



INTEGRATED SDG INSIGHTS

VIET NAM

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

UNDP expresses its gratitude for the thorough review of the present document conducted by the Government of Viet Nam (Nguyen Thi Thanh Nga, Official, Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment)



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: VIET NAM

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Viet Nam's economic growth cycle in 2023-2025 is in acceleration, with growth rates projected to be more than twice the global forecast and aligning to the country's growth trajectory projected before the pandemic.¹ This pace of growth is expected to exert a positive effect on reducing the incidence of poverty by most thresholds and dimensions – currently, 9.35% of the country's population are shown to be vulnerable to multidimensional poverty (MDP).²

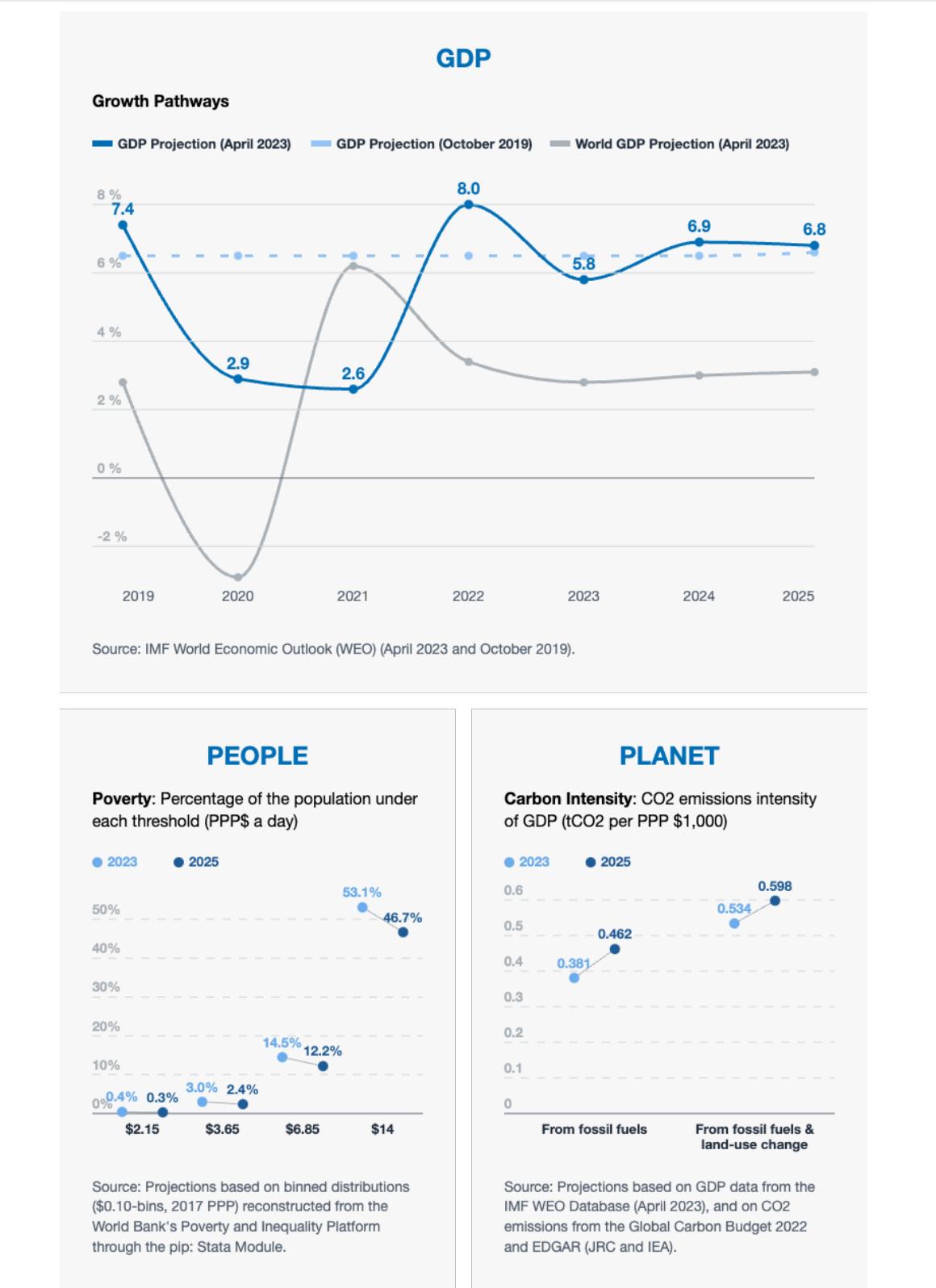
However, such economic expansion would be increasingly dependent on carbon emissions as the country's carbon emissions intensity of GDP is expected to increase at an annual rate of 10% due to fossil fuel usage, and of 6% when also considering land-use change³.

