than in 2000.</p>	<p>Rural development is short of planning and spontaneous in nature. The socio-economic infrastructure remains outmoded and disconcerted, hence failure to meet long-term development requirements. The environment in many rural areas is increasingly polluted due to domestic, husbandry and agricultural chemical waste. Suburban areas, industrial zones and craft villages are seriously polluted. The labour structure in rural areas is slow to shift.</p>
<p><b>5. Sustainable regional and local development</b></p>	<p>Regional construction zoning has been designed and fundamentally covered the 6 key economic regions. By now, 10 interprovincial zoning blueprints have been approved. All the regions have either fulfilled or over fulfilled the set targets on the average GDP per capita and reduction of poverty incidence. Investments have been made in building the clean water supply system, benefitting 80% of urban population and more than 60% of rural population.</p>	<p>The overall socio-economic development schemes in key regions and schemes on developing economic sectors from the development perspective have not been reviewed. The levels of development, infrastructures and living standards among regions remain rather large, particularly among mountain regions and the Mekong River Delta.</p>
<p><b>6. Concentration of efforts on hunger eradication, poverty reduction, promotion of social progress and equity</b></p>	<p>Poverty reduction programs have been implemented effectively. The poverty rates have sharply gone down, from 22% in 2005 to 9.45% in 2010. The national-scale poverty gap indicator has been brought down to a remarkable extent, from 18.4% in 1993 to 3.5% in 2008 for all rural, urban, ethnic minority and geographic areas. Social security has enjoyed special attention.</p>	<p>The poverty reduction rates are not sustainable and uneven in mountain and disaster-prone areas. The rates of poor households in ethnic minority, remote and hinterland areas remain high. The numerous risks which highly potentially lead to the recurrence of poverty include natural disasters, pandemics, and negative impacts of the market economy, etc.</p>
<p><b>7. Continued reduction of population growth and generation of more jobs for workers</b></p>	<p><i>Reduction of population growth</i></p>	
	<p>The population growth in a ten year period tends to decrease. Vietnam's age-based population structure has witnessed a rapid shift, signalling an expectancy increase and an on-going aging tendency.</p>	<p>Sex imbalances become increasingly serious. In terms of population quality, human physical factors are very low, most notably as high as 6.3% of the population is with a disability at different degrees.</p>
	<p><i>Generation of more jobs for workers</i></p>	
<p>In the 2006-2010 period, employment had been provided for more than 8 million workers; unemployment was kept at low rates, being at 2.6% in 2010, with the urban unemployment rate brought down to below 5% and the agricultural workforce accounting for less than 50%. Special attention has been given to youth and female workers.</p> <p>The employment structure has shifted toward increased wage-earning and reduced self-employment, in which the rate of agricultural self-employment has gone down while non-agricultural self-employment has gone up.</p>	<p>Although the unemployment rate remains relatively low, low-yield employment and youth unemployment tend to go up (in 2006 was 6%, in 2010 was 7%). Generation of employment is unsustainable. In rural areas, underemployment remains serious, imminent of unemployment danger. The untrained workforce accounts for a high proportion. Investment from the State budget for human resources development and employment generation remains too low as against the need. Labour movement to urban and suburban areas is on the rise, accompanied by social issues such as housing, living conditions, and social order and safety, etc.</p>	

Prioritized areas	Achievements	Shortcomings
<p><b>8. Orientation for urbanization and migration targeting sustainable urban development, rational distribution of population and workforce by region</b></p>	<p>The urban construction zoning has been innovated. The national urban network has been expanding and developing relatively evenly among regions. The urban economic growth accounts for 70% GDP of the whole country. Many infrastructure projects and projects on water supply and sewage as well as urban environment improvement have been put in place. The system of urban centres has advanced and modernized.</p>	<p>The urbanization process has taken place mainly extensively, due to mere attention given to urban economic growth at the expense of the environmental, social and cultural aspects. There has been a rise in the declining quality of life, weak infrastructure, social polarization and social vices. Traffic accidents remain serious.</p>
<p><b>9. Improvement of education quality with a view to raising the people's intellectual level and professional caliber, in line with requirements of the cause of national development</b></p>	<p>The education scale has expanded rapidly, especially at the university and vocational levels. The network of schools, classes and education units has reached all parts of the country. Vietnam fundamentally accomplished primary education universalization in 2000. The education quality at all schooling levels and the training capacity have both made progress. The mobilization of social participation in education and training has yielded certain results. Vocational training has taken a step of development, innovating itself and scoring set targets.</p>	<p>The education quality remains lower than required by development and than that in countries in the region and the world. School material and technical bases are both lacking and out dated. The ratio of trained workforce remains low, especially the rural workforce, hence failure to meet the need for modernized commodity production in the context of international integration. There remains uneven access to education among regions and between rural and urban areas.</p>
<p><b>10. Quantitative development and qualitative improvement of healthcare services, improvement of working conditions and living environment sanitation</b></p>	<p>The network of healthcare and the network of occupational healthcare at all levels have step by step been consolidated. The quality of healthcare has been improved. The preventive medicine and endemic control have been put well in place, subsequently helping implement effectively epidemiological oversight, successfully control SARS, A flu (H5N1) and A flu (H1N1). Working conditions, environmental sanitation and control of food hygiene and safety have all been improved.</p>	<p>Healthcare quality and services both have fallen short of the population's expectation for health check-up and treatment. Food contamination and poisoning remains at a high level, beyond control. Relevant State authorities are limited in their capacity to control and monitor occupational safety and sanitation.</p>
<p><b>11. Combat against soil degradation, effective and sustainable use of land resources</b></p>	<p>Vietnam has been putting in place various policies, programs and projects on combating soil degradation and effectively and sustainably using land resources, which cover inter alia assignment of land and subcontracting of forests to households, afforestation and protection of watershed forests, production along the agro-forest combination model, development of perennial trees and indigenous trees on sloppy terrains, and management of river basins and coastal land.</p>	<p>Land environment has been degraded due to soil erosion, wash-offs, land slides, salinization, acidification and sulphate acidification, due to abuse of chemical fertilizers and pesticides causing pollution, and due to industrial waste discharged onto the land environment. Coordination among relevant Ministries and agencies in addressing soil degradation and effective and sustainable use of land resources remains minimal. The land acreage for agricultural purposes has diminished under pressure of population growth, urbanization, industrialization, industrialization, changes of land use purposes, and the threatening sea water level rise due to climate change.</p>
<p><b>12. Protection of the water environment and sustainable use of water resources</b></p>	<p>Fundamental surveys on the water resources, mapping of river basins, zoning of water resources in river basins and territorial regions and zoning of, are going on. The dissemination of laws and strengthening of community awareness on water resources, inspection and check-up in relation to water resources has been intensified. Participation in the work of the Mekong Commission has promoted international cooperation in the governance and development of water resources.</p>	<p>Investments in governance, basic surveys, inventory, evaluation of water resources, and activities to protect water resources fail to catch up. Suitable mechanisms and policies are not yet available, therefore unable to tap all social resources for environmental protection, combat pollution, degradation and water exhaustion. Awareness and management capacity remains weak.</p>



Prioritized areas	Achievements	Shortcomings
<p><b>13. Reasonable exploitation, economical and sustainable use of minerals</b></p>	<p>Mining over the past years has witnessed considerable innovation, with technologies in exploitation, screening and processing having developed with a view to saving minerals resources and protecting the environment. The investment mechanism has been further improved in exploitation, land recovery and return, recycling and improving the ecological environment in mining areas, encouraging local communities to more actively participate in activities to protect minerals mines.</p>	<p>Many kinds of minerals have suffered from over-exploitation, becoming increasingly scarce. Governance and decentralization of governance over mining is fraught with marked overlapping and arbitration. Minerals export become over-massive, and is subject to many negative export management practices.</p>
<p><b>14. Protection of marine, coastal and island environment, and development of marine resources</b></p>	<p>Many projects on protecting marine, coastal and island environment and on developing marine resources have been designed and implemented. International cooperation activities aimed at exchanges of information and experience regarding management and control of marine, coastal and island environment as well as response to and prevention of oil-spills have been broadened. The coordination among ministries, agencies and localities in execution of State governance over the sea and islands has step by step improved.</p>	<p>There is a lack of legal basis and legal documents with clear and sufficient stipulations on the execution of functions on marine and island management. Limited executive capacity has resulted in low quality and efficiency. Equipment and material facilities in service of implementation of professional mandates as well as of integrated and unified governance over the sea and islands are both lacking and out dated.</p>
<p><b>15. Forest protection and development</b></p>	<p>12 years' implementation of the Project on planting anew 5 million hectares of forests has seen the realization of subcontracting an average of 2.6 million hectares of special-purpose and protective forests per annum and planting anew 2.17 million hectares of forests. This intensified afforestation has helped halt the forest acreage decline and raise the forest coverage, from 28% in 1995 to 39.5 in 2010.</p>	<p>Despite the forest coverage increase, forest quality tends to decrease. Forest destruction continues to occur in a serious manner, mostly in parts of Central Highlands provinces and Binh Phuoc province. Legal sanctions against those have destroyed forests are too light-handed.</p>
<p><b>16. Reduction of air pollution in urban areas and industrial zones</b></p>	<p>Many large facilities and factories have applied cleaner technologies, modern emission control technologies and efficient use of energy. Air-polluting facilities have gradually been dealt with, thus contributing to improving the air environment quality of urban centres throughout the country.</p>	<p>The assignment of responsibilities for urban air environment reveals overlapping. Specialized legal documents on urban air environment are insufficient. Investment in air environment management and protection remains meagre</p>
<p><b>17. Management of solid waste and hazardous waste</b></p>	<p>The rates of solid waste collection have gone up from 65% in 2003 to 82% in 2008 in urban areas and 20% and 55% in rural areas respectively. The rate of everyday categorization and collection of medical waste from hospitals is 95.6%. The rate of recovery of the recyclables and re-usables is about 20 -30%. 73.3% of hospitals have processed chemical waste by combustion, whereas about 30% of hospitals have by themselves dumped such waste. The treatment of solid waste in 3 key economic regions in the North, the Centre and the South has been designed.</p>	<p>State governance over solid waste remains fragmented. Solid waste collection and treatment remain piecemeal, spontaneous, ineffective and short of both technological and financial investment. The current methodology of urban solid waste is dumping. According to statistics, there are at present 98 concentrated landfills in operation across the country, but only 16 of them can be considered as with proper sanitary conditions. Moreover, technical instructions and specifications are lacking to evaluate solid waste treatment technologies.</p>
<p><b>18. Biodiversity conservation</b></p>	<p>A system of 164 in-land reservation sites has been set up on a total area of 2,198,744 hectares (accounting for 7.6% of natural land area). The Government has so far endorsed 45 mainland wetland reservation sites (in 2008) and a system of 16 marine reservation sites on a total marine area of 169,617 hectares (in 2010). In addition, Vietnam has been internationally recognized as owning 2 world's natural heritage sites, 4 ASEAN natural heritage sites, 9 biosphere reserve sites, and 3 Ramsar sites.</p>	<p>The biodiversity has declined at various degrees. The trafficking in wild animals has not been strictly controlled. Mandates and tasks assigned to State governance agencies remain overlapping. Scientific research and investment targeting biodiversity are limited and inefficient.</p>

Prioritized areas	Achievements	Shortcomings
<p><b>19. Implementation of measures aimed at mitigating climate change and limiting the adverse impacts of climate change, and combating natural disasters.</b></p>	<p>Vietnam has participated in many regional and global activities on climate change. Many ministries and localities have by now devised their plans of action on response to climate change. Investment in the work related to meteorology, hydrology and climate change has been enhanced. Activities to raise awareness for the community and build up capacity to respond to climate change and improve meteorological, hydrological and weather forecasting operations have been carried out in many localities throughout the country.</p>	<p>Natural disasters and climate change developments on the global scale have increased sharply in numbers, exerting pressures on environmental protection and sustainable development in Vietnam. Many shortcomings have exposed in disaster forecasting. Resources mobilized for disasters and to combat and mitigate climate change impact remain modest. The awareness among the administration at all levels and among the population of all strata on climate change and disaster is not really deep and not associated closely with highly practical actions.</p>

## HONORING INTERNATIONAL COMMITMENTS

Vietnam has been part of many international commitments on sustainable development (Annex 1, Box 2). At the Earth Summit on Environment and Development in Rio de Janeiro in 1992, apart from the commitment to implementing Global Agenda 21, Vietnam also signed 3 other important Conventions, namely the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biodiversity (CBD) and the Convention to Combat Desertification (UNCCD). In the following years, Viet Nam has committed to implementing the Millennium Development Goals (MDG, 2000), acceded to the World Trade Organization (WTO, 2007) and other international conventions. The past time has witnessed Vietnam seriously and effectively honouring these international commitments.

### Ramsar Convention on wetlands of international importance

Vietnam acceded to Ramsar Convention on 20 November 1989 and has been one of 4 Southeast Asian countries to do so. Immediately after its accession, the country submitted the first Ramsar site of Vietnam in Xuan Thuy district, Nam Dinh province which won recognition from the Convention Secretariat. The Xuan Thuy Ramsar site then became the Xuan Thuy National Park (in 2003) and is now the core of the Red River Delta Biosphere Reserve (established in 2004).

By now, apart from Xuan Thuy, 3 more sites in Vietnam have been recognized by the Ramsar Convention Secretariat, namely the Bàu Sấu-Nam Cát Tiên (in 2005), the Ba Bể National Park (in 2011) and the Tràm Chim National Park (in 2012) (Figure 8).



