



DRAFT CONCEPT NOTE

International Conference

Green and Inclusive Economic Rebound: Lessons from International Experience

February 25, 2022

Ha Noi, Viet Nam

1. Introduction

Viet Nam is a global success story, having emerged from war and its consequences to achieve middle-income status and high levels of Human Development in record time. The incidence of extreme poverty, which affected more than half of the population as recently as three decades ago, is now lower in Viet Nam than in some wealthier countries in the Asia region. Balanced growth of industry, agriculture and services has created millions of new jobs, and small businesses are flourishing in every corner of the country. Analysis of the Provincial Governance and Public Administration Performance Index (PAPI) from 2011 to 2020 shows evidence of incremental improvement in the quality of governance over the decade.

However, growth and development have not come without costs. Industrialization and extractive industries have taken a heavy toll on the environment. Water and air pollution, deforestation, and soil erosion are threats to well-being and sustainability. The energy system remains dependent on fossil fuels, and as a low-lying, delta country, Viet Nam is among the countries most vulnerable to climate change. The incidence and intensity of tropical storms are increasing because of global warming. If average temperatures increase by two degrees, Viet Nam will suffer massive ecological damage, including flooding of an estimated 40% of the land area of the Mekong Delta region.

Viet Nam must also cope with the impact of Covid-19. The Government's prompt action contained the pandemic in 2020, enabling the country to record positive GDP growth – one of the few countries in the world to do so – albeit at a slower annual growth rate. Faced with a serious resurgence of the virus in 2021, the Government again took action to control the disease while accelerating the vaccination program to protect the public. GDP growth was again positive in 2021, although slightly slower than 2020 as economic activity contracted in the third quarter of the year because of containment measures. The heaviest burden fell on informal workers, household and small businesses and others who depend on daily earnings. An estimated two million workers left the labor market in 2021. The Government has responded with a series of social protection measures to support areas affected by mobility restrictions,

including cash transfers for workers whose places of employment have been temporarily closed or who cannot operate their own businesses. However, many vulnerable households were not eligible for or did not receive support, resulting in severe hardship, especially among migrant workers and their families.

As we emerge from the global pandemic, governments around the world have made commitments to promote a “green recovery” with plans for economic stimulus worth trillions of dollars. For example, South Korea has earmarked \$61.9 billion (15% of its total stimulus package) to create 2 million green jobs by 2025. Likewise, the OECD countries and key partner economies have allocated USD 336 billion to measures related to the environment in COVID-19 recovery packages.

At the recent UN Climate Change Conference (COP26), Prime Minister Pham Minh Chinh pledged that Viet Nam will achieve net-zero carbon emissions by 2050 and called for fairness and justice in climate change issues. Viet Nam also joined many countries in making bold commitments to curb methane emissions, to halt and reverse forest loss, to accelerate the phase out of coal and the sale of internal combustion engines, and to end international financing for fossil fuels. These targets relate directly to key national development plans including the Power Development Plan (PDP8), the Climate Change Strategy and the Green Growth Strategy. Decisions made now will help Viet Nam lock-in future opportunities. The question is how Viet Nam can achieve these ambitions in the context of COVID-19 economic recovery while ensuring that no one is left behind in the transition.

Viet Nam faces three immediate strategic challenges:

- (i) Addressing the environmental impact of growth (climate-, disaster-, environmental and health-risks and natural-resource and biodiversity-degradation) by moving towards a resilient and productive economic model focused on nature regeneration and efficient use of resources in a carbon neutral Circular Economy.
- (ii) Making growth and sustainability inclusive, including aligning legal frameworks and ensuring policy enforcement to protect the rights of vulnerable groups and ensuring equitable access to basic services and economic opportunities to leave no one behind, to minimize inequality, reduce multidimensional poverty and vulnerability, and to build a fair society for all.
- (iii) Prioritizing more sustainable and responsible investments and promoting export competitiveness, including creating low carbon production systems and market niches, by championing innovation and industry 4.0 relevant skills, including for the majority SMEs, as the keys to restarting productivity and income growth, and accessing suitable sources of long-term finance.