Floods, drought, changing weather patterns and increased incidence of extreme weather events will affect livelihoods and increase vulnerability to poverty, especially in the Mekong River Delta region. Therefore, boosting investments in people, technology and infrastructure will be crucial to building resilience and achieving Viet Nam's ambitious goal of reaching high-income status by 2045.

¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² 2022 MDP rate (defined by Viet Nam's national MDP measurements)

³ CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Viet Nam performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



- Viet Nam continues to make good progress at the national level, but gaps remain in outcomes and access to essential services, especially for ethnic minority and mountainous regions.
- Maternal mortality, infant mortality and nutrition are examples of specific targets that could be missed because of persistent gaps in achievement.

Trends in detail:

<https://data.undp.org/sdg-push-diagnostic/VNM/sdg-trends>

SDG PRIORITIES

Viet Nam's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. 10-Year Socio-economic Development Strategy 2021 - 2030
2. Draft SDG Road Map
3. 2022 Assessment of the implementation of the Sustainable Development Goals
4. National Master Plan 2021 - 2030, Vision 2050
5. Viet Nam's Progress on the SDGs (ESCAP)
6. National Action Plan for the Implementation of the 2030 SDGs
7. National Report 2020. Progress of five-year implementation of Sustainable Development Goals.
8. Viet Nam socio-economic development plan for 2021-2025
9. Voluntary National Review (VNR) on the Implementation of the Sustainable Development Goals by 2023

Priorities in detail:

<https://data.undp.org/sdg-push-diagnostic/VNM/current-priorities>

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Viet Nam to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Viet Nam's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Viet Nam:

- Target 1.5: Build resilience to environmental, economic and social disasters
- Target 5.5: Ensure full participation in leadership and decision-making
- Target 7.1: Universal access to modern energy
- Target 9.5: Enhance research and upgrade industrial technologies