Xuan Thuy National Park – the first Ramsar site in Viet Nam and Southeast Asia

Source: <http://tuoitre.vn>



Tram Chim National Park – Viet Nam’s 4<sup>th</sup> and the world’s 2000<sup>th</sup> Ramsar site

(Source: Viet Nam News Agency)

Figure 8: Some typical Ramsar sites in Vietnam

Ramsar sites in Vietnam have all been well administered, ensuring a harmonious combination of biodiversity conservation, scientific research, environment education and activities to develop communities in buffer zones. In recent years, many studies on wetland have been conducted to cover issues such as wetland inventory, zoning for conservation and sustainable development of national-level wetlands and ecological regions, establishment of wetland database, survey and study of wetlands of conservation value, technical instruction on sustainable management of wetlands. Vietnam is currently working hard so that more wetlands can be included in the list of Ramsar sites, and at the same time has decided to establish wetland nature reserves.

## Convention on Biodiversity

As a signatory to the Convention on Biodiversity (signed on 17 November 1994) and the Cartagena Protocol on Biosafety (signed on 19 January 2004), the Vietnamese Government has over recent years enacted many guidelines and policies and organized the implementation of these international commitments in its work of conservation and sustainable use of biodiversity.

The country has adopted 2 long-term plans: i) “Vietnam’s Plan of Action on Biodiversity” (BAP) (approved by the Prime Minister on 22 December 1995) and ii) “National Plan of Action on Biodiversity to 2010 and Orientation to 2020 in Implementation of the Convention on Biodiversity and the Cartagena Protocol on Biosafety” (approved by the Prime Minister on 31 May 2007) which cover the following clusters of concrete targets on: i) on-land biodiversity conservation and development; ii) Conservation and development of biodiversity in wetland and marine areas; and iii) Sustainable building and development of biological resources, control, prevention and elimination of exploitation, trade and consumption of wild, precious, rare and endangered animals and plants etc.

Remarkable achievements have been recorded in the implementation of these plans, most notably the establishment of a system of biodiversity conservation sites. In Viet Nam, the established system of mainland and island conservation sites has of late included 128 special-use forests that cover nearly 2.5 million hectares, accounting for 7.6% of the natural area. In addition to the afore-said nature reserves, the Government has also endorsed 45 mainland wetland conservation sites (in 2008) and a system of 16 marine reserves on a total marine area of 169,617 hectares (in 2010). Besides, Vietnam has also been internationally recognized as having 2 world natural heritage sites, 4 ASEAN natural heritage sites, 9 biosphere reserves and 4 Ramsar sites (Figure 10).

Thanks to such a system of conservation sites, most characteristic ecological systems (mangroves forests, indigo forests, low and medium mountain subtropical forests, open woody deciduous forests, etc.) as well as precious, rare and specifically possessed fauna and flora (rhinoceros, gayal, bull, pseudoryx,

megamuntiacus vuquangensis, pinus krempfii, pinus dalatensis, fokienia, Cupressus, Burretiodendron hsienmu, eugenia caryophyllata, tembusu, barian kingwood, Ngoc Linh gynseng) have been protected.

However, biodiversity is still faced with degradation at various degrees; the natural ecological systems, particularly the forest, wetland and marine ecological systems, are seriously affected; the trafficking in wild animals has failed to be strictly controlled; an early warning system against the danger of genetic resources loss is yet to be set up.

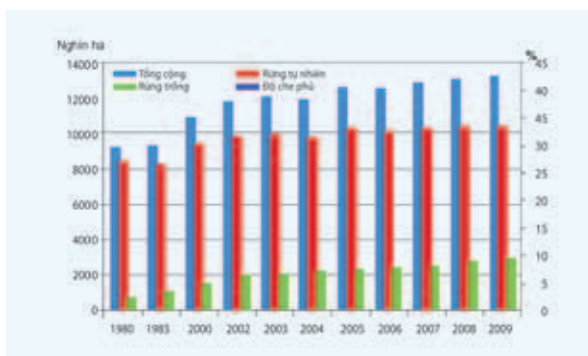


Figure 9: Changes of forest area and coverage during 1990 – 2009

(Source: <http://soctrangredcross.org.vn>)



Figure 10: Ba Be National Park is recently recognized as the 3rd Ramsar site in Vietnam (2011)

(Source: Viet Nam News Agency)

## United Nations Framework Convention on Climate Change and its Kyoto Protocol

Vietnam is a party to the United Nations Framework Convention on Climate Change (UNFCCC), which was signed and ratified in June 1992 and November 1994 respectively. Vietnam signed the Kyoto Protocol in December 1998 and ratification was obtained in September 2002. Vietnam became a non-Annex I Party member in February 1995.

Vietnam has been engaged in numerous regional and global climate change-related initiatives, including participation in all Conference of Parties (COP1 through COP17). The country receives regular, effective cooperation with the UNFCCC Secretariat, the Clean Development Mechanism executive board, the Intergovernmental Panel on Climate Change, along with countries and international organizations on climate change issues. Vietnam has also conducted various climate change and CDM studies and projects, which has had positive results.

The Government of Vietnam has adopted various Directives, Decisions and Resolutions, and tasked the Ministry of Natural Resources and the Environment, as a focal point, and the relevant line ministries, local authorities, with the implementation of Viet Nam's international climate change commitments. Vietnam is currently implementing the national target programme to respond to climate change and the plan of action to implement the national strategy on disaster prevention and mitigation. In 2011 and 2012, the Government approved the National Science and Technology Programme for 2011-2015 which includes the science and technology elements for the National Target Programme to Respond to Climate Change; i) the National Strategy on Climate Change ii) the Support Programme for Response to Climate Change; iii) the establishment of the National Committee for Climate Change; iv) the list of national target programmes for the 2011-2015 period which includes the national target programme on efficient energy use and the national target programme on response to climate change phase , v) the Green Growth Strategy for 2011-2020 and vi) vision 2050. Specific action plans are being developed by line ministries and local authorities to implement the above-mentioned strategies, plans and programmes to respond to climate change in accordance with their circumstances (Figure 11).



Vietnam has developed policy frameworks for international cooperation, expecting to raise around US\$ 9.1 billion of international financing for climate change response activities. To date, Vietnam has received about US\$ 1.28 billion for 21 different programmes and projects. 11 other projects are being developed and negotiated with a total budget of US\$ 1.3 billion.

Yet, there remain several shortcomings and much room for further improvement in Vietnam's response to climate change. Firstly, the meteorological and hydrological forecasting system's equipment and human resources are yet to be able to meet the rising demands, despite increased investment in recent years. Consequently, some forecasts have been inaccurate, causing loss and damage as well as human casualties. Secondly, inter-agency collaboration and coordination in disaster prevention and mitigation and emergency response are yet to be smooth. Thirdly, resources mobilized for disaster prevention and climate change mitigation remains limited. Finally, there is still a lack of awareness about the problem of climate change and disaster prevention and mitigation amongst officials and the population in general, while action taken is low in practicality.



Figure 11: Climate Change and Sea-level Rise Scenarios (2011) serve as the basis for the development of action plans to implement the National Target Programme to Respond to Climate Change (NTP-RCC)

### United Nations Convention to Combat Desertification

Vietnam acceded to the United Nations Convention to Combat Desertification (UNCCD) on 5th August 1998 and became the 134<sup>th</sup> party to the UNCCD on 23rd November 1998. Vietnam has established the National Coordinating Body for the implementation of the United Nations Convention to Combat Desertification and on 14<sup>th</sup> March 2012, the Prime Minister signed Decision No. 306/QĐ-TTg on the reshuffling of the national coordinating body for the implementation of the United Nations Convention to Combat Desertification.

Vietnam has successfully implemented the National Action Programme to Combat Desertification for the 2006 – 2010 period and towards 2020. Major outcomes of the Programme include (i) development of the legal framework, (ii) human resource development, (iii) improvement of facilities for research on combating desertification, (iv) conducting surveys on desertification status and studies on the causes of desertification, (v) development of desertification database, (vi) drought mapping for Southern Central Region and the Central Highlands, (vii) implementation of economic and technological transfer activities, (viii) expansion of international and regional cooperation, including the initiative to set up, in coordination with the global financing mechanism, a financial strategy for the desertification



Figure 12: Desertification is a major challenge to sustainable development in Vietnam (Source: Viet Nam News Agency)

“hotspots” in Vietnam, namely Ninh Thuan and Binh Thuan Provinces, and (ix) implementation of the initiatives on Reducing Emissions from Deforestation and Degradation (REDD) and on payment of fees for forest environment services...

Yet, numerous difficulties remain in the implementation of the National Action Programme to combat desertification. Policies on natural resource management need further improvement to create breakthroughs and incentives for increased participation and involvement. Government agencies at various levels still lack the necessary awareness on the problem of desertification and their coordination in combating desertification remains limited. There is also scarcity in both financial and human resources at national and local levels for the effective implementation of the National Action Programme.

### **Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer**

In January 1994, Vietnam acceded to the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer, and at the same time, ratified the London (1990), Copenhagen (1992), Montreal (1997) and Beijing (1999) Amendments to the Montreal Protocol.<sup>3</sup>

In 1995, the Prime Minister adopted the National Programme to phase-out substances that deplete the ozone layer. This National Programme has been approved by the multilateral fund for the implementation of the Montreal Protocol for financial and technological support.

To facilitate the implementation of the national programme and at the request of the Multilateral Fund Executive Committee, a National Programme Office (also known as the Ozone Office) was set up in the Ministry of Natural Resources and the Environment. The Office also serves as the focal point for the implementation of the Vienna Convention and Montreal Protocol.

Since its accession to the Vienna Convention and ratification of the Montreal Protocol, Viet Nam has made effective use of the financial and technological support provided by the Multilateral Fund. Vietnam has received over US\$ 4 million of financial support from the Multilateral Fund and has phased out over 250 tons of CFC's, meeting in full, and its obligations under the Montreal Protocol. According to the Montreal Protocol, all developing countries shall put a complete end to the production and use of CFC and halon substances by 2010. To achieve this goal, Vietnam adopted a National Plan to eliminate the consumption of CFC and halon substances for the 2005 – 2009 period. According to statistics, as of 2009, Vietnam only imported 10 tons of R-12 (an ozone-depleting CFC substance). And from 1st January 2010, all CFC substances were subject to an import-ban.

Despite this success, Vietnam is still faced with a number of challenges in phasing out ozone-depleting substances in accordance with the roadmap set by the Montreal Protocol. Around 3,000 tons of ozone-depleting hydro chlorofluorocarbons (HCFC), mostly R-22 in refrigeration and air conditioning systems, is still being used and is expected to continue to rise in the coming years. Vietnam needs an estimated US\$ 20 million in the next 15 – 20 years to eliminate the use of all ozone-depleting substances.

### **Convention on International Trade in Endangered Species and Wild Fauna and Flora (CITES)**

Vietnam acceded and became the 121<sup>st</sup> Contracting Party to the Convention on 20<sup>th</sup> January 1994, and CITES entered into force for Vietnam on 20<sup>th</sup> April 1994. Since its accession to the Convention, Vietnam has taken steps to implement its provisions, including (i) raising popular awareness about the

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<sup>3</sup> For the implementation of the Vienna Convention and Montreal Protocol, the Government of Vietnam has assigned the Department of Meteorology and Hydrology (now the Ministry of Natural Resources and the Environment) as the focal point to work with relevant line ministries to develop Viet Nam's National Programme for the gradual reduction of substances that deplete the ozone layer.



Convention, (ii) adopting policies and plans for its implementation,<sup>4</sup> and (iii) setting up the structure for implementation of the convention.<sup>5</sup>

The Government has also set up the Inter-agency Steering Committee for the enforcement of laws regulating trade in wild fauna and flora species (also known as Vietnam as the Wildlife Enforcement Network), headed by the Vice Minister of Agriculture and Rural Development. This makes Vietnam the 6th ASEAN country that has established such network, and shows Vietnam's strong determination to work with countries in the region and around the world to effectively combat the illicit trade of wildlife species.

## **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal**

Vietnam ratified the Basel Convention on 13<sup>th</sup> March 1995. Since its ratification, Vietnam has taken steps to carry out its obligations under the convention to minimize the adverse effects of hazardous waste, especially dangerous waste, to human health and the environment. Legal documents have been drawn up to create a framework for the regulation and management of hazardous waste.<sup>6</sup> In addition to the legal framework, Vietnam has taken initial steps to develop the necessary facilities for the management of waste, for the disposal of solid waste in general and hazardous waste in particular. Capacity building and scientific research on waste management have also received significant attention.

Thanks to the Basel Convention's Global Information Network and effective collaboration with the Basel Convention focal points of other parties, Vietnam has prevented and responded timely to incidents violating the Basel Convention provisions, in accordance with its national law.

However, much remains to be done in Viet Nam to meet the demands of provisions of the Basel Convention. The regulation of the import of scrap needs to be further strengthened. The collection and disposal of hazardous waste need improvement to meet environmental standards.

## **Stockholm Convention on Persistent Organic Pollutants (POPs)**

Vietnam signed the Stockholm Convention on Persistent Organic Pollutants (POPs) on the 23<sup>rd</sup> May 2001 and it was ratified on 22 July 2002. Vietnam was the fourteenth among the 97 states that have ratified the convention.

Vietnam has, since 1993, been paying increased attention to the regulation of POPs and other hazardous chemicals. The Government and relevant government agencies have adopted legal and normative documents on the regulation of the production and use of all pesticides containing POPs in the territory of Vietnam

Vietnam is continuing efforts to strengthen the legal and institutional framework for the safe regulation and management of chemicals, hazardous waste including POPs. The 2005 law on Environmental Protection includes specific provisions on the management of hazardous waste and pollution prevention.