In seeking the transformations required to address the three challenges highlighted above the government recognizes the need for innovation in governance as a cross-cutting enabler and integrator of the changes needed across the whole of government and the whole of society. In addressing the efforts needed across a range of sectors and themes the Government is eager to learn from other countries of their practical experiences addressing policy and institutional change in a challenging global context.

2. Objectives

1. To provide a platform for policy makers and other stakeholders to share visions, knowledge and best practices relating to green economic stimulus, COVID-19 economic recovery, climate action, circular economy, anticipatory and inclusive governance and green finance and investment.

2. To discuss and share policy options, international success stories, and possible action points for policy makers on these issues with an emphasis on inclusion and equity so that no one is left behind.
3. To promote an exchange of views and ideas among the participants on how to align Viet Nam's strategies and plans to the country's ambitious COP26 commitments in the context of the economic rebound from Covid-19.
4. To discuss potential shortcomings, challenges and resource gaps that Viet Nam will face when transitioning towards a green and circular economic model.

3. Participants

The International Conference will invite around 500 participants both online and offline including Government ministries, business, research centers and scholars, chambers of commerce, Provincial People's Committees, ambassadors from ASEAN countries, other embassies in Viet Nam, and other development partners and stakeholders.

4. Agenda

8:15 – 8:30 Welcoming Remarks

Leader of Ministry of Foreign Affairs, Viet Nam

Achim Steiner, Administrator of the United Nations Development Programme

H.E. Deputy Prime Minister of Viet Nam

8:30 – 9:15 Opening Keynote Address:

Keynote 1: Joseph E. Stiglitz, Professor of Columbia University, and a recipient of the Nobel Memorial Prize in Economic Sciences (2001)

Questions and Answers: Moderator, Dr. Nguyễn Hùng Sơn, Vice-President, Diplomatic Academy of Viet Nam

9:15 – 10:45 SESSION 1 - Green Recovery and Resilience

The economic recovery from COVID-19 offers an historic opportunity to pivot to a more sustainable and inclusive model of development. A Green Recovery from Covid-19 could reduce greenhouse gas emissions up to 25% below the business-as-usual scenario by 2030, increasing the probability of keeping temperature rise to below 2-degree Celsius, in line with the Paris Climate Agreement. It would support movement to a green and circular economy, investing in zero-emissions technologies and infrastructure, scaling up deployment of clean power generation and energy efficiency measures, phasing out unabated coal power generation, and investing in large-scale climate change adaptation and sustainable management of natural resources and biodiversity.

What have other countries done to address this set of difficult decisions in the transition to low carbon green and circular economy?

**What are opportunities available to prompt countries to transition to clean energy?
Have these countries seen any benefits since their transitions?**

Introduction to the Session 1: Moderator, H.E. Ambassador of Sweden to Viet Nam Ann Måwe

Address: Dr. Yannick Glemarec, Executive Director of the Green Climate Fund

Address: H.E. Ambassador Cho Hyun, 26th Permanent Representative of the Republic of Korea to the United Nations, and former First Vice Minister of Foreign Affairs during the development of the Korean Green New Deal

Panel Discussion 1

Vice Minister, Ministry of Environment and Natural Resources Viet Nam

Dr. Ajay Mathur, Director General, International Solar Alliance, member of the Prime Minister of India's Council on climate change, co-chair of the Global Energy Transitions Commission, and former Director General of the Bureau of Energy Efficiency in the Government of India

Mr. Zhang Weijie, Director of Energy and Climate Policy, Ministry of Sustainability, Singapore

Ms Heather Jackson, Senior Technical Expert on Impact Investment/Socially Responsible Investment and member of South Africa's Impact Investment Task Force/ISSA