ACCELERATION PATHWAYS

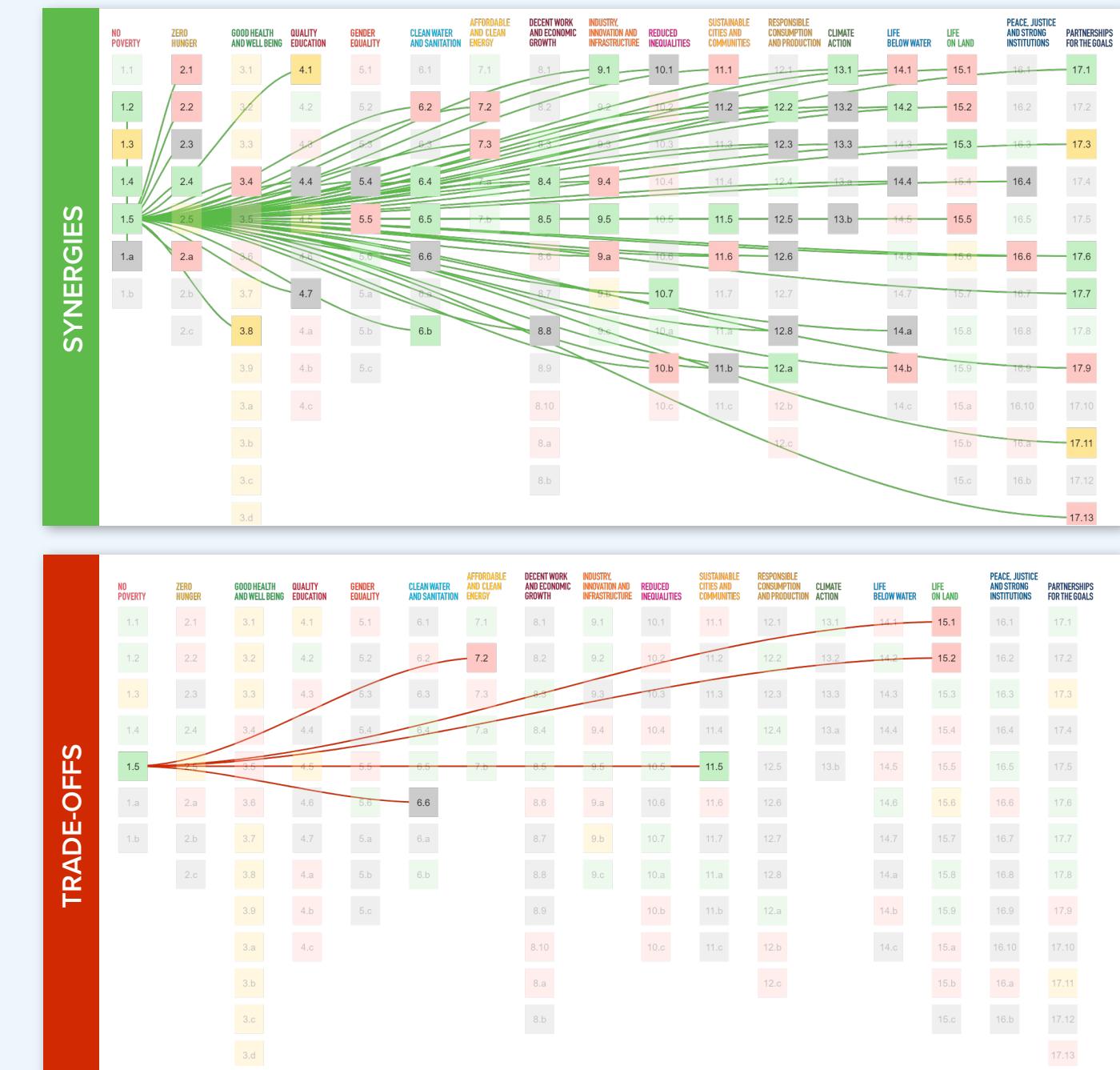


SDG INTERLINKAGES

1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

- Viet Nam has made historic progress in reducing the incidence of poverty since the early 1990s. Still prevalent in 1992, extreme poverty was virtually eliminated by 2020.
- Changing weather patterns, drought, floods and an increased incidence of extreme weather events will sharply increase the number of people vulnerable to poverty in the country.
- Migration from the Mekong River Delta—the region with the largest number of people vulnerable to poverty—is expected to increase due to a sea level rise and its associated effects.
- Migration will increase pressure on essential services, housing and infrastructure in major cities, particularly in the densely populated southeast.
- Investing in building resilience for the poor against climate change will reinforce its positive impact on all other SDGs as it will reduce vulnerability and prepare the poor for shocks and disasters. Indirectly, this means better access to productive employment, affordable energy and the ability of leverage climate actions. The benefits outweigh the trade-offs.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/VNM/synergies-and-tradeoffs>

SDG INTERLINKAGES

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

- Vietnamese women are economically active, routinely posting some of the highest female labour force participation rates in the world.
- Yet the number of women in leadership positions in the public and private sectors is still low. For example, there are only two female ministers at the national level and only 6 of 63 provincial governments are led by women.
- Women's priorities in economic policy, health, education, social protection and sustainability would be better reflected in public life if leadership was more diverse.
- The legal and regulatory framework for gender equality has not advanced in recent years, reflecting the absence of women in leadership roles.
- Investments in this indicator could lead to benefits across many SDGs, including poverty reduction, hunger alleviation and economic growth.