<sup>4</sup> Decree No. 11/2002/NĐ-CP on the regulation of the import, export and transit of specimens of wild animals and plants; Decree No. 82/2006/NĐ-CP on the regulation of the import, export, re-export, introduction from the sea, transit, the breeding for reproductive or development purposes of endangered wild fauna and flora species to replace Decree No. 11; Decision No. 1021/QĐ-TTg of 27 September 2004 on the National Action Plan for Strengthened Regulation of Trade in Wild Fauna and Flora Species until 2010 ; and Law on Biodiversity 2008.

<sup>5</sup> The Forest Protection Department (FPD) under the Forestry Administration of the Ministry of Agriculture and Rural Development is designated as the Viet Nam's CITES Management Authorities, with its Southern Representative Office being Regional Forest Protection III. Viet Nam's CITES Scientific Authorities comprise (i) Institute for Ecology and Biological Resources (IEBR), Viet Nam Academy of Science and Technology (VAST), (ii) Forest Science Institute of Viet Nam (FSIV), Ministry of Agriculture and Rural Development (MARD); (iii) Research Institute for Marine Fisheries (RIMF), Ministry of Agriculture and Rural Development (MARD); (iv) Center for Natural Resource and Environmental Research (CRES), Ha Noi National University. In addition, on 29 November 2006, the Environmental Police was established under the Police Department of the Ministry of Public Security, to further strengthen efforts to put an end to illicit trade in wild fauna and flora species.

<sup>6</sup> 2005 Law on Environment Protection; Government Decree No. 12/2006/NĐ-CP regulating the temporary import for re-export of goods (including wastes); Decree No. 121/2004/NĐ-CP on administrative penalties for wrongdoings in the area of environment protection; Decision No. 12/2006/QĐ-BTNMT on the amount of listed scrap that is permitted for import; Circular No. 12/2011/TT-BTNMT of 14 April 2011 by the Ministry of Natural Resources and the Environment on the management of hazardous wastes.

On the 10<sup>th</sup> August 2006, the Prime Minister signed Decision No. 184/2006/QĐ-TTg approving the national plan on the implementation of the Stockholm Convention on Persistent Organic Pollutants.

The Government of Vietnam has assigned the tasks in the management and regulation of chemicals and hazardous wastes in particular and environment protection in general to the relevant ministries and government agencies. For tasks requiring inter-agency coordination or as circumstances so dictate, the Government has set up mechanisms for such coordination with a clear division of labour.

## Millennium Development Goals

Vietnam has recorded important results in achieving the MDGs, including “halving of poverty” in 2002 and universal primary education to Vietnamese standards in 2000. Others include significant progress in enhancing gender equality and the role of women, improvement of child healthcare and the child mortality rate under five and under one which is close to the MDGS. There has been a reduction in maternal mortality rates since 1990s and Vietnam has contained and slowed down HIV infection and the strong implementation of environmental sustainability has had made remarkable progress.

However, the serious challenge to Vietnam in the coming time is to make sure the MDGs are to be achieved in both urban and rural areas, in different geographical regions, and for all groups of people, especially the ethnic minorities. In addition, the adverse impacts of the world economy also present challenges to Vietnam in maintaining the achieved poverty reduction in a sustainable manner. Vietnam is among the most vulnerable countries to climate change with the majority of the people depending on natural conditions and ensuring livelihood by exploiting natural resources. As such, Viet Nam has been facing major challenges in achieving environmental sustainability as well as maintaining the achieved MDGs in the context of climate change which has become increasingly visible (Appendix 3).

## Accession to the WTO

On 7th November 2006, Vietnam was admitted as the 150th member of the WTO. After five years, the Vietnamese economy has seen remarkable transformations with enhanced capacity and an international position which is reflected by some of the following statistics:

- Increased inflows of FDI: in 2006, the registered FDI was US\$ 10 billion. This figure for 2007-2011 respectively was US\$ 21.3 billion, US\$ 64 billion, US\$ 23 billion, US\$ 18 billion and US\$ 15 billion. The realized FDI has surpassed US\$ 10 billion per annum in the past few years.
- Continual growth of export turnover, reaching US\$ 48 billion in 2007, US\$ 62 billion in 2008, US\$ 57 billion in 2009, US\$ 72 billion in 2010 and US\$ 96 billion in 2011. The total export turnover amounts to 200% of GDP, which reflects the level of openness of the economy.
- Raised income from the per capita income of US\$ 300 in 1995 when the country embarked upon the WTO accession to US\$ 1000 five years after the WTO accession, and the annual growth rate stands at 6% per annum. Amidst the 2008 crisis Vietnam was among 20 countries with positive growth.

However, besides the scored achievements, Vietnam needs to realize its weaknesses, such as loosened credit growth, unfocused investment that exceeds the savings of the economy and low effectiveness of capital use which leads to high inflation and unsustainable elements as seen from the sustainable development perspective. Life of parts of the population remains difficult, and a relapse back into poverty is likely as a consequence of natural disasters and high inflation. In the process of openness and access to international markets.

Vietnam needs to deal with a number of issues, such as the development and completion of the system of technical barriers in conformity with international commitments in order to protect the domestic market and production, develop a long-term integration strategy for key sectors and attract advanced technology to quickly take the country out of the status of lagging behind and to avoid the middle income trap.

## PART THREE

# TOWARDS A GREEN ECONOMY FOR SUSTAINABLE DEVELOPMENT

### CHALLENGES TO SUSTAINABLE DEVELOPMENT IN VIETNAM

To continue implementing the goal of sustainable development, Viet Nam is confronted with both existing and emerging challenges, including:

#### **Impacts of financial crisis and fluctuation of food and energy prices**

In 2007-2010, the world was confronted with three serious difficulties: a financial crisis, increased costs of fuel and food at global level. In that context, Vietnam's implementation of sustainable development became more complex.

The increase of good prices happened in both domestic and exported markets. It also had indirect impacts, such as an increase of inflation and of urban poverty and those in a non-food producing population (typically those living in the cities and non-agricultural labours in rural areas).

The fuel price crisis had a direct impact on capital goods, thus raising the production costs and people's payment for fuel and ultimately raising the prices of goods thus affecting people's lives. For farmers, who account for nearly half of the total labour force, the increased fuel prices also led to the rising cost of inputs for agricultural production, thus affecting the net income of farmers. In addition, energy security and the danger of energy shortage to meet the demand of socio-economic development are already in existence. The current population growth rate and energy shortage, which is already serious, will linger if no solution is to be found to supplement the supply of energy and to implement the energy development strategy in a sustainable manner. According to recent research, Vietnam's power consumption will increase 8 fold between 2005-2025 with higher levels of dependence on the non-renewable energy sources. If the use of non-renewable energy is to be maintained, Vietnam will become an importer of coal, oil and gas in the next decade instead of being an exporter of solid fossil fuel resources at present.

Another problem is the international financial crises, particularly the public debt crisis, which have impacts on trade, investment and tourism. Export will be difficult because of the falling demand in Vietnam's partners. In the meantime, the disbursements of FDI will also be difficult because of investors' cutting back on overseas investment. This is worsened by the declined revenue from tourism because of families' tightened budget. As the crisis affects export and investment, difficulties emerges in sources of finance, market and the price of goods and services for domestic enterprises. This will lead to rising unemployment, companies' profits reduced and salary cut backs which further burdens on the social security for the government.

## Climate change

Climate change, first and foremost the global warming and sea level rise, presents a grave challenge to humankind in the 21st century. Natural disasters and extreme weather are the consequences of climate change that is becoming more rampant and serious in all parts of the world. Climate change directly affects the MDGs and is seen as a big challenge for sustainable development.

Climate change has been affecting more and more visibly on all components of the environment, both natural and social, and human health at a global level. However, the levels of climate change effects are different and more serious in areas of higher latitude and less so in other parts and more grave in tropical regions, especially the fast industrializing countries in Asia. The hardest and earliest hit by climate change is the poor who contribute the least to this problem. Vietnam is among the few countries in the world most heavily affected by climate change. In the past years, climate change has become more visible, particularly with more frequent natural disasters, causing considerable damage to human lives and property in various parts of the country, especially the central coastal area. Recently, under the impacts of climate change, rainfall and flooding has evolved in an abnormal manner. Large scale droughts and floods happen regularly which causes enormous damage to life and property. (Figure 13)

The World Bank report (2008) indicates that with a sea level rise of 1m in 2100, the damage to Vietnamese economy will be US\$ 17 billion every year with 12% of the coastal area submerged and 23% of the population in this area affected.



(Source: <http://edu.net.vn>)



(Source: <http://baodaklak.vn>)

Figure 13: Natural disasters (storms, floods, draughts, etc.) increase under climate change impacts

## Exhausting natural resources

In the past, because of different reasons, natural resources, especially water and biodiversity has been seriously degrading. In some localities, land resources and minerals have been exploited to exhausting levels or in a very wasteful manner.

### Water resources

Because of varying reasons, the two main of which are excessive exploitation for different purposes and climate change, the degradation of water resources has been going on in an increasingly serious manner.

In addition, in recent years, upstream countries of big rivers flowing into Vietnam have undertaken many projects (dams and water reservoirs) for the exploitation and development of irrigation and large-scaled hydropower plants, thus reducing the volume of water from these rivers in Vietnam.

Water is needed for life (humankind, plants and animals), for the development of agriculture and industry. Therefore, the degradation of water resources will significantly and directly affect peoples' lives and socio-economic development along with sustainable development.

### **Biodiversity resources**

Vietnam has a high level of biodiversity, ranking 16th among countries with the highest level of biodiversity. However, the country is faced with many challenges in preserving this valuable asset.

In the recent years, because of different reasons, Vietnam's biodiversity has been degrading at an alarming level, ranking 15th in terms of the number of animals, in the top 20 countries in terms of bird species and in the top 30 in terms of plants and amphibians.

First is forest degradation which has the highest diversity. The forest coverage has reduced from 72% (1909) to 43% (1941), and 28% (1995) respectively. In the past 5 decades, mangrove forest has reduced by 70% due to the use of chemicals in the war and the recent impact of industrial shrimp farming.

Thanks to various initiatives of growing trees and forests, especially the program for growing 5 million ha of forest has significantly increased forest coverage to 39.5% in 2010, and hopefully 47% in 2020. The area of forest has increased but is mainly unnatural due to human growth strategies resulting in poor quality forest. The expansion of rich forest has been negligible, and there is only 0.57% of primeval forest distributed in different areas, accounting for 8% of the total area of forest (which is 50% in Southeast Asia).

As for the diversity of species, in the Vietnam Red Book in 1992, only 721 species of plants and animals were threatened to a varying degree, which increased to 882 in 2007. However, many local plants and animals are contracting, such as rice, soybeans, corn, fruit trees, fish, pigs and chickens. This constitutes to an enormous loss in economic, scientific, environmental and human aspects at a regional and national level.

On the other hand, under the impacts of climate change, the degradation of ecosystems, especially submerged coastal land, will increase and, according to forecast, there will have a wave of extinction of plant and animal species with an unprecedented speed in the mid century.

The degradation of biodiversity leads to the decline in ecosystem-related services, directly affecting people's lives which increases natural disasters and environmental incidents. It will certainly be a big challenge to sustainable development.

### **Land resources**

Vietnam covers a total area of 33,120,000 ha, ranking 58 out of 200 countries in the world. Because of its large population, the land per capita is low (0.11ha/person), ranking 159 and equalling 1/6 of the world's average level. Arable land is low and is shrinking due to population growth, urbanization, industrialization and land use conversion.

This is worsened by the declined land quality due to i) erosion, land loss and landslides ii) chemical degradation (increasing salinity, soil acidification, soil aluming); iii) loss of nutrition (mineral salts and organic substances); iv) pollution, especially heavy metal salts and agricultural chemicals; vi) desertification. Recently, under the impacts of climate change, these above processes have been on the rise, especially the increase in salinity, desertification, erosion, land loss and landslides.

Land degradation will lead to the declined productivity of planting and animal husbandry as well as reduced vegetation and biodiversity. This, in turn, accelerates the process of land erosion and degradation. The accumulation of toxic substances and heavy metals in the land will increase the absorption of harmful elements in plants, animals, thus indirectly undermining people's health.



## Mineral resources

Vietnam possesses many kinds of minerals, most of which has small reserves. Many minerals have been overly exploited and are exhausted. The reserves of coal in the coastal lowlands will run out in 30 years. Similarly, crude oil in the continental shelf will run out in 20 years if no new reserves are discovered or without new technologies.

Unplanned exploitation of minerals has been causing serious consequences in many localities, such as waste and loss of natural resources, pollution or even environment destruction, rising labour accidents and social vices.

Mass export of minerals with wrong doings in export management has been observed, which is unsustainable as it affects the meeting of demands for natural resources of future generations.

## Environmental pollution

The environment in Viet Nam has been seriously degraded as a consequence of the wars (mainly agent orange/dioxin and unexploded remnants of war) . Environmental pollution has also been increasing due to the consequences of socio-economic development activities in the process of industrialization.

### Due to consequences of wars

Vietnam had endured wars against France and the United States, which left enormous consequences, particularly unexploded bombs and ordnances. The country has made great efforts to address this issue in recent , but given the long-term nature of the issue, it must be implemented via a long-term plan with support from the international community.

As for bombs and mines, and although the war has ended for decades, hundreds of thousands of unexploded bombs and mines still exist in 63 provinces and cities with 20% of the total area (figure 14). According to uncompleted statistics, unexploded bombs and ordnances have killed 42,132 people and wounded 62,163 others.