Discussion and QA

Conclusion

10:45 – 11:30 Coffee break and visit to the Exhibition Space

11:30 – 12:00 Keynote Address: Green, inclusive economic rebound: what it takes to make it happen

Keynote 2: Achim Steiner, Administrator of the United Nations Development Programme

Conclusion to the morning session: H.E. Deputy Prime Minister of Viet Nam

12:00 – 13:15 Lunch

13:15 – 14:00 SIDE MEETING: Special Roundtable on the Contribution of Business to a Green and Inclusive Rebound

14:00 – 15:30 SESSION 2 - Trade, Investment and Innovation for a Sustainable Rebound

Global trade volumes were already falling when the pandemic hit due to the lasting effects of the Global Financial Crisis and rising trade tensions. Rebuilding trade and investment flows for sustainability, inclusion and resilience will be key to the post- Covid recovery and to achieving the SDGs, spreading new technologies, stimulating innovation and creating decent work and steady jobs.

How should Viet Nam adjust its approach to trade agreements and FDI to promote a sustainable and inclusive growth pattern that encourages domestic innovation and productivity?

Introduction to the Session 2: Moderator, H.E. Ambassador of the Netherlands to Vietnam Elsbeth Akkerman

Opening Address: Isabelle Durant, Deputy Secretary General of the UN Conference on Trade and Development (UNCTAD)

Panel Discussion 2

H.E. Trần Quốc Khánh, Vice Minister, Ministry of Industry and Trade, Viet Nam

H.E. Gita Wirjawan, Chairman, PT Ancora International, and former Minister of Trade, Republic of Indonesia (2011-2014) and Chairman of the Investment Coordinating Board (2009-2012)

Dr. Cấn Văn Lực, Chief Economist of the Bank for Investment and Development of Vietnam (BIDV)

Ms. Maria Martin-Prat De Abreu, Deputy Director-General – Directorate-General for Trade, European Commission

Dr. Carolyn Deere-Birkbeck, Chatham House Associate Fellow, Director of the Forum on Trade, Environmental Sustainability and the SDGs (TESS) at the Geneva Trade Platform

QA and Discussion

Conclusion

15:30 – 15:45 Coffee break

15:45 – 17:15 SESSION 3 Strengthening the Role of Government in Accelerating a Green and Inclusive Rebound

As Viet Nam graduates from a lower middle income to higher middle-income status the country faces equity challenges, no doubt intensified by the effects of Covid-19 and climate change. The development of markets and market competition are important, but government will also play a central role in accelerating the transition to renewable energy and the Circular Economy, stimulating innovation and preparing the workforce for the jobs of the future.

What can Viet Nam learn from the experiences of other countries regarding the synergy between competitive markets and innovative government policies? What policies and governance structures have countries put in place to promote sustainability and inclusion? How can a mission-oriented approach help Viet Nam cope with issues like the Mekong River Delta and endemic poverty in upland and remote regions?

Introduction to the Session 3: Moderator

Keynote 3: Professor Mariana Mazzucato, Professor in the Economics of Innovation and Public Value at University College London, *The Mission Economy: Reinvigorating the Role of the State to Tackle Complex Problems*

Panel Discussion 3

Mdm. Phạm Chi Lan, Economist - Economic Rebound, Inclusiveness and Sustainability in the Mekong Delta

Dr. Keith R. Jefferis, Senior Policy Advisor to the Minister of Finance and Economic Development, Botswana

Marieke van Doorninck, Deputy Mayor of Amsterdam (tbc)

Professor Hermann Waibel, University of Hannover and leader of the Thailand - Viet Nam Social Economic Panel (TVSEP) since 2007.

QA and Discussion

Conclusion

17:15 – 17:30 **Closing Remarks – Summary of action points and further ideas for collaboration:**
H.E. Bùi Thanh Sơn, Minister, Ministry of Foreign Affairs, Viet Nam