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SDG INTERLINKAGES

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

- Viet Nam's economic success is closely associated with the rapid growth of manufactured exports, which have created millions of jobs directly and indirectly.
- As a result, Viet Nam's GDP growth is the most energy intensive in Southeast Asia.
- To sustain growth, Viet Nam must achieve a rapid and equitable transition from fossil fuels to renewable sources. Coal and gas still accounted for 52% of power production in 2022.
- With demand for energy increasing at exponential rates, a rapid transition to renewable sources could prove disruptive, especially if the cost of modern energy rises precipitously, or supply is interrupted to rural and remote areas.
- Regional inequalities could also emerge as access to hydro, wind and solar power is geographically concentrated.
- This target is in line with the government's commitment to net zero emissions, and to ensure an equitable energy transition for all. The Just Energy Transition Partnership illustrates the government's initial steps to meet the net zero commitment.

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Explore the interlinkages at:

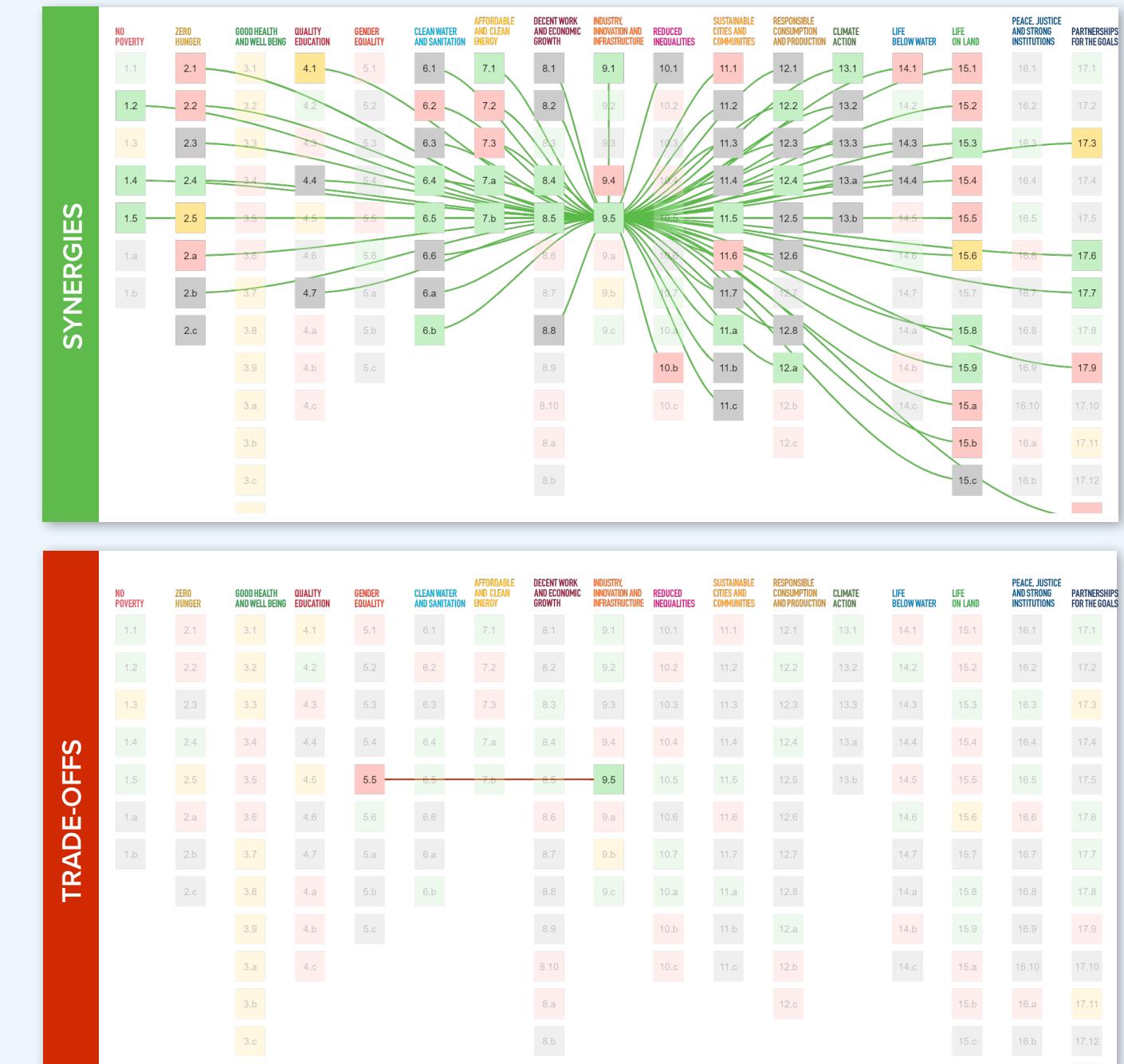
<https://data.undp.org/sdg-push-diagnostic/VNM/synergies-and-tradeoffs>