*Toxic chemicals* used during the war have left behind heavy, protracted consequences to human beings and the environment, especially veterans and the people in the areas directly affected. According to statistics, 3 million people nationwide were directly affected by toxic chemicals. Popular health problems of victims include paralysis or partial paralysis, those being blind, deaf, dumb, and those with mental deficiency, mental disorder, cancer, reproductive problems and inborn deformity. Some diseases may pass down to the second or third generation.

Chemicals were sprayed in 3 million ha, covering almost all ecosystems, from low the lands to the hilly and mountainous areas of five eco areas of the Northern and Central Part, Coastal – Central Part, Central Highlands, Eastern Southern areas and Western Southern areas with Eastern Southern areas most heavily affected. (Over 56% of the natural area was sprayed). According to experts, it may take as long as 50 – 200 years to fully recover the environment if scientific plans and solutions are provided.



Figure 14: Unexploded bombs and mines still exist in 63 provinces and cities  
(Source: <http://www.tienphong.vn>)



## Due to socio-economic development in industrialization process

In the past 5 years, the environment in Vietnam has seen five main issues, including increased pollution in the three basins of Cau River, Nhue River - Day River and Dong Nai River, increasingly serious pollution in cities, industrial parks and craft villages, and a threatened environmental security, including security of water resources, partially controlled transnational pollution, increasing foreign creatures and genetically modified creatures, exploitation of minerals causing environmental destruction and poor environment management, and an underperformed role of the community.

Environmental pollution has negatively affected the community's health, agricultural production, and caused economic losses and undermined the ecosystem.

The degrading environment that has been going on for a long time as a consequence of war and socio-economic development presents a serious challenge to Vietnam's sustainable development.

## Wasteful and ineffective production and consumption

Production and consumption have not yet conformed to the "environmentally friendly" policy. Due to the lack of financial and technical resources, many industries and localities, especially the fact that craft villages still use old technologies with a high consumption of energy and capital goods, even those which are prohibited abroad. This reduces the productivity and competitiveness of the economy. As for consumption, parts of the population enjoy a lifestyle of gratification and extravagance, especially the urban inhabitants. These problems place hurdles to Vietnam's move towards a green economy for sustainable development.

# GREEN GROWTH – THE WAY TO SUSTAINABLE ECONOMIC GROWTH

## Global trend

According to the UN Environment Program (UNEP), a green economy means one that raises people's living standard and enhances social equality while significantly reducing risks to the environment and ecosystem. To put it simply, a green economy must have low emission levels and efficiently use resources and move towards social equality.

In the context of exhausting global resources, reduced biodiversity, and increased environmental pollution and climate change, a green economy is seen as a new development model to settle simultaneously complex on-going problems. This new economic model recognizes the values and the role of investment in natural capital and job creation, which provides the foundation for poverty reduction. Instead of using fossil fuels, a green economy uses renewable energy and low-carbon technologies and encourages more efficient use of resources and energy.

Positive outcomes have been produced by initiatives promoted by the UN towards green economy, such as Climate Smart Agriculture (FAO), Clean Technology Fund (World Bank Fund), Green Jobs (ILO) Education for Sustainable Development (UNESCO), Green Medical Care Place (WHO), Green Technology Market (WIPO), Green IT Standards (ITU), Green Energy Solution (UN WTO), Resource Efficient and Greener Production (UNEP and UNIDO), Cities and Climate Change (UN HABITAT), Ship Recycling (IMO).

According to the UNEP, in 2009 the EU and the U.S. created 2-3.5 million jobs by constructing green buildings. China created 10 million jobs in the area of recycling and renewable energy with an annual revenue of US\$ 17 billion. The World Bank estimates that the investment in infrastructure of green economies, such as construction, energy, and transportation in developing countries may amount to US\$ 563 billion by 2030 together with US\$ 100 billion for the adaptation to climate change. These

statistics show that developing a green economy and creating green growth are strategies for sustainable development in the future.

### Vietnam's orientation for green growth

Currently, Green Growth is a key pillar of Vietnam's sustainable development strategy for 2011 - 2020 and aims to ensure efficient and sustainable growth while addressing - and mitigating climate change impacts.

Vietnam is currently developing its green growth strategy aimed to accelerate the process of economic restructuring towards the efficient use of natural resources, reducing greenhouse gases emissions through research and application of green, modern technologies, developing infrastructure to improve the overall efficiency of the economy, coping with climate change, contributing to poverty reduction, and creating the momentum for promoting sustainable economic development.

Vietnam's green growth strategy rests upon the following:

- Green growth is by people and for people and aims at harmonious living with the natural environment, contributing to poverty reduction and improving the well-being of all people.
- Green growth shall lead to increased investment in conservation, development and efficient use of natural capital, reduction of greenhouse gas emissions and improvement of environmental quality, and thereby stimulating economic growth.
- Green growth shall be based on scientific advancement, modern technology and high quality human resources which will be enhanced to improved governance of internal strengths with external cooperation.
- Green growth is the cause of the entire Party and the Government, ministries and localities, enterprises, social organizations, communities and all people.

**The overarching objectives of the Green Growth Strategy:** Green growth, as a mean to achieve the low carbon economy, will become the dominant trend in sustainable economic development which requires that mitigation of GHG emissions and increased capability to capture GHG are gradually becoming essential indicators in socio-economic development.

**The specific objectives of the Green Growth Strategy** are to change economic growth pattern in a way to take comparative advantages, improve efficiency and competitiveness of the economy, namely:

- Economic restructuring and institutional improvement by encouraging the efficient, utilization of natural resources by sectors to achieve higher added value, thus restructuring, restricting or gradually phasing out industries that require extensive resources and pollute environment.
- Invest and conduct research on broad application of advanced technologies to efficiently use natural resources, reduce greenhouse gas emissions and to contribute to an effective response to climate change;
- Improving people's living standards through job generation from green industry, agriculture, services and improving quality of life through the development of green infrastructure and environment-friendly lifestyle.

### Tasks for implementation of green growth in Vietnam:

To achieve the above mentioned objectives, green growth activities in the time to come will focus on the following three strategic tasks:

## Greening production with the following solutions:

- Greening production through master-plans and restructuring the economy, particularly limiting the development of sectors that create large amounts of waste, causing high levels of pollution and environmental degradation;
- Utilize natural resources economically and efficiently, especially water, land and mineral resources;
- To accelerate the development of green industries to enrich the natural capital, create jobs and improve quality of life of the people;
- Development of sustainable infrastructure;
- Innovate technologies and roll out cleaner production

## Reduce the intensity of greenhouse gas emissions per unit GDP and increasing renewable energy use with the following solutions:

- Improving energy performance and efficiency, reducing energy consumption in production, transportation and trade
- Changing fuel structure in the industries and transportation
- Promoting the effective exploitation of renewable and new energy sources to gradually increase the proportion of clean energy production and energy consumption of the country, reducing the dependence on fossil energy, strengthening energy security, environmental protection and sustainable development.
- Reducing greenhouse gas emissions through the development of sustainable and resource efficient agriculture, improve the competitiveness of agricultural production.

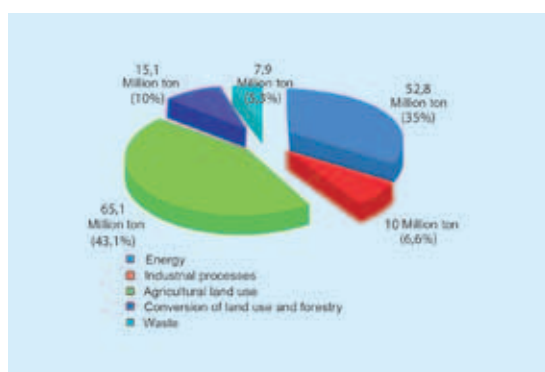


Figure 15: Statistics of greenhouse gas inventory in 2000 in each sector ( $CO_2$  equivalent)

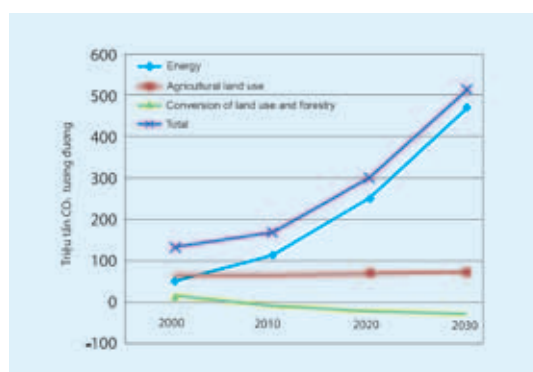


Figure 16: Greenhouse gas emission in 2000 in three main sectors and forecast for 2010, 2020 and 2030

## Greening lifestyle and sustainable consumption with the following solutions:

- Sustainable Urbanization: To improve competitiveness, harmonious development and to improve the quality of life for people, the urban planning and development and management need to meet the criteria for eco-efficiency and social security as cities are the driving force for green economic growth. Hence these criteria should aim at:
  - + Enhance the green economic growth and competitiveness;
  - + Increase employment opportunities;

- + Contribute to poverty eradication;
  - + Improve quality of life;
  - + Increase energy security;
  - + Rehabilitate the environment and
  - + Avoid future costs and risks.
- Develop new rural area with lifestyle in harmony with environment: Implementation of the national target program of building new countryside in the period 2010-2020 and in subsequent years, integrating economic growth with environmental protection and development of education, health, and cultural progress and social justice in rural areas should be given special attention to ensure sustainable rural development.
  - Promoting sustainable consumption and building green lifestyle: change the consumption pattern and behaviour towards sustainability of all three sectors, namely state sector, business sector and community.

## IMPROVEMENT OF INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

Institution plays an important role in successfully implementing the objectives of sustainable development at national, regional and global levels. If policies are to be effectively implemented, they must be supported by appropriate instructions for achieving sustainable development.

Following the World Summit in Rio in 1992, Vietnam has made significant efforts in establishing and developing a system of appropriate institutions to meet the demand of sustainable development. After the establishment of the National Plan for Environment and Sustainable Development for 1991-2000, the country has developed and issued “Orientation for sustainable development in Vietnam” in 2004. Localities and agencies have also developed and issued their own Agenda 21. To implement the orientation for Sustainable Development in Vietnam and international commitments, an array of policies and legal normative documents related to environment have been issued in economic, social and environmental areas. The system of state management agencies related to sustainable development at various level has been put in place in a unified manner, especially the system of environment management agencies. In 2005, Vietnam established the National Sustainable Development Council headed by the Deputy Prime Minister, followed by the establishment of the Sustainable Development Bureaus in some agencies and localities. However, limitations and problems still exist in Vietnam’s institutional framework that require continued improvement. Institutional reform in Vietnam will help ensure the effective implementation of Agenda 21 at national and local levels as well as in agencies. Institutional reform will also help enhance the effectiveness of the implementation of other economic, social and environmental protection policies, thus promoting sustainable development in Vietnam. In times to come, the Council for Sustainable Development will continue to be improved for better fulfilment of its advisory function to the Prime Minister on sustainable development. It is necessary to put in place an effective coordinating mechanism among organizations and institutions on sustainable development, such as the National Council for Sustainable Development, the National Sustainable Development Bureau, and Bureaus belonging to localities and agencies. This will help guarantee the effective implementation of policies on sustainable development. It is important that the three pillars of sustainable development be closely linked together and mainstreamed into sectoral strategies and socio-economic development plans.

Sustainable development in the future will continue to be a cross-cutting element of Vietnam’s long-term development strategy while green growth will be an important element of sustainable development,

which needs to be mainstreamed into a long-term development strategy to help reduce the impacts of climate change in the current period. The institutional framework for sustainable development needs to be continually reformed and improved over time to come in order overcome the irrelevant views, policies and actions in the past.

In the process of reform and completion of the institutional framework for sustainable development, it is necessary to fully observe the following guidelines:

- Vietnam's institutional framework must ensure the harmony among economic, social and environment elements of sustainable development, which is linked together by national institutions and in conformity with international practices. It must be implemented in large territorial areas, such as economic zones and river, basins towards development for the people in the future.
- The institutional framework for sustainable development in the future must have a long-term vision, and overcome the problem of policies being fragmented, such as quick-fixes, uncoordination among regions nationwide or being incompatible with Vietnam's international commitments. Particularly, the institutional framework must bring together important achievements while implementing Agenda 21 and conventions to which Vietnam is a party.
- In the new institutional framework, it is necessary to take into account solutions related to the legal framework and a modern organizational and management system.

**Regarding the system of legal regulations,** it is necessary to adopt a new Constitution, including amended provisions in accordance with the views on sustainable development, green growth and people's participation as the owner of the country. This must be carried out in a democratic manner with strong decentralization. Accordingly, laws and other legal documents must be revised to reflect the views on sustainable development, which is a cross-cutting guideline in the national development process. Especially, it is necessary to make adjustments to policies and regulations related to the promotion of economic restructuring for sustainable growth, job creation, increase people's income, enhance efficiency of the use of natural resources and environment protection as well as the development of a sustainable lifestyle, of production and consumption.

**In regards to the organizational and management system,** it is essential to set up a system of governance and oversight broadly involving the population and civil society organizations, ensuring a mechanism of power oversight and broad-based democracy. Regarding issues of vital importance, the entire people must be consulted by direct democratic mechanism.

