

Country Partnership Strategy for the Socialist Republic of Vietnam

January 2023

The Government of the Republic of Korea

This strategy was drafted in close consultation with the government of the recipient country and may be subject to change depending on the country's local circumstances.

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I. Overview

1 Overview

**Vision 2030
Social and
Economic
Development
Strategy (SEDS)
2021-2030**

**Become a developing country with modern industry
(Per capita GDP of \$7,500 by 2030)**

- Establish socialist-oriented market economy (selective FDI attraction, privatization of state-run enterprises, digital transition)
- Foster skilled workforce (fostering of talented personnel, improving employment conditions)
- Expand infrastructure (transport, IT, metropolitan cities, new and renewable energy)



**Social and
Economic
Development Plan
(SEDP)
2021-2025**


Reform economic and social model and improve sustainability

| Market economy development | Economic restructuring | Infrastructure and resources development | Social, environmental development | Governance improvement |
|---|---|--|--|--|
| <ul style="list-style-type: none">• Stabilize macro economy• Improve business environment• Privatize state-run enterprises• Establish framework for digital transition• Promote export, manage proper level of import | <ul style="list-style-type: none">• Promote industrialization and modernization based on fourth industries• Reform rural areas and agriculture• Establish high-value service industries | <ul style="list-style-type: none">• Develop regional specialization• Establish transport and energy infrastructure• Develop cities• Ensure efficient use of investment fund | <ul style="list-style-type: none">• Develop human resources through education• Establish efficient healthcare system• Promote cultural and social growth• Strengthen environmental sustainability | <ul style="list-style-type: none">• Counter corruption• Promote freedom, democracy, and safety• Strengthen security and sovereignty• Build friendly international relations |



**ROK ODA
Objective**

Assist in expanding economic and social infrastructure, and building the country's capacity to become a modernized industrial country

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|---|------------------------------|--|--|
| | |  | |
| Focus of Assistance by Priority Area | Transport | <ul style="list-style-type: none"> ▪ Assist in expanding road infrastructure to facilitate logistics and economic development ▪ Assist with reconstruction of railways and introduction of the Metro to modernize the railway system ▪ Increase support for eco-friendly, smart transport projects | |
| | Health/ Hygiene | <ul style="list-style-type: none"> ▪ Expand hospitals, medical equipment and supplies in order to improve healthcare services ▪ Contribute to the overall modernization of medical system by strengthening the disease response system | |
| | Environment | <ul style="list-style-type: none"> ▪ Assist in building eco-friendly infrastructure and developing capacity to improve response to climate change ▪ Assist in expanding eco-friendly energy and developing smart city infrastructure in support of transition to carbon-neutral society ▪ Assist in forestry cooperation, treatment of solid waste and maritime waste, and development of circular economy to mitigate climate change | |
| | Education | <ul style="list-style-type: none"> ▪ Assist in expanding Science and Technology research infrastructure in support of human resources capacity-building ▪ Implement employment-linked training programs based on industry demand to foster a skilled workforce ▪ Assist in organizing inclusive educational programs and improving access to education for disadvantaged groups | |
| | Public Administration | <ul style="list-style-type: none"> ▪ Assist with institutional reform to promote efficiency and transparency of government and public organizations ▪ Assist in developing public administration capacity to support local community development, including support for disadvantaged groups and SMEs | |

II. ODA Plan by Priority Area of Cooperation

1 Transport

☐ Development Need

- **Expansion of transport infrastructure—extension of total highway lengths^{*} and expansion of ports and railway facilities**—selected as one of the ten strategic tasks under the Social and Economic Development Strategy 2021-2030 (SEDS)

* Goal: Approximately 5,000 km by 2030

- The Ministry of Transport of Vietnam announced 「*the Transport Infrastructure Master Plan 2021-2030 (January, 2021)*」 based on the understanding that transport infrastructure expansion is a key to sustainable development of the manufacturing sector
 - Aims to develop **infrastructure for road, railway, port, and airport, and improve the annual cargo transport capacity** and passenger transport capacity of the road through **Public-Private Partnership (PPP)** worth \$43-65 billion

☐ Basic Directions

- **(Road)** Assist to **expand road infrastructure for logistics** and economic development
- **(Railway)** Assist to **improve existing railroad tracks and introduce the Metro** for a modernized railway system
- **(Eco-friendly, smart transportation)** Increase assistance in **eco-friendly programs for climate change adaptation and carbon emission reduction, and ICT-based smart programs**