SDG INTERLINKAGES

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per one million people, and public and private research and development spending.

- The share of manufacturing in GDP has risen from 15% in 1995 to 25% in 2023. Industrial development has created steady jobs and lifted millions out of poverty.
- However, Viet Nam's manufactured exports are the most import-intensive in the region, heavily concentrated in assembly operations in electronics, footwear and garments.
- To sustain growth and avoid the middle-income trap Viet Nam needs to develop technological capacity and stimulate innovation in domestic industries.
- Stronger linkages are needed between industry and universities, and between international and national research institutions.
- Upgrading universities would stimulate inward investment in research and development activities. Necessary to ensure participation of women in technological upskilling.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/VNM/synergies-and-tradeoffs>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

Viet Nam's gross government debt is projected at 36.3% of GDP in 2023. The country is expected to collect 18.2% of GDP in revenue this year, with natural resources accounting for 2.4% of said revenue.¹ The country's external debt servicing relative to revenue is expected to reach 6.4% this year, and its credit rating is in the 'non-investment grade speculative' category. As of 8 June 2023, the country's 10-year bond yield was trading at 3.2%.²

Viet Nam aims to develop more effective fiscal policy instruments, ensuring a countercyclical fiscal policy, including revenue growth (property taxes, capital gains taxes, carbon taxes). Investing and modernizing social protection systems, including universal child benefits and social pensions, to reduce inequality and ensure social resilience in the face of economic and health shocks, climate change and climate disasters.

Challenges include ensuring less on foreign direct assistance and developing larger, export-oriented firms. Rationalization of public investment procedures and closer linkages to industrial and trade policy can help with these challenges, including developing domestic capital markets to increase supply of long-term domestic finance for productive investments.

On the demand side, Viet Nam's private sector needs to develop larger firms with more complex financing requirements to boost demand for the development of domestic capital markets. On the supply side, the financial sector needs to accelerate bank consolidation and create new mechanisms to increase the supply of long-term, VND-denominated finance, ensuring state supervision and boosting the demand for a credit rating.

¹Revenue and debt forecasts for 2023 from IMF WEO April 2023, resource revenue data for 2020 from the United Nations University (UNU)-WIDER Government Revenue Dataset.

²External debt forecasts for 2023 from IDS, credit ratings for 2023 from S&P, Moody's and FITCH, 10-year bond yield data, as of 8 June 2023, from worldgovernmentbonds.com and Haver Analytics.

SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Viet Nam, possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform, including capital gains and property taxes
- Development of domestic financial markets, especially secondary markets, through strict disclosure rules and increased transparency
- Climate finance, including the creation of public-private climate banks with international backing
- Blended and public-private finance

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).