Consultation workshop on

"**Accelerate Sustainable Development in Viet Nam: Policy Options**"

Time: 8.30-12.00 hours, Thursday 14 December 2023,
Venue: Meliá Hanoi,
Viet Nam

I. Background

Viet Nam has achieved remarkable successes in promoting economic development, raising the living standards and lifting millions of people out of poverty. Building on the achievements, the country is strongly committed to the 2030 Agenda for Sustainable Development. Viet Nam aspires to be a high-income country by 2045 and achieve net zero by 2050. Whereas the VNR 2023 reveals that Viet Nam has made significant progress in various Sustainable Development Goals (SDGs), the country needs to expedite the implementation to bring all SDGs back on track to achieve the 2030 targets. In the current context of rising geopolitical contest and economic uncertainty, the country faces more critical development challenges, including building economic resilience, eradicating poverty and tackling climate risks.

The fallout from the pandemic could prevent the "near-poor", or those that have exited extreme poverty from further climbing the economic ladder and cause them to backslide into extreme poverty [1]. Climate change not only poses large economic and social costs but may also threatens further expansion of Viet Nam's traditional sectors. Over the last 30 years, Viet Nam has suffered an average annual loss of 1-1.5 per cent of GDP and an average of 430 deaths due to climate-related disasters[2]. At the same time, many multinational companies operating in Viet Nam have committed or may commit to a low-carbon transition as part of their corporate social responsibilities, which may affect their location decisions[3]. The European Union (EU), which accounted for around 14 per cent of Viet Nam's exports, has started to implement its pilot phase of the carbon border adjustment mechanism (CBAM) in October 2023 with the full force implementation in January 2026. The CBAM may directly reduce the competitiveness of Viet Nam's exports, especially in high emission industries such as steel, cement, fertilizer, and aluminum.

To attain development aspirations and overcome the challenges, the government of Viet Nam has launched various policy packages and planned to increase investments in key transitions. To inform the government's decisions on the policies, it is critical to answer questions how government's investments in SDGs and other national priorities, such as investment in renewable energy, might affect economic activities and other socio-economic and environmental indicators such as poverty rate and CO2 emissions.

In this context, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the United Nations in Viet Nam in collaboration with the Ministry of Planning and Investment (MPI) are carrying out the study on "Accelerate Sustainable Development in Viet Nam: Policy Options" based on the ESCAP macroeconomic model[4].

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[1] A year deferred – Early experiences and lessons from COVID-19 in Viet Nam

[2] United Nations Office for Disaster Risk Reduction (UNDRR) and Asian Disaster Preparedness Center (ADPC) (2020). Disaster Risk Reduction in Viet Nam, available at https://www.undrr.org/media/48541/download?startDownload=true

[3] How Will Vietnam Blossom?: Reforming Institutions for Effective Implementation. Available at https://documents.worldbank.org/en/publication/documents-reports/documentdetail/990091640036715580/how-will-vietnam-blossom-reforming-institutions-for-effective-implementation-systematic-country-diagnostic-update

[4] The model takes an augmented approach to assess public debt sustainability in the long term, which supplements the short- to medium term approaches currently adopted by International Financial Institutions and credit rating agencies

The objective of the study is to examine the impacts of selected policy scenarios on public debt sustainability, and other socio-economic and environmental variables and further integrate sustainable development into macroeconomic modelling in Viet Nam. To complete the study, MPI in collaboration with UNESCAP and UN in Viet Nam organizes the workshop to consult relevant stakeholders on the results of the study. The workshop will be conducted in English and Vietnamese with simultaneous interpretation.

II. Objectives

The consultation workshop aims to:

(a) Foster better understanding of Viet Nam's development challenges and opportunities, and policy options to help Viet Nam achieve sustainable development targets;

(b) Improve awareness of the synergies and trade-offs of the implementation of the selected policy options in accelerating the SDG achievement; and,

(c) Strengthen the technical capacity of the government officials in conducting macroeconomic analysis that duly considers the economic, social and environmental aspects of the development.

III. Participation

- Chair: Mr. Le Viet Anh, Director of the Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment.
- Participants: Representatives of Ministries, public agencies, research institutes, non-governmental organizations, development partners, UNESCAP and United Nations agencies in Viet Nam.

TENTATIVE PROGRAMME

The Programme and related documentations are available on
https://www.unescap.org/events/2023/vietnam-macro-workshop

Thursday, 14 December 2023 **Morning**	
08:00 - 08:30	Registration and reception breakfast
08:30 - 09:00	**Session 1 - Opening remarks** Introduce the workshop objectives and participants o Representative - Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment Opening remarks (10 mins each) o Dr. Le Viet Anh, Director General, Department of Science, Education, Natural Resources and Environment (DSENRE), Ministry of Planning and Investment (MPI) o Ms. Pauline Tamesis, United Nations Resident Coordinator to Viet Nam o Mr. Vatcharin Sirimaneetham, Chief, Macroeconomic Policy and Analysis Section, Macroeconomic Policy and Financing for Development Division, UNESCAP
09:00 - 10:10	**Session 2 - Accelerate Viet Nam's Sustainable Development Progress: Policy Options and Implications**

	This session reviews Viet Nam's major development opportunities and challenges and deliberates the socio-economic and environmental implications of selected policy options to achieve more inclusive, resilient and green development. 1. *Viet Nam's major development opportunities and challenges (MPI)* DSENRE/MPI 2. *The overview of ESCAP-Project on Augmented Public Debt Sustainability Analysis (ESCAP)* ○ **Ms. Lin Zhuo**, Economic Affairs Officer, UNESCAP 3. *The Study on "*Accelerate Sustainable Development in Viet Nam: Policy Options ○ **Mr. Jaromir Hurnik**, Consultant on macroeconomic modelling, UNESCAP
10:10 - 10:30	Coffee break
10:30 - 11:50	**Session 2 - General discussion**
11:50 - 12:00	**Closing remarks** ○ **Mr. Vatcharin Sirimaneetham**, Chief, Macroeconomic Policy and Analysis Section, Macroeconomic Policy and Financing for Development Division, UNESCAP ○ **Ms. Pauline Tamesis**, United Nations Resident Coordinator to Viet Nam ○ **Dr. Le Viet Anh**, Director General, Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment
12:00 - 13: 30	Lunch
Thursday, 14 December 2023 Afternoon	
13:30 - 15:00	**Session 1: Introduction to ESCAP macroeconomic model** This session highlights the basic technical features of the model. ○ Mr. **Jaromir Hurnik**, Consultant on macroeconomic modelling, UNESCAP Q&A
15:00 - 15.15	Coffee break
15:15 - 17:00	**Session 2: Tailoring the model for Viet Nam** This session explains how the model is tailored for Viet Nam and technical features of designed policy scenarios in the national study. ○ Mr. **Jaromir Hurnik**, Consultant on macroeconomic modelling, UNESCAP Q&A