## COMMITMENTS TO OTHER GLOBAL ISSUES

In the current global context where world population has reached 7 billion people, among whom 1.4 billion live with US\$ 1.25/day or less, 1.5 billion do not have access to electricity and 1 billion suffer from famine. Sustainable development is the unique way that allows people to share a life of adequacy in our planet. Rio+20 is the only opportunity to put the world into a long-term sustainable development focus which ensures the enhancement of the quality of life of the current generation without sacrificing the interest and needs of future generations.

Pressing issues will be discussed at Rio +20 are truly daunting challenges for sustainable at global and national level, including in Viet Nam.

### Employment issue

Job creation is an important policy of each nation which impacts on stability and economic development as well as on the development process of the country, especially in the context of global crisis.



For Vietnam, job creation is an imperative for society which helps enhance people's living conditions and to effectively use labour resources, along with restricting labour resources to meet the demand for industrialization and modernization. It is also the decisive factor for bringing into full play the people factor.

To achieve the objectives of the Socio-Economic Development Strategy by 2020, and the Socio-economic development plan 2011-2015. The development strategy of sectors and localities, and the labour-employment issue must be addressed in parallel with restructuring the national labour force. This is at the service of step-by-step economic restructuring towards high productivity, rapid and sustainable development and is a strategic breakthrough. In the meantime, unified fundamental and effective measures must be elaborated towards the goal set for 2011-2015, which is "create jobs for 8 million people with skilled employees reaching 55%; develop a variety of trades and crafts to generate a large number of jobs and income; encourage and create favourable conditions for workers to raise their skills and qualifications.

However, it is very difficult to realize this goal in the current context of global economic crises and economic restructuring.

## Energy issue

At present, humankind is confronted with two challenges related to energy:

- The sources of fossil fuels are exhausting. According to estimations, oil, natural gas and coal can only be available for exploitation for 40 years, 60 years and 20 years respectively.
- The use of fossil fuels has caused enormous greenhouse gas emissions, thus raising the greenhouse effects which is the main cause for global climate change. This is the biggest challenge for mankind in the 21<sup>st</sup> century and threatens the existence of humankind and the earth.

Therefore, the exploitation and use of renewable energy to replace fossil fuels is both an objective demand (because of exhaustion) and a pressing requirement to respond to climate change and protect the earth's climate system. Currently, the demand for energy in the world is rising. Despite the fact that renewable energy, especially solar, wind and bio energy, has many advantages, significant difficulties remain in discovering, extracting and using these sources of energy, including those on technology, costs and investment. Green growth will be a good solution for settling this issue.

Energy experts estimated that Vietnam would run into an energy shortage after 2012, thus becoming an energy importer. Vietnam's total energy imports will stand at 6.27 TOE,<sup>7</sup> 24.9 TOE and 62.8 TOE by 2015, 2020 and 2030 respectively. If no new sources of energy are discovered to balance the demand and supply, the external energy dependence will be 28.2% and 32.3% in 2020 and 2030 respectively. To settle this problem, Vietnam needs to exploit the existing potential in renewable energy and promote R&D for the country's future sustainable development. These sources of energy should reach 9-10% of the total demand. Scientific and technological solutions are also required to use energy efficiently.

Vietnam has been implementing a number of policies on efficient use of energy and the development of renewable energy, such as the Programme on Electricity Saving for 2006-2010, Law on Nuclear Energy in 2008, Law on the Efficient use of Energy, National Target Programme on the efficient use of Energy for 2006-2015, Cleaner Production Strategy until 2020, Project on Bio Fuel Development until 2015 and Vision 2025.

<sup>7</sup> TOE is the unit equivalent to 1 tonne of oil.





Solar Energy



Wind energy

*Figure 17: Potential of renewable energy resources are being researched for exploitation  
(Source: Viet Nam News Agency)*

Vietnam has enormous potential for renewable energy and has been making great efforts to survey, research and utilize solar energy, wind energy and bio energy for the country’s sustainable development (figure 17).

### Urban issue

With population growth and economic development, urbanization has been taking place in all countries, especially developing nations. In Asia, the urban population increased from 22.2% in 1965 to 34% in 2000. Vietnam is also a similar case. The number of cities increased rapidly from 500 in 1990 to 755 in 2011. The urban population increased from 19.1% in 1980 to 20.4% and 29.6% in 1992 and 2009 respectively. Urban population growth averaged 3.4% while that of rural areas was 0.4%. Urban development in third world countries, especially the Asia – Pacific region has always been accompanied by an array of issues related to society, nature and the environment.

In Vietnam, urban areas have contributed significantly to the country’s socio-economic development. However, because of both objective and subjective reasons, the urban system of Vietnam has revealed weaknesses that entailed consequences, such as lack of unified architecture, poor infrastructure, congested traffic and underground water and rivers being in danger of contamination as a consequence of waste. Increasing air pollution because of construction project dust, vehicle emissions, smoke from factories and other problematic social issues.

To settle this issue in a systematic and unified manner, Vietnam has adopted the “Amendments to the Master Planning for the development of the Vietnamese urban system until 2025, Vision 2050” towards ensuring the rational development of urban areas in 6 socio-economic zones attached to the development of key growth poles while also developing a network connecting various levels and city types. Accordingly, by 2015, priority will be given to the development of key economic zones, big urban areas and integrated economic zones to serve as national growth poles. In 2015 – 2025, priority will be given to the development of basic urbanized areas and the reduction of fragmented and localized urbanization. Between 2026 and 2050 the city network will be gradually developed.

The State has introduced a number of policies for sustainable urban development to bring about improvement to people’s lives in both rural and urban areas, including those living in the outskirts and areas being urbanized, especially policy to low-income people and those without stable jobs and without livelihood during urbanization.

## Food issue

The recent global food crisis has seriously affected people's lives in many countries, driving over 100 million people into poverty. The causes that triggered the crises include: i) Shrinking land for food production, leading to a drop to the lowest level of food reserves in the past 25 years; ii) climate change with strong impacts on agricultural production (causing increased natural disasters, diseases and reduced plants' productivity; iii) production of bio fuels from food to replace fossil fuels in response to climate change.

Vietnam is an agricultural country. In the past recent years, it has been maintaining the position of the largest or second largest rice exporter in the world. However, impacts of climate change have become more visible in nature, socio-economic situation, especially the two largest rice production areas of the Red River Delta and Mekong River Delta. Food security of the nation and the world will be threatened if no effective solutions to climate change are to be found.

The Vietnamese Government has formulated strategies and plans to respond to climate change, especially for the low-land coastal areas. It has developed the National target program on building new rural areas for 2010-2020 for agricultural development and ensuring food security. The National Assembly and the Government has adopted policies to maintain the land area for rice production, raise productivity of plants, enhance post-harvest management, and build a system of warehouses for stockpiling and processing food products. This is also aimed to ensure food security in case of natural disasters in the coastal areas as well as ensuring the interest of rice growers and enterprises engaged in purchasing, stockpiling, processing and doing food-related business

## Water issue

There is only 0.6% of the total water (fresh water, including both surface and underground water) that can be used for daily life and production. Because of the increasing population, the need for water has been growing and becoming unsustainable. Water resources in the world have become increasingly degraded and scarcer. The UN stated that "in the world, 2 billion people are always thirsty. One child dies every 8 seconds because of water-related diseases". In recent years, fresh water supply has been going down. Water demand in some regions has exceeded supply while water demand keeps increasing as a result of the growing population. Fresh water ecosystems with their uniqueness and high diversity are declining faster than the maritime and mainland ecosystems.

Vietnam's surface water resources are about low-average of the world levels. 60% of the water originates from abroad. The water use is unsustainable with serious conflicts between the needs for hydropower, irrigation and combating floods. The situation has been worsened recently because of climate change. Therefore, water becomes scarcer while water-related disasters (floods, droughts, desertification) tends to increase which seriously challenges Viet Nam's sustainable development especially in agriculture.

The National strategy on water resources until 2020 and the Sustainable development strategy for 2011 -2020 of Vietnam set out the objectives of protecting, effectively exploiting and sustainably using national water resources on the basis of integrated and unified management of water resources which ensures water security for socio-economic development and promoting cooperation with neighbouring countries in sharing trans-border water resources and to efficiently use and raise the cost-effectiveness of water resources. Water is viewed as a national asset and it is necessary to enhance the effectiveness of water management, prevent of degradation and recovery of water resources. To develop and implement programs and projects for the integrated management of river basins, upstream areas, underground water in the context of climate change. A series of issues needs to be addressed at transnational level and in the river basins involving different localities, countries that are prone to dispute.

## Maritime issue

Oceans makes up 70% of the earth and plays an important role in various aspects with regards to the nature and human life, such as moderation of climate and the supply of ecosystem services to ensure the circulation of energy flows, material cycles for the natural systems of the earth and the prosperous life of humankind.

Although with the potential regarding renewable energy sources, such as solar energy, wave energy, tidal energy and wind energy. Vietnam has yet to efficiently and effectively exploit these energy sources. On the other hand, economic activities of some sea areas have caused environmental pollution and serious degradation of maritime resources. Therefore, the 21st century has been viewed as the century of ocean and of advancement to the sea.

Vietnam a maritime country with one million square kilometres of economic exclusive zone, three times larger than the land area and a coastline of 3,260 km belonging to 29 provinces and cities. In the cause of national building and protection, the sea plays a very important role with close links to and has great impact on socio-economic development, defence, security and environment protection. Vietnam has recorded many achievements in exploiting and protecting the sovereignty of the sea and islands, especially in the economic area, such as oil and gas, fisheries, tourism and transportation. A number of coastal economic zones have been established with the area of 720,000 ha. The coastal areas and islands make up nearly half of GDP. Their share of GDP is increasing despite the fact that oil and gas extraction is being limited. The maritime issue is also linked to the policy of freedom of navigation, drawing the interest of countries in the region and the world. At present, ASEAN and China have agreed on moving towards a Code of Conduct in the East Sea.

To continue promoting the potential of the sea in the 21<sup>st</sup> century, Vietnam has issued “Vietnam maritime strategy until 2020”, which identifies the guiding principles for the country’s maritime strategy, including:

Firstly, Vietnam must be a country with maritime comparative advantages and wealth earned from the sea on the basis of promoting all potential from the sea and comprehensively develop maritime industries and trades with a diverse, modern infrastructure and rapid sustainable growth, high in effectiveness and a long-term vision.

Secondly, combine closely socio-economic development with the guarantee of security-defence, international cooperation and environment protection, development of coastal areas and islands with inland areas towards industrialization and modernization.

Third, mobilize all resources for socio-economic development and protection of sea environment with the guidelines of being proactive and open in order to effectively build on the internal resources to its full capacity. Solicit international cooperation, attract external resources under the principle of equality, mutual benefit, and firm protection of sovereignty and sovereign rights at sea and in the islands and contribute significantly to the process of industrialization and modernization.

The strategy’s overall goal until 2020 is for Vietnam to strive to become a country with maritime comparative advantages and wealth earned from the sea, firm protection of sovereignty and sovereign rights at sea and in the islands, contributing significantly to the process of industrialization and modernization to make the country wealthy and strong.

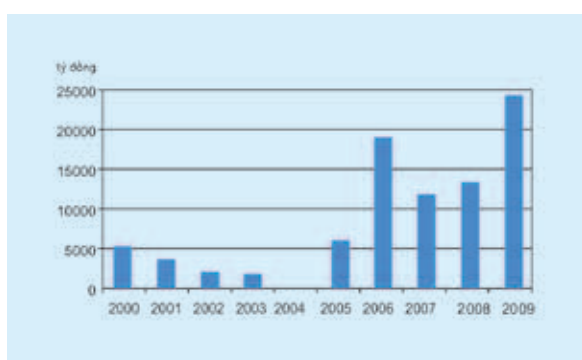
## Natural disaster issue

Climate change increases the intensity, the level of abnormality, and ferocity of natural disasters at a global level. According to the UN report, disasters in the world are at a highly alarming level. In the past three decades, the number of disasters has tripled. The number of victims of natural disasters

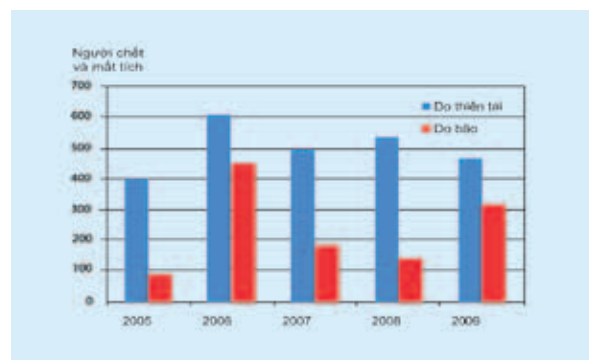
doubles every 10 years. Scientists believe that this is the consequence of climate change and it is partly caused by human beings.

In Vietnam, impacts of climate change have led to the increased intensity and abnormality of natural disasters (storms, floods, droughts and landslides etc) and the rise in sea levels and salinity intrusion heavily affects many areas and localities especially with regards to water resources, agriculture, health, and coastal areas.

Statistics show that between 1996-2008, 9,600 people were killed or missing due to natural disasters, such as storms, floods, flash floods, land slide droughts and other natural disasters. Material damage amounted to 1.5% of GDP (figure 18). In 2011, 295 people were killed and missing with damages totally 12,000 billion Vietnamese dong as a consequence of 7 storms and 7 tropical storms with low pressure. Natural disasters in Vietnam has been increasing both in scope and cycle of repetition with unpredictable phenomena.