□ Detailed Implementation Plan

- **(Road)** Assist to **expand highways and construct rural roads** for improvement of road accessibility and regional connectivity
 - Assist to expand road networks in regions other than **Hanoi and Ho Chi Minh City**, with a focus on the priority programs under the country's transportation development plan
 - Increase assistance in programs for **climate change adaptation and carbon emission reduction**
- **(Railway)** Assist to improve and **repair railways running through north and south regions and build city Metro** (including light rails) in order to lay the foundation for a modernized railway system
 - Assist to **upgrade low-speed lines for higher railway speed, introduce the Metro (including light rail)** in Ho Chi Minh City and other metropolitan cities, and adopt **the railway operation and management system**
 - Increase assistance in the eco-friendly transport programs including **carbon emission reduction program**

□ Key Programs

- Program 1: Tan Van - Nhon Trach Road Construction Project

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|------------------------------------|---|-------------------|--|
| Agencies | EDCF Ministry of Transport of Vietnam | Total Cost | KRW 237.4 billion |
| Program Type | Project | Objective | Expand Transport infrastructure in the southern area of Ho Chi Minh City |
| Timeline | Preliminary feasibility study: 2013-2015 / Project implementation period: 2020-2025 | | |
| Details (incl. partnership) | Build part of the Ring Road in Ho Chi Minh City (Section 1A totaling 8.75 km, including Nhon Trach Bridge) | | |
| Performance indicator | <ul style="list-style-type: none">• Reduction in travel time and distance between Nhon Trach Complex and Ho Chi Minh City• Economic growth and poverty reduction in Ho Chi Minh City | | |

- Program 2: Rehabilitation Project of Section Hoa Duyet-Thanh Luyen Ha Noi-Ho Chi Minh City Railway Line

| | | | |
|------------------------------------|--|-------------------|---------------------------------------|
| Agencies | EDCF, Ministry of Transport of Vietnam | Total Cost | KRW 65.2 billion (expected) |
| Program Type | Project | Objective | Enhance efficiency of railway service |
| Timeline | Preliminary feasibility study: 2018-2022 / Project implementation period: 2023-2027 | | |
| Details (incl. partnership) | Improve and repair the railway connecting Hoa Duyet and Thanh Luyen (Total 11.62 km) | | |
| Performance indicator | <ul style="list-style-type: none"> • Increased traffic and passenger transport in the project area (Ha Tinh) • Enhance efficiency of railway service | | |

2 Health & Hygiene

☐ Development Needs

- The Ministry of Health of Vietnam plans **to provide basic healthcare service to all**, and increase infrastructure and workforce in medical institutions and departments where are in lack of beds
 - Projects underway to provide healthcare to minorities and other vulnerable groups under *‘the National Strategy on Population 2021-2030’*
 - With a goal to eradicate tuberculosis by 2030, implementing *‘the National Tuberculosis Program 1994-2030’*
- Also the Ministry of Health of Vietnam is active in addressing COVID-19, including creating **COVID-19 fund** (\$400 million as of August 2022) and having 80% or more of **the population vaccinated** (as of July 2022)

☐ Basic Directions

- **(Healthcare service) Expand medical services, hospitals, and medical equipment** to contribute to raising people's quality of life
- **(Healthcare system) Assist to strengthen the disease response system** for the advancement of the overall healthcare system

☐ Detailed Implementation Plan

- **(Healthcare service) Assist to improve the access to healthcare services** in smaller cities by broadening the target areas, from which are currently concentrated on big cities like Hanoi and Ho Chi Minh City
 - Assist to **construct general hospitals** in provinces, and **supply medical equipment and build the capacity of the healthcare workers** for smooth operation of existing general hospitals
- **(Healthcare system) Assist to establish a Disease Prevention Management System** for increased state-level capacity to respond to communicable and non-communicable diseases

☐ Key Programs

- Program 1: Construction Project of Ben Tre General Hospital

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|------------------------------------|---|-------------------|--|
| Agencies | EDCF Ben Tre People's Committee of Vietnam | Total Cost | KRW 73.3 billion |
| Program Type | Project | Objective | Improve healthcare infrastructure in Ben Tre |
| Timeline | Preliminary feasibility study: 2014-2015 / Project implementation period: 2020-2024 | | |
| Details (incl. partnership) | <ul style="list-style-type: none">• Build general hospitals with 500 beds, and purchase and maintain medical equipment and materials• Provide consulting services for hospital construction design, building inspection, and medical equipment examination | | |
| Performance indicator | <ul style="list-style-type: none">• Improve quality of healthcare services in Ben Tre• Enhance the access to healthcare services | | |

