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Federal Ministry for Economic Affairs and Climate Action



Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection



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2023 HIGHLIGHTS

SUSTAINABLE ECONOMIC DEVELOPMENT - GIZ VIET NAM



VIET NAM - GERMANY COOPERATION IN ECONOMICS AND FINANCE

The 30th anniversary in November 2023, chaired by the German Ambassador and MPI Vice Minister, was the reason for the first celebration of Viet Nam-Germany cooperation in economics and finance. The event created a positive atmosphere prior to Viet Nam-Germany Negotiations and was an occasion to recognise the work of Partners, Commissioners and GIZ.



A 30-page publication featuring impacts of our collaborative work over the past 30 years was presented to 120 event participants, and further distributed domestically and internationally in the cooperation framework.



IMPROVED CONSUMER RIGHTS IN VIET NAM AND ASEAN

GIZ supported the law reform process for consumer protection through the provision of policy advice and stakeholder dialogues. The amended law on consumer rights was enacted in the first quarter of 2023, taking up important recommendations from GIZ's work. It is now easier for consumers to pursue claims and seek compensation from businesses.

Experiences from Viet Nam have been shared with Lao PDR, which led to the signing of an MoU between two competition commissions to cooperate in an "ASEAN helps ASEAN" approach.





REDUCED TAX AVOIDANCE AND INCREASED GOVERNMENT INCOME

Global Minimum Tax (GMT) is an initiative that represents a major step forward in international cooperation on the taxation of Multinational Enterprises (MNEs), which tend to exploit gaps and mismatches between different countries' tax systems to avoid paying taxes, shifting their profits to low-tax jurisdictions.

GIZ supported the design and implementation of an effective GMT scheme in Viet Nam through sharing German and international experiences, consultation with national tax authorities and MNEs, and assisting in legislation drafting. We provided insights into how GMT works and can be implemented effectively in Viet Nam's context. Following the Resolution on GMT that was passed by the National Assembly in November 2023, profit shift from Viet Nam will be reduced and tax revenue will be increased, providing more resources to invest in development priorities of the country.



IMPROVED VIET NAM'S VISIBILITY THROUGH VOLUNTARY NATIONAL REVIEW



Voluntary National Review (VNR) is a process through which countries assess and present national progress made in implementing the 2030 Agenda, including achieving its 17 Sustainable Development Goals (SDGs) and the pledge to leave no one behind.

GIZ supported the preparation of Viet Nam VNR 2023, which was presented at the High-Level Political Forum on Sustainable Development in New York, and highly regarded by the international community.

As a result of our technical support, the capacities of Viet Nam's ministries and localities in SDG implementation, monitoring and reporting have been enhanced, and the improved visibility on the world map brings Viet Nam more instruments to successfully implement the 2030 Agenda.





BETTER WORK ENVIRONMENT FOR VIET NAM'S WORKERS

Viet Nam has ratified ILO Convention 190 on Violence and Harassment and also revised its Labour Code which contains provisions as to which all companies are required to implement measures to prevent sexual harassment in the workplace. However, many companies struggled to comply with these requirements.

GIZ supported the revision of the Code of Conduct (CoC) and development of a Manual on preventing and addressing sexual harassment at the workplace for companies. The Manual was approved by the Ministry of Labour, Invalids and Social Affairs in 2023. GIZ provided training for more than 100 companies representing almost 300,000 workers in textile and electronics sectors. We also trained 114 government officials at subnational level, industrial parks and trade unions responsible for overseeing the enforcement of the Labour Code.



VIET NAM-GERMANY CENTRAL BANKS COOPERATION IN SUSTAINABLE FINANCE



The central-to-central bank cooperation between Deutsche Bundesbank and the State Bank of Viet Nam (SBV) is at the heart of GIZ support for Viet Nam's banking and finance sector. The collaboration is centered on the green and digital banking system reform in Viet Nam, and contribution to creating a global sustainable financial system for Paris Agreement and SDGs.

The longstanding partnership which builds on strong expertise of each of the partners, has been taken to the next level, by signing an MoU on cooperation between Deutsche Bundesbank and SBV in April 2023. This reaffirms mutual commitments to building a sustainable finance and banking sector in Viet Nam.





GIZ supported the Ministry of Labour, Invalids and Social Affairs (MoLISA) in the development of Action Plan for implementing Viet Nam National Green Growth Strategy (2021-2030). The ongoing execution of this Plan will help address important social issues such as social security, rights and benefits of vulnerable groups, and gender equality as part of green and inclusive growth of Viet Nam's economy.

In 2023, GIZ assisted MoLISA in research on challenges that vulnerable population groups, including female workers, the elderly and people with disability, may face in the green economy and energy transition. The findings have been shared to policy makers and the public at different fora, conveying a strong message that the sustainable green growth Viet Nam is pursuing will leave no one behind.



COOPERATION AMONG EMERGING ECONOMIES IN IMPROVING PRODUCTIVITY

To become a high-income country by 2045 and achieve “net-zero” emissions by 2050, Viet Nam needs to promote innovation and digital transformation, hence increase national productivity to overcome the middle-income trap. This transition requires innovative recommendations and contributions both domestically and internationally.

GIZ supported the Central Institute for Economic Management (CIEM) in linking up with like-minded counterparts in emerging economies, including India, to gain insights and lessons learned in productivity enhancement and green growth. Through a peer-learning programme in 2023, CIEM learned India's numerous experiences, including digitalisation, labour upskilling, green growth, company-to-government communication and promoting MSMEs.



The exchange between economies with similar challenges in labor productivity brought valuable policy implications for Viet Nam. In the National Programme on Labor Productivity Improvement, which was approved by Viet Nam's Prime Minister in November 2023, India's experiences in increasing productivity were considered. This resulted in, for example, the proposal for a National Productivity Commission that promotes synergies among different stakeholders, develops a skilled workforce and improves the quality of (digital) education and training.



Sustainable Economic Development is one of four focus areas of GIZ in Viet Nam. On behalf German Government and the European Union, we contribute to Viet Nam's efforts in pursuing its goals of sustainable economic development, by adopting an integrated approach to support the underlying issues from different perspectives, with three main pillars:



Economic Policy & Legal Advice



Sustainable Finance



Digital and Private sector

Contact: **Dennis Quennet**, Director Sustainable Economic Development
Dennis.quennet@giz.de