Economic losses



Death tolls

Figure 18: Damage caused by natural disasters in 2000 - 2009

(Source: Bureau of the Steering Committee on prevention and control of floods and storms, 2010)

In addition to the National Target Program on response to climate change, Vietnam has announced its national strategy on the prevention, combat and relief of natural disasters. (2007). Marking a step forward in quality on the country's efforts in this field and in sustainable development on the basis of past experience and achievements of the world. Accordingly, the "Plan to implement the national strategy on the prevention, combat and relief of natural disasters until 2020" was approved to put in concrete terms for the programs and projects which aimed to realize the objectives of the Strategy, including:

- Enhancing the effectiveness of management which strengthens the connectivity and coordination in implementing action plans of localities and services in accordance with the views, principles and objectives of the strategy.
- Putting in concrete terms the action plan of the strategy and priority tasks, defining the contents, labour division and time frame for implementation and resources for each task contained in the action plan of the strategy.
- Mainstreaming plans into, connecting tasks of services and localities with prevention, combating and relief of natural disasters and the participation of the community and the people in implementing the objectives of the Strategy.
- Placing greater focus on non-structure solutions via enhanced institution policy, science and technology, forecast and warning, mobilization of the participation of the community and the people to effectively utilize the effectiveness of the state resources while soliciting all resources of the community, organizations and individuals in Viet Nam and abroad, for the task of prevention, combat and relief of natural disasters and ensuring the sustainable development of each region and each sector in the whole country.

## PART FOUR

# LESSONS AND RECOMMENDATIONS FROM VIETNAM

### LESSONS FROM VIETNAM

The above-mentioned sustainable development achievements are the aggregate result of various factors, most of which have become valuable lessons.

#### **The first lesson: Strong commitment of the government to sustainable development**

The most important lesson in Vietnam's sustainable development process is the Government's strong commitment and determination in the implementation of sustainable development objectives. From the central to local levels, Vietnam has been strongly committed to sustainable development with a systematic and aggregate approach; it has nationalized international sustainable development objectives and integrated them in national development strategies, plans and programs.

The Vietnamese Government has, at an early date, promulgated a National Plan on Environment and Sustainable Development for 1991-2000 and, since 1991, actively implemented it. The sustainable development approach has been asserted in successive Party Congresses' documents and the Socio-Economic Development Strategy for 2001-2010, namely "Rapid, efficient and sustainable development, with economic development linked to exercise of social progress and equity and environmental protection". It has been reconfirmed in the Socio-Economic Development Strategy for 2011-2020, namely "Rapid development linked to sustainable development, with sustainable development as a constant requirement in the whole Strategy".

Following the World Summit on Sustainable Development in Johannesburg, South Africa, the Government has promulgated Vietnam Agenda 21 and, recently, the Vietnam Sustainable Development Strategy for 2011-2020. Thorough implementation of sustainable development objectives is the responsibility of the entire government system from the central to local levels in Vietnam's socio-economic development. For the realization of sustainable development objectives, many directives, resolutions and normative legal documents have been promulgated and implemented. The Vietnamese Government has also made major efforts in deploying national target programs and action plans for the attainment of sustainable development and millennium objectives. The Government's sustainable development efforts have also been manifested in its signing and implementation of international sustainable development conventions and commitments. The establishment of the National sustainable development Council chaired by a Deputy Prime Minister testifies to the Government's strong commitment to the realization of sustainable development in Vietnam.

For the attainment of sustainable development objectives in Vietnam in the coming period, the Government has mapped out comprehensive solutions, namely: (i) Continuous perfection of the sustainable development institutional system; improvement of State governance over the country's sustainable development; (ii) Increase of financial resources for sustainable development realization; (iii) Information, education and raising of sustainable development awareness; (iv) Strengthening of



sustainable development management and implementation capacity; (v) Enhancement of the role, responsibility and participation of the business community, socio-political organizations, socio-professional organizations, non-governmental organizations and population communities in sustainable development implementation; (vi) Development of human resources for sustainable development; (vii) Enhancement of the role and impact of science and technology, acceleration of technological innovation in sustainable development implementation; (viii) Expansion of international cooperation.

### **The second lesson: Mobilization of main social groups for participation in sustainable development implementation**

Mobilization of the entire people for participation in sustainable development implementation constitutes one of the major and decisive factors for the success of the sustainable development process in Vietnam.

Vietnam has a system of diverse social, political and mass organizations, covering all major social groups, most of which at a nation-wide scope and with grassroots structures. Civil society organizations play a very important role in ensuring the sustainability of socio-economic development and environmental protection. Together with the civil society, Vietnam's business community also plays an important role in the sustainable development process. Vietnam has been able to mobilize the active participation of civil society organizations and the business community in the implementation of sustainable development objectives. Civil society organizations have chosen sustainable development and MDG objectives as orientations for their own activities. Their performance has attracted the broad participation of large sections of the population, making thereby active contributions to sustainable development.

The "bottom-up" approach in planning and policy-making testifies to possibilities for the people to join a consultancy process in the design and elaboration of development programs, policies and projects. With the new approach in planning and policy-making, the people are encouraged to take an active part in consultancy related to plans and policies. Through this process, citizens take their own part in the implementation of sustainable development objectives. Their participation has actively contributed to raising the efficiency of support resources utilization, and avoiding waste and leakage in spending which are inefficient or not conformable with development program stipulations.

From all of Vietnam's successes, a major lesson is promotion of democracy at the grassroots, creation of social consensus, activation of the entire nation's aggregate strength, and mobilization and efficient use of all resources for national development.

### **The third lesson: Combining internal resources with international cooperation**

After 20 years of renewal and implementation of sustainable development, especially over the last decade, Vietnam has promoted its internal synergy in association with external strengths through international cooperation and integration for the country's development. Vietnam has taken advantage of opportunities and favourable conditions, overcome many difficulties and challenges, especially negative impacts of two regional and global economic-financial crises, and registered great and very important achievements. Vietnam has lifted itself from underdevelopment, joined the group of middle-income developing countries, continued to preserve and consolidate a peaceful and stable environment, and created more favourable international conditions for further development. Vietnam has been actively and proactively engaged in international and regional integration, leading to considerable enhancement of the country's posture and strength; its international status has been heightened, creating important premises for accelerating national industrialization and modernization and raising the quality of the people's lives.

At present, international integration and cooperation represent both an objective condition and a subjective demand for the development of nations. Vietnam always stands for the association of national synergy with the strengths of our times, and of internal strength with international cooperation



for sustainable development. In its foreign relations, Vietnam's consistent approach remains "... proactive and active international integration; a friend, a reliable partner and a responsible member of the international community".

In the sustainable development process, Vietnam's approach is as follows:

- Vietnam stands for proactive and active participation in international cooperation activities related to sustainable development, and full implementation of international conventions to which it is a signatory. The Vietnamese Government stands for further implementation of renewal policies, attraction of participation by individuals and international organizations in the realization of the Strategic Orientation for Sustainable Development in Vietnam; enhanced cooperation in the fields of education and training, science and technology, especially for the transfer of clean and environmentally friendly production technologies.
- Through international dialogues and exchanges, Vietnam is to help establish efficient cooperation mechanisms, in order to sustain the existing development assistance while seeking for new aid with a view to joining efficiently international activities for global environmental protection, and making up for the economic losses incurred to Vietnam in the discharge of world environmental protection obligations.
- Vietnam stands for active participation in global forums and activities for environmental protection and sustainable development, expansion of linkages in the international community, especially in controlling greenhouse gas emissions, limiting pollution by chemicals and hazardous wastes, controlling their transboundary movements, and protecting the marine environment and biological diversity. Vietnam is to strive constantly for enhanced cooperation with other countries in Southeast Asia, Asia-Pacific and the world in sustainable development and environmental protection, while attaching importance to multilateral and bilateral cooperation for the sustainable development of the Mekong River basin; and close cooperation with donors and international organizations in the efficient use of official assistance for sustainable development objectives. The Party and the State are to encourage the overseas Vietnamese community, especially businesses and intellectuals, to join sustainable development undertakings in Vietnam.

A major lesson to Vietnam's development over recent times resides in the association of internal synergy promotion with international integration and cooperation. Association of national synergy with the strengths of our times constitutes an important factor for the successful sustainable development process in Vietnam.

## VIETNAM'S RECOMMENDATIONS

Vietnam considers sustainable development a constant task in its national development strategy. The major sustainable development achievements recorded by Vietnam over recent times are inseparable from the multi-faceted assistance of the international community. Together with national efforts in the process of renewal, integration and development, Vietnam shall actively and proactively join other countries and the international community in global sustainable development efforts.

### **Regarding sustainable development in general, Vietnam recommends that the United Nations:**

- Introduce a set of sustainable development objectives that reflects the harmony between the three aspects of sustainable development. Conforming with the principles of Agenda 21, is universal and applicable to all nations but leaves room for approaches as appropriate to individual nations in accordance with their respective backgrounds and conditions.
- Prioritize sustainable development in the allocation of resources in keeping with priorities and needs of developing countries and increase considerably grants to developing countries for the

implementation of sustainable development; enhance technology transfer, training and human resources development from developed to developing countries for the attainment of sustainable development objectives.

- Enhance cooperation/coordination at the national, regional and international levels in the implementation of sustainable development and oversee resources for sustainable development.
- Increase the participation of main social groups in the implementation of sustainable development.
- Enhance the capacity and participation of scientists from developing countries in global processes for sustainable development evaluation.
- Strengthen close cooperation among international economic and financial organizations to ensure that developing countries, especially least developed countries, can benefit from advantages of multilateral trade systems and integration in the global market.

**Regarding a green economy in the context of sustainable development and poverty reduction, Vietnam recommends that the United Nations:**

- Introduce a uniform concept on a green economy.
- Elaborate and implement global and regional institutions and policies, and mechanisms for enhanced multilateral and regional cooperation targeting green economic development.
- Establish an international forum for the sharing of knowledge and experience in the elaboration and implementation of global and regional institutions and policies targeting green economy realization.
- Coordinate with other international organizations concerned in providing support to developing countries, including Vietnam.
- Enhance support in technology transfer, technical assistance, training and human resource development from developed to developing countries for green economy realization.

**Regarding the institutional framework for sustainable development, Vietnam has the following recommendations:**

- The United Nations should further enhance the roles and tasks of all levels in sustainable development realization and consolidate and develop a system of UN agencies related to regional sustainable development.
- Reform and enhance the roles of the United Nations Economic and Social Council (ECOSOC), the United Nations Commission on Sustainable Development (UNCSD) and the United Nations Environment Program (UNEP). Enhance the capacity of UNEP or establish a specialized UN agency on environment.
- Enhance the institutional capacity in sustainable development of governments and national sustainable development councils through technical assistance packages.
- Promote institutional frameworks for enhanced cooperation and investment in environmental, economic and social fields between developed and developing countries.

**At the same time, Vietnam wishes to receive continued support from other countries, international organizations and friends in the following domains:**

- Ensure comprehensive coordination in sustainable development policies and collective efforts in issues related to sustainable development at the interstate, Southeast Asian, Asia-Pacific and

international levels in order to respond jointly to climate change and move toward green growth, thereby protecting and preserving the Earth – the common home of humankind.

- Increase Official Development Assistance (ODA) while diversifying forms of aid to Vietnam both in material resources and in counselling and experience sharing, with a view to helping Vietnam ensure an ever better and more comprehensive implementation of its national sustainable development strategy, including elaboration and realization of a Green Growth Strategy, assured sustained growth, sustainable poverty reduction, successful response to adverse impacts of climate change, thus moving further ahead with sustainable development.

# CONCLUSION

Over the past twenty years, especially the last decade, Vietnam has taken advantage of opportunities, overcome many challenges, implemented national sustainable development projects and recorded great achievements in the economic, social and environmental fields.

The country has risen out of underdevelopment, and its physiognomy has seen many changes. The economy has grown fairly rapidly, the people's material and spiritual life has been markedly ameliorated. The institution of socialism-oriented market economy has been further improved. Important successes have been registered in various cultural and social fields, and democracy in society further broadened. Environmental protection activity has been given attention, and progress made in certain aspects. Socio-political stability has been maintained. International economic integration has seen many achievements. Vietnam's position on the international arena has been heightened, creating major premises for sustainable development and raising the quality of the people's life.

The above-mentioned outstanding achievements result from an aggregate of many factors, of which a major component is Vietnam's strong commitment and determination in implementing sustainable development objectives. This commitment and determination has been concretized into mechanism and policy innovations; and integration of sustainable development objectives in national socio-economic development objectives. The process of renewal and sustainable development in Vietnam has been undertaken on the basis of maximal mobilization of internal resources, activation of participation and contribution by the people of all strata, and efficient mobilization and use of assistance from the community of international donors.

Besides the achievements, shortcomings and inadequacies remain in sustainable development implementation. Achievements do not match potentials. The quality, productivity, efficiency and competitiveness of the economy are still poor. Economic growth has relied largely on extensive development factors, and is slow to shift to intensive development. Resource mobilization and use efficiency remain limited; wastefulness and leakages are sizeable and investment efficiency is low. Consumption of raw materials and energy remains enormous. The exploitation and use of natural resources are yet to be rational and thrifty. Macro-economic balances are not yet steady, budgetary and trade deficits are still large, and inflation is still high. Many inadequacies remain in the cultural and social fields, a number of which are pressing and social vices tend to increase; traffic jams and accidents are serious; corruption is yet to be repelled; the quality of education and training, especially higher education and vocational training, is low and slow to be improved. Hospitals are overcrowded and the quality of medical services is poor. The ecological environment has been gravely polluted in many places.