- Program 2: Education and Research Capacity Building Project at University of Medicine and Pharmacy at Ho Chi Minh City

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|------------------------------------|--|-------------------|---|
| Agencies | KOICA, Ministry of Health, Ho Chi Minh University of Medicine and Pharmacy of Vietnam | Total Cost | KRW 11.7 billion |
| Program Type | Project | Objective | Enhance healthcare services through capacity-building of the healthcare workers |
| Timeline | Preliminary study: 2019 / Project implementation period: 2021-2026 | | |
| Details (incl. partnership) | <ul style="list-style-type: none"> • Introduce medical education and enforce medical education evaluation and accreditation by international standards • Build the clinical capacity of healthcare workers and the research capacity of colleges | | |
| Performance indicator | <ul style="list-style-type: none"> • Rate that satisfied evaluation and certification criteria • Rate that completed clinical training • Rate of increase in international-level research achievement • Rate of increase in joint academia-industry research | | |

3 Environment

□ Development Needs

- **(Climate change and water management)** Due to its vulnerability to rising sea levels and other climate change impact, Vietnam clearly specified ‘**climate change adaptation**’ as a priority area of ODA
 - Vietnam is committed to **net-zero carbon emission by 2050** (November, 2021) and enacted ‘*the Decree on Greenhouse Gas Reduction and Ozone Layer Protection*’ in support of this goal
- **(Waste)** With economic growth entailing a **rapid increase in waste, air and water contamination** get serious due to waste being treated primarily through **burning and landfill, and unlawful waste disposal**

* The issue is included the marine plastics pollution

- **(Energy)** The Vietnamese government is committed to **gradually shifting away from coal-fired power generation towards more eco-friendly sources of energy by 2040** to achieve the net-zero carbon emission target.

☐ **Basic Directions**

- **(Climate change and water management)** Assist with climate change adaptation and mitigation efforts, including water resources management and irrigation project, environment management capacity-building, **expansion of eco-friendly infrastructure** to support smart farming and clean agricultural development, and forestry cooperation
- **(Waste)** Assist in **disposing solid and ocean waste, and building circular economy**
- **(Energy)** Assist to develop **eco-friendly energy source and build smart city infrastructure in support of transition to carbon-neutral society**

☐ **Detailed Implementation Plan**

- **(Climate change and water management)** Strengthen assistance in **building roads and irrigation facilities to mitigate climate change damages**, including droughts in vulnerable areas like the Mekong Delta and the Red River, and rising sea levels
- **(Waste and energy)** Assist in **disposing city waste and using waste as resource and source of energy** through Public-Private Partnership

□ Key Programs

- Program 1: Waste Reduction and Waste to Resources Project by Establishing a Sustainable Waste Management System in Thai Nguyen Province, Vietnam

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|------------------------------------|---|-------------------|---|
| Agencies | KOICA Thái Nguyên People's Committee of Vietnam | Total Cost | KRW 9.1 billion |
| Program Type | Project | Objective | Reduced waste and greenhouse gas emission |
| Timeline | Preliminary study: 2020 / Project implementation period: 2022-2025 | | |
| Details (incl. partnership) | <ul style="list-style-type: none"> • Offer policy support and assist to establish waste a separation process • Manage waste separation program at the source level • Build waste collection infrastructure • Build waste sorting facility and develop operation manual • Formulate mid- to long-term resource recovery strategy • Advance domestic waste management system and strengthen management capacity | | |
| Performance indicator | <ul style="list-style-type: none"> • Waste separation rate • Lower rate of waste burial and rate of waste burning • Enhanced capacity to manage domestic waste | | |

- Program 2: Promoting Energy Efficiency Investment Market in the Industrial Sector and Supporting the National Green Growth Action Plan(GGAP) of Vietnam

| | | | |
|------------------------------------|---|-------------------|---|
| Agencies | KOICA Ministry of Industry and Trade of Vietnam | Total Cost | KRW 7.7 billion |
| Program Type | Project | Objective | <ul style="list-style-type: none"> • Lay a foundation to increase investment in industrial energy efficiency • Enhance national energy efficiency |
| Timeline | Preliminary study: 2019/ Project implementation period: 2021-2025 | | |
| Details (incl. partnership) | <ul style="list-style-type: none"> • Identify potential energy efficiency businesses and facilitate investment • Develop guidelines for energy efficiency and green growth • Assist local government to develop green growth action plan | | |
| Performance indicator | <ul style="list-style-type: none"> • Increase in energy efficiency R&D and technological cooperation investments (USD) • Number of approved investments and loans for energy efficiency proposals • Improved industrial capacity and awareness | | |

☐ Development Needs

- Fostering qualified human resources for the demand of the Fourth Industrial Revolution is a key strategic social objective in *Vietnam's Social and Economic Development Strategy 2021-2030*
- According to *「the Social and Economic Development Strategy 2021-2025」*, Vietnam is fostering **human resources and strengthening training and education** necessary to support **digital transition and digital economy**.