At the present stage, sustainable development in Vietnam is faced with many sizeable difficulties and challenges of global dimensions: financial and energy crises, food security and climate change, as well as subjective challenges to the country. Vietnam will keep implementing sustainable development objectives and international commitments through the following holistic solutions: (i) Further improvement of the system of sustainable development institutions; amelioration of the quality of state governance over the country's sustainable development; (ii) Increase of financial resources for sustainable development implementation; (iii) Dissemination of information and education to raise awareness on sustainable development; (iv) Enhancement of sustainable development management and implementation capacity; (v) Heightening of the role and responsibility of the business community, socio-political organizations, socio-professional organizations, non-governmental organizations, population communities, and augmentation of their participation in sustainable development implementation; (vi) Development of human resources for sustainable development implementation; (vii) Enhancement of the role and effect of science and technology and the promotion of technological innovation in sustainable development implementation; (viii) Expansion of international cooperation.

Vietnam wishes to continue receiving the cooperation and assistance in all fields from the international community, and the latter's partnership along the road to green growth, sustainable poverty reduction, and successful response to climate change impacts, thus enabling the country to move ahead with sustainable development.

# APPENDICES

## Appendix 1

### Major landmarks in institutional development and participation in international conventions related to sustainable development (1991-2012)

#### Box 1

#### Major landmarks in institutional development related to sustainable development (1991-2012)

- |      |  |
|------|--|
| 1991 | Law on Environmental Protection; National Plan on Environment and Sustainable Development 1991-2000; Law on Forest Protection and Development.   |
| 1992 | Establishment of Ministry of Science, Technology and Environment.  |
| 1993 | Law on Environmental Protection; Petroleum Law; Decree on Veterinary Medicine; Ordinance on Vegetal Protection and Quarantine; establishment of Environmental Protection Department under Ministry of Science, Technology and Environment.   |
| 1994 | Decision No. 175/CP guiding implementation of Law on Environmental Protection.   |
| 1995 | National Action Plan on Biological Diversity.  |
| 1998 | National Target Program on clean water and rural environment hygiene; Ordinance of Radiation Safety and Control; Directive No. 36-CT/TW of June 25th, 1998 of Politburo on enhancing environmental protection in period of national industrialization and modernization; Law on Water Resources.   |
| 1999 | Strategy on management of solid waste in Vietnamese cities and industrial parks till 2020; Regulations on management of hazardous waste.   |
| 2000 | Petroleum Law (amended).   |
| 2001 | Vietnam National Action Program for children 2001-2010.  |
| 2002 | National Target Program on Population and Family Planning until 2005; establishment of Ministry of Natural Resources and Environment.  |
| 2003 | National Target Program on education and training until 2010; Vietnam Strategy on administration of nature conservation parks and Law.   |
| 2004 | Strategic Orientation for Sustainable Development in Vietnam (Vietnam Agenda 21); National Strategy on environmental protection till 2010 and Orientation until 2020; Law on forest protection and development (amended); Resolution No. 41-NQ/TW of Politburo on environmental protection in the period of national industrialization and modernization; Action Program to combat trafficking of women and children 2004-2010.  |
| 2005 | Vietnam National Action Program on the elderly 2005-2010; Regulations on formulating and implementing National Trade Promotion Program 2006-2010; Government Action Program for implementation of Resolution No. 46-NQ/TW of February 23rd, 2005 of Politburo on protection, care and improvement of people's health in new situations; Decision on formulating National Program for human resources development till 2020; Government Action Program for implementation of Resolution No. 39-NQ/TW of August 16th 2004 of Politburo on socio-economic development and national defence and security maintenance in Northern Central Vietnam and Central Vietnam coastal areas until 2010; Program for developing sports and physical training in rural communes, urban wards and townships until 2010; National Program on information technology; Government Action Program for implementation of Resolution No. 37/2004/QH11 of the National Assembly, 11 <sup>th</sup> Tenure, 6th Session, on education; Program on support for businesses' intellectual property development; Program on trade promotion in key areas till 2005; Government Action Program for implementation of Resolution No. 41-NQ/TW of November 15th, 2004 of Politburo on environmental protection in period of accelerated national industrialization and modernization; National Plan for environmental pollution control until 2010; Law on Minerals (amended). |
| 2006 | Government Action Program for implementation of Law against Corruption; Inter-sectoral coordination program against prostitution 2006-2010; National Target Program on thrifty and efficient use of energy 2006-2010; National Strategy on water resources until 2020; Program for electricity economization 2006-2010; Program on population allocation in areas prone to natural calamities, problematic localities, border regions, islands, unorganized migration destinations, critical or very critical parts of protective forests, and special-use of forests under intensive protection from 2006-2010, and orientations until 2015; National Action Program to combat desertification 2006-2010 and orientations until 2020; National Program on labour protection, labour safety and labour hygiene until 2010; Program for surveying, evaluating and monitoring forest resources evolution 2006-2010 (Cycle IV); National Target Program on clean water and rural environmental hygiene 2006-2010; Vietnamese strategy on forestry development 2006-2020.  |



### Box 1

#### Major landmarks in institutional development related to sustainable development (1991-2012)

- 2006 Government Action Program for implementation of Law against Corruption; Inter-sectoral coordination program against prostitution 2006-2010; National Target Program on thrifty and efficient use of energy 2006-2010; National Strategy on water resources until 2020; Program for electricity economization 2006-2010; Program on population allocation in areas prone to natural calamities, problematic localities, border regions, islands, unorganized migration destinations, critical or very critical parts of protective forests, and special-use of forests under intensive protection from 2006-2010, and orientations until 2015; National Action Program to combat desertification 2006-2010 and orientations until 2020; National Program on labour protection, labour safety and labour hygiene until 2010; Program for surveying, evaluating and monitoring forest resources evolution 2006-2010 (Cycle IV); National Target Program on clean water and rural environmental hygiene 2006-2010; Vietnamese strategy on forestry development 2006-2020.
- 2007 National Target Program on poverty reduction 2006-2010; Government Action Program for implementation of Resolution of Party Central Committee (10<sup>th</sup> Tenure), 4th Session, on major decisions and policies targeting rapid and sustainable economic development following Vietnam's accession to the World Trade Organization; National Target Program to combat social diseases, dangerous epidemics and HIV/AIDS 2006-2010; Vietnam Strategy on forestry development 2006-2020; Law on chemicals; Project on bio-fuel development until 2015 and vision until 2025.
- 2008 National Target Program on education and training until 2010; Program on support for rapid and sustainable poverty reduction in 61 poor districts; Inter-agency and circular guiding management and use of budgets allocated to National Target Program on education and training till 2010; Decision promulgating Vietnam Regulations on administration of marine conservancy zones of national and international importance; National Target Program on response to climate change; Law on atomic energy; Law on biological diversity; Petroleum Law (amended).
- 2009 Circular guiding elaboration of agricultural and forestry extension schemes under the program of support for rapid and sustainable poverty reduction in 61 poor districts; Trade promotion program; Law on urban planning; Government Decision on overall management of resources and protection of marine and insular environment; Program to combat diseases and disabilities in establishments of the national education system; Decision on utilization of state investment credits for continued implementation of programs for irrigation, canals, solidification, and for development of rural communication lines, aquaculture infrastructures and craft village infrastructures in rural areas 2009-2015; Strategy on cleaner industrial production till 2020; Vietnam strategic orientation for water resources development; Law on natural resources tax; Government Resolution on ensuring national food security; Scheme on environmental industries development.
- 2010 Law on thrifty and efficient use of energy; Law on minerals (amended); Law on environmental protection tax; National Program for high-tech development until 2020; Regulations on administration and implementation of inter-sectoral program on legal assistance to businesses 2010-2014; Decision on establishment of Steering Committee for formulation of sustainable poverty reduction program 2011-2020; National Target Program on new countryside building 2010-2020; National Program on "Raising productivity and quality of products and commodities of Vietnamese businesses until 2020"; Inter-sectoral program on legal assistance to businesses 2010-2014; Program on checking schemes on new countryside building; National Action Program on overcoming post-war consequences of ordnance 2010-2025.
- 2011 Key state program on science and technology 2011-2015 (Science and technology serving National Target Program to respond to climate change); National Strategy on climate change; Support Program to respond to climate change (SP-RCC); Establishment of National Committee on climate change.
- 2012 List of National Target Programs 2012-2015; Vietnam sustainable development strategy 2011-2020; Vietnam green growth strategy 2011-2020 and vision until 2050 (draft); Strategy on clean technologies development and use (draft).

## Box 2

### International commitments made by Vietnam on environmental protection and sustainable development (1989-2012)

1989	Ramsar Convention on Wetlands of International Importance.
1991	International Convention for the Prevention of Pollution from Ships (MARPOL)
1992	Rio Declaration on Environmental Protection and Development; Global Agenda 21; UN Framework Convention on Climate Change.
1993	Vietnam joined the World Nature Conservation Association.
1994	Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); Montreal Protocol on Substances that Deplete the Ozone Layer; Vienna Convention for the Protection of the Ozone Layer; UN Convention on the Law of the Sea; Convention of Biological Diversity.
1995	Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal.
1998	UN Convention to Combat Desertification; Kyoto Protocol.
1999	International Declaration on Cleaner Production.
2000	Implementation of Millennium Development Goals.
2002	Follow-up agreements on sustainable development at the World Summit on Sustainable Development in Johannesburg.
2006	Vietnam joined the World Trade Organization

## Appendix 2

### Key targets for assessing Vietnam's MDG progress

	Targets	Year 1990	Year 2005	MDGs 2010 Report	Prospects for achievement in 2015
<b>Goal 1: Eradicate extreme poverty and hunger</b>					<b>Achieved</b>
1	Poverty rate	58% (1992)	19.5% (2004)	14.5% (2008)	
2	Poverty gap ratio	18.4% (1993)	4.7% (2004)	3.5% (2008)	
3	Under-five malnutrition rate	41%	25.3%	18.9% (2009)	
<b>Goal 2: Achieve universal primary education</b>					<b>Achieved</b>
1	Net enrolment rate in primary education	87%	95%	97% (2009)	
2	Primary school completion rate		85.6%	88.5% (2009)	
3	Net enrolment rate in lower secondary education		81%	83.1% (2009)	
<b>Goal 3: Promote gender equality and empower women</b>					<b>Achieved</b>
1	Percentage of school girls at primary school level	47.7% (1998)	47.7%	47.9% (2009)	
2	Percentage of school girls at lower secondary school level	47% (1998)	47.9%	48.5% (2009)	
3	Percentage of school girls at upper secondary school level	46.4% (1998)	48.9%	52.6% (2009)	
4	Percentage of women deputies in the National Assembly	18.48% (IXth session, 1992-1997 term)		25.76% (XIth session, 2007-2011 term)	
5	Percentage of women's representation in provincial People's Councils	21.1% (1999-2004 term)		23.9% (2004-2009 term)	
6	Percentage of women's representation in district People's Councils	21% (1999-2004 term)		23% (2004-2009 term)	
7	Percentage of women's representation in commune People's Councils	16.1% (1999-2004 term)		19.5% (2004-2009 term)	
<b>Goal 4: Reduce child mortality</b>					<b>Achievable</b>
1	Under-five mortality rate	58‰	27.3‰	24.4‰ (2009)	
2	Infant mortality rate	44.4‰	26.0‰	16‰ (2009)	
<b>Goal 5: Improve maternal health</b>					<b>Strive to achieve</b>
1	Maternal mortality rate over 100,000 live births	233	80	69 (2009)	

	Targets	Year 1990	Year 2005	MDGs 2010 Report	Prospects for achievement in 2015
2	Births attended by trained health workers		92.71% (2006)	94.8% (2009)	
3	Contraceptive use among women aged from 15 to 49	73.9% (2001)		80% (2008)	
4	Pregnant women receiving more than three pre-natal checks		84.3%	86.4% (2008)	
<b>Goal 6: Combat HIV/AIDS, malaria and other diseases</b>					<b>Difficult but strive to achieve</b>
1	HIV Prevalence			0.28% (estimated)	
2	HIV prevalence over 100,000 people			187 (2009)	
3	Number of adults receiving ARV		7,812 (2006)	36,008 (2009)	
4	Number of children receiving ARV		428 (2006)	1,987 (2009)	
5	Number of malaria patients	293,000 (2000)		60,867 (2009)	
6	Number of deaths by malaria	71 (2000)		27 (2009)	
7	Number of tuberculosis (AFB) positives over 100,000 people		65 (2007)	46 (2009)	
8	Percentage of new tuberculosis patients recovering after treatment		89.9% (2007)	89.8% (2009)	
<b>Goal 7: Ensure environmental sustainability</b>					<b>Difficult to achieve</b>
1	Forest coverage	27.8%	37%	40% (2010 estimated)	
2	Proportion of rural population with access to safe drinking water	30%		79% (2009)	
3	Rural households with sanitary Patrines	20%		43% (2009)	
4	Households with temporary shelters	22.7% (1999)		7.8% (2009)	
<b>Goal 8: Develop a Global Partnership for Development</b>					<b>Achievable to some extent</b>
1	Total trade volume (million USD)		69,206	127,045	
2	ODA commitments (million USD)	2,400 (2000)	3,748	8,064 (2009)	

(Source: Ministry of Planning and Investment)

## Appendix 3

### Results of pursuing main targets of The Five-Year Socio-Economic Development Plan (2006 - 2010)

No	Target	Unit	Realization 2001-2005	Target 2006-2010	Realization 2006-2010
1	GDP by 2010 comparative price against 2000	Times	1.4	2.1	2
2	Average annual GDP growth rate	%	7.5	7.5 - 8.0	7.0
3	Average per capita GDP by end of plan	USD	642	1,050 – 1,100	1,168
	<b><i>Sectoral structure in GDP by 2010</i></b>				
4	- Agriculture, forestry and fishery	%	21	15 – 16	20.6
5	- Industry and construction	%	41	43 – 44	41.1
6	- Services	%	38	40 – 41	38.3
7	Average export value growth rate	%	17.9	16.0	17.3
8	Annual GDP contribution to state budget	%	24.9	21 - 22	22.4 <sup>5</sup>
9	Total social investment compared with GDP	%	39	40	42.7
10	Population growth rate	%	1.3	1.14	1.05
11	Agricultural, forestry and aquacultural work hands in total social labour force	%	57.1	<50	48.7
12	Job placement	million	7.5	8	8.7
13	Urban unemployment rate	%	5.3	<5	4.29
14	Poor household ratio	%	20.2	10 – 11	9.45
15	Localities achieving primary education universalization	provinces, cities	31	63	63
16	Trained labour in total social labour force	%	25	40	40
17	Under-five malnutrition	%	25	<20	18
18	Forest coverage	%	37.4	42 – 43	39.5

<sup>5</sup> Ratio of taxes and fees in state budget (excluding price fluctuation factor)



No	Target	Unit	Realization 2001-2005	Target 2006-2010	Realization 2006-2010
19	Rural inhabitants supplied with safe water	%	62	75	83
20	Urban inhabitants supplied with clean water	%	70	95	76
21	Industrial & export processing zones operating with central environmentally conformable liquid waste treatment systems	%	45	100	55

*(Source: Ministry of Planning and Investment)*

## Appendix 4

### Indicators for monitoring and assessing sustainable development in Vietnam 2011-2020

No	Norm	Agency responsible for data compilation	Roadmap	2010	2015*	2020**
<b>I. Overall Indicators</b>						
1	Green GDP (VND or USD)	Ministry of Planning and Investment (General Statistics Office)	2015	-	-	-
2	Human Development Index (HDI) (0-1)	Ministry of Planning and Investment (General Statistics Office)	2015	0.733	World's fairly good group	World's medium-high group
3	Environmental Sustainability Index (0-1)	Ministry of Planning and Investment (General Statistics Office)	2015	-	-	-
<b>II. Economic Indicators</b>						
4	Incremental Capital Output Ratio (ICOR)	Ministry of Planning and Investment (General Statistics Office)	2011	5.27	<5.0	<5.0
5	Social labour productivity (USD/worker)	Ministry of Planning and Investment (General Statistics Office)	2011	1,917	3,900-4,000	6,100-6,500
6	Ratio of total factor productivity in overall growth rate (%)	Ministry of Planning and Investment (General Statistics Office)	2015	28.2	30.0	35.0
7	Decrease in energy consumption per unit of GDP (%)	Ministry of Planning and Investment (General Statistics Office)	2015	-	2.5-3%/year	2.5-3%/year
8	Ratio of renewable energy in energy use structure (%)	Ministry of Industry and Trade	2011	3	4	5
9	Consumer Price Index (CPI) (% compared with December previous year)	Ministry of Planning and Investment (General Statistics Office)	2011	11,75	5-year average <10	5-year average <5
10	Current balance (billion USD)	State Bank	2011	- 3.524 (2011)	-3.1	<-3.0
11	State budget deficit (%/GDP)	Ministry of Finance	2011	5.53	4.5	<4.0
12	Government debt (%/GDP)	Ministry of Finance	2011	45.7	60 - 65	<55.0
13	Foreign debt (%/GDP)	- Sponsoring: Ministry of Finance – Coordinating: State Bank	2011	42.2	<50.0	<50.0
<b>III. Social Indicators</b>						
14	Poverty rate (%)	Ministry of Planning and Investment (General Statistics Office)	2011	10%	average reduction 1.5-2%/ year	Average reduction 1.5-2%/ year
15	Unemployment rate (%)		2011	2.88	< 3.00	< 3.00
16	Trained labour ratio (%)		2011	40	55	>70

No	Norm	Agency responsible for data compilation	Roadmap	2010	2015*	2020**
17	Gender inequality in income distribution (Gini Index) (times)		2011	0.425	<0.5	<0.5
18	Sex ratio at birth (boy/100girls)		2011	111	113	115
19	Number of students per 10,000 inhabitants		2011	200	300	450
20	Number of internet subscribers per 100 inhabitants		2011	30	8,5 (Broad band)	20 (Broad band)
21	Ratio of beneficiaries of social insurance, health insurance, unemployment insurance (%)	Vietnam Social Insurance	2011	Social: Health: 60 Unemployment:	Social: 38 Health: 75 Unemployment: 73	Social: 51 Health: 80 Unemployment: 84,5
22	Death from traffic accidents (deaths/100,000 inhabitants/year)	Ministry of Public Security	2011	13	11	9
23	Ratio of communes achieving new countryside norms (%)	Ministry of Agriculture and Rural Development	2015	-	20	50
<b>IV. Indicators in natural resources and environment</b>						
24	Forest coverage (%)	Ministry of Agriculture and Rural Development	2011	39.7	42 - 43	45
25	Protected land, where biodiversity is preserved (%)	Ministry of Natural Resources and Environment	2011	7.6 (2.5 million ha)	-	-
26	Degraded land (million ha)	Ministry of Natural Resources and Environment	2015	9.3	-	-
27	Underground and surface water decreasing rate (m <sup>3</sup> /person/year)	Ministry of Natural Resources and Environment	2011	2,098m <sup>3</sup> /person/year	-	1,770m <sup>3</sup> /person/year
28	Rate of days when noxious substance density in atmosphere surpasses allowable levels (%)	Ministry of Natural Resources and Environment	2011	-	-	-
29	Rate of cities, industrial parks, export processing zones, industrial clusters with solid and liquid waste treatment systems meeting corresponding national technical norms or stipulations (%)	- Sponsoring: Ministry of Construction - Coordinating: Ministry of Natural Resources and Environment & Ministry of Industry and Trade	2011	50	60	70
30	Rate of solid waste collection and treatment meeting corresponding national technical norms or stipulations (%)	- Sponsoring: Ministry of Construction - Coordinating: Ministry of Natural Resources and Environment	2011	83	85	90

(Source: Vietnam Sustainable Development Strategy 2011-2020)

## Appendix 5

### Current legal foundations for recommendations on reduction of greenhouse gas emissions, increase in energy efficiency, and efficient shift in fuel

Legal documents	Related contents and indications
<p><b>Prime Minister's Decision No. 1208/QĐ-TTg on July 21<sup>st</sup>, 2011 approving National Electricity Development Master Plan 2011-2030</b></p>	<p><b>GDP by 2010 comparative price against 2000 Objectives and targets:</b></p> <ul style="list-style-type: none"> <li>- Prioritize renewable electricity development. Increase renewable electricity share to 4.5% and 6.0% by 2020 and 2030, respectively.</li> <li>- Reduce electricity resilience to 1.5 and 1.0 by 2015 and 2020, respectively.</li> <li>+ Wind electricity to account for 0.7% and 2.4% by 2020 and 2030, respectively.</li> <li>+ Biomass electricity to account for 0.6 and 1.1 by 2020 and 2030, respectively.</li> <li>+ Hydro-electricity capacity to increase nearly twofold (17,400/9,200MW) by 2020.</li> <li>+ Nuclear electricity to account for 10.1% by 2030.</li> </ul>
<p><b>Prime Minister's Decision No. 1855/QĐ-TTg on December 27<sup>th</sup>, 2007 approving National Electricity Development Strategy of Vietnam until 2020, vision 2050</b></p>	<p><b>Objectives and targets:</b></p> <p>Strive to increase share of renewable electricity to around 5% by 2020, and around 11% by 2050, and map out orientation for establishment of energy development funds in support of investment in new and renewable energy development, implementation of public utility projects.</p>
<p><b>Prime Minister's Decision No. 2149/QĐ-TTg on December 17<sup>th</sup>, 2009 approving National Strategy on overall management of solid waste until 2025, vision 2050.</b></p>	<p><b>Approach:</b> "Those that pollute shall pay". By 2050, treatment of 100% solid waste with advanced technologies.</p> <p><b>Objectives and targets:</b></p> <ul style="list-style-type: none"> <li>+ By 2015: 60% recycled, reused, and energy recovered.</li> <li>+ By 2020: 85% recycled, reused, and energy recovered.</li> <li>+ By 2025: 90% recycled, reused, and energy recovered.</li> <li>+ By 2050: 100% recycled, reused, and energy recovered.</li> </ul>
<p><b>National Strategy on Climate Change (promulgated on December 5<sup>th</sup>, 2011)</b></p>	<p><b>Targets:</b></p> <p>Low-carbon economy, green growth to become leading trend in sustainable development; reduction of greenhouse gas emissions and increase of greenhouse gas absorption capacity to gradually become mandatory targets in socio-economic development.</p> <p><b>Strategic task: Reduction of greenhouse gas emissions</b></p> <ul style="list-style-type: none"> <li>+ Development of renewable and new energy</li> <li>+ Economical and efficient use of energy</li> <li>- Application of advanced technologies to increase electricity generation output and reduce greenhouse gas emissions at all newly built thermo power plants; deployment of small-sized electricity generation system using methane recovered from waste landfills and other sources.</li> <li>- Raise use efficiency, effect energy economization and conservation.</li> </ul> <p><i>Industrial production and construction</i></p> <ul style="list-style-type: none"> <li>- By 2020, application of cleaner production technologies in about 50% industrial production entities, economization by 8-13% consumption of energy, raw materials, fuel, and other inputs.</li> <li>- By 2050, application of cleaner production technologies and energy economization in most industrial production entities.</li> </ul>

Legal documents	Related contents and indications
	<p><i>Communication and Transport</i></p> <p>- Use of fuels with low greenhouse gas emissions in communication means; shift to use of new energy with low greenhouse gas emissions to account for 40% by 2020 and 80% by 2050.</p> <p><i>Agriculture</i></p> <p>Changes in agricultural cultivation methods, management and use of livestock breeding waste, use of biogas as fuel to reduce pollution and greenhouse gas emissions: Deployment, dissemination and large-scale implementation by 2020 and fulfilment by 2050.</p>
<p><b>Decision No. 79/2006/NĐ-CP on April 14<sup>th</sup>, 2006 approving National Target Program on economical and efficient use of energy.</b></p>	<p><b>Targets:</b></p> <p>Strive for a 5% - 8% economization of total energy consumption in 2011 - 2015 compared with current forecasts on energy development and socio-economic development according to normal development options.</p>
<p><b>Prime Minister's Decision No. 130/2007/QĐ-TTg on August 2<sup>nd</sup>, 2007 on certain financial mechanisms and policies concerning investment projects in clean development mechanism (CDM).</b></p>	<p><b>Article 6.</b> Rights and obligations of investors in CDM project elaboration and implementation.</p> <p>a) Preferential treatment in taxes; land use fees, land rental rates; fixed asset amortization; state investment credits in accordance with stipulations.</p> <p>b) Eligibility for subsidy on priority CDM products.</p> <p>c) Eligibility for financial support in project formulation in accordance with current legal stipulations.</p>
<p><b>Prime Minister's Decision No. 177/2007/QĐ-TTg on November 20<sup>th</sup>, 2007 approving "Master Plan on bio-fuel development until 2015, vision 2025".</b></p>	<p>- By 2015, ethanol and vegetable oil output at 250,000 tons (miscibility for 5 million tons of E5/B5), meeting 1% of country's fuel needs;</p> <p>- By 2025, ethanol and vegetable oil output at 1,8 million tons, meeting around 5% of country's fuel needs.</p>



## Appendix 6

### Vietnam's renewable energy potentials

Renewable energy	Vietnam's potentials
<b>Small-sized hydroelectricity (capacity ≤ 30MW)</b>	Over 1,000 localities with total capacity >7,000 MW have so far been identified as technically potential. Apart from integrated small-sized hydroelectricity projects, numerous mini hydroelectricity projects in all mountainous areas with an individual capacity of <0.1 MW meet well electrical demands in remote and hinterland areas, based on independent grids or at household scale.
<b>Wind energy</b>	With a 3,000km coastline and a monsoon tropical climate, Vietnam has been identified as having fairly large wind energy potential. Reports on wind energy potential give the following figures:  > 8,700 MW, or even > 100,000 MW (according to WB wind map). A number of integrated wind electricity projects are currently deployed, mainly in Central coastal provinces (Bình Thuận, Ninh Thuận...). In island districts with wind potential but no national grid, wind-diesel or wind-solar-diesel hybrid systems are confirmed as more efficient than integration in the national grid, or diesel use only.
<b>Biomass energy</b>	As an agricultural country, Vietnam has been identified as having enormous biomass energy resources. The main biomass sources include wood, agricultural plant leftovers, livestock breeding waste, urban garbage and other organic wastes. Their total potential is estimated at > 170 million tons, capable of generating 1,600-2,600 MW of electricity.
<b>Solar energy</b>	Situated in the tropics, Vietnam always receives a great deal of heat from the sun. With a total number of 1,400-3,000 sunny hours per year, and a southward incremental average yearly radiation of 230-250 kcal/cm <sup>2</sup> /day. Vietnam has a fairly large solar energy potential usable for (i) boiling water, (ii) electricity generation; and (iii) other applications (drying, cooking...).
<b>Geothermal energy</b>	According to latest surveys and assessments, geothermal energy potential in Vietnam accounts for 340MW, of which most can be efficiently resources in Central Vietnam.
<b>Marine and other renewable energies</b>	Preparations are being made for assessing Vietnam's marine energy potentials (waves. tides, currents etc).

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EUROPEAN UNION  
Delegation of the European Union to Vietnam

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