* Share of training and education in national budget: 20.9% (2020), 24.0% (2021)

☐ Basic Directions

- **(Higher education and vocational training)** Assist to **build capacity of human resources** and foster **specialized technicians by expanding higher educational institutions**, and employment-linked training programs
- **(Education for vulnerable groups)** Assist to improve the access to education through **inclusive educational programs**

☐ Detailed Implementation Plan

- **(Higher education and vocational training)** Assist to expand educational facilities in science and technology **research institutes and colleges centering on biology, healthcare, IT, and engineering**, and strengthening the foundation for vocational skill training
- **(Education for vulnerable groups)** Assist to improve the infrastructure and foster instructors for vulnerable groups

- Program 1: Project for Strengthening Academic Development of the Vietnam-Korea University of Information and Communication Technology (VKU) with regard to ICT Education, Research, and Governance

| | | | |
|------------------------------------|---|-------------------|--|
| Agencies | KOICA, (Vietnam) Ministry of Education and Training of Vietnam | Total Cost | KRW 8.7 billion |
| Program Type | Project | Objective | Contribute to fostering a skilled ICT workforce to lead the Fourth Industrial Revolution in the central region |
| Timeline | Preliminary study: 2020 / RD signing: 2022 (planned) / Project implementation period: 2022-2026 ※ Reference: This program is the third phase project, based on the success of the first and second phase projects. <ul style="list-style-type: none"> • (1st phase project) Establish Vietnam-Korea Friendship Information Technology College (2003-2007/\$10 million) • (2nd phase project) Elevate the college to a four-year college (2013-2020/\$5.2 million) | | |
| Details (incl. partnership) | <ul style="list-style-type: none"> • Improve the environment for ICT education and research • Support the masters' program, build research capacity, and reorganize the curriculum • Assist to build the capacity to facilitate academia-industry ICT cooperation | | |
| Implementation Indicator | <ul style="list-style-type: none"> • Employment rate of college graduates • Reach to the top 30 college rankings in Vietnam | | |

5 Public Administration

☐ Development Needs

- The Vietnamese government is pursuing **“institutional reform, improvement of administrative procedures, enhanced public services, and e-government** based on *「the Master Plan for Public Administration Reform 2021-2030」* .

* The successful implementation of the *Master Plan for Public Administration Reform 2011-2020* has led to 1,000 or so cases of streamlined administrative procedures and saving of \$272 million in administrative cost as of November 2020.

- The target is to achieve minimum 20% **reduction in regulatory and administrative cost**, and have 80% of administrative procedures computerised by 2025 (90% by 2030).

* (Goal) Rise to the fourth by 2025 and the third by 2030 in ASEAN in terms of the United Nations E-Government Survey (within the top 50 in the world)

☐ Basic Directions

- **(Institutional improvement of public organizations)** Support for institutional improvement in order to **enhance efficiency and transparency** in the government and public organizations
- **(Public administration capacity building)** Support capacity-building for public administration to better serve local communities, including **vulnerable groups, small and medium-sized enterprises**

☐ Detailed Implementation Plan

- **(Institutional improvement of public organizations system)** Assist to **introduce and improve various institutional systems and policies** for **higher quality of public services**
- **(Public administration capacity building)** Assist to **establish policy and system** in order to provide social protection for **vulnerable groups** (persons with disabilities, women, etc.), and **foster and grow small and medium-sized enterprises**

☐ Key Programs

- Program 1: Project for Improving the Transparency and the Quality of Adjudication in the Viet Nam People's Court

| | | | |
|------------------------------------|---|-------------------|--|
| Agencies | KOICA Supreme People's Court of Vietnam | Total Cost | KRW 13.2 billion |
| Program Type | Project | Objective | <ul style="list-style-type: none">• Increase transparency in proceedings through judiciary informatization• Enhance the quality of adjudication |
| Timeline | Preliminary study: 2017 / Project implementation period: 2019-2023 | | |
| Details (incl. partnership) | <ul style="list-style-type: none">• Provide capacity building programs for judges and enhance IT capacity• Build integrated case management system• Support the publication of judge manual | | |
| Performance indicator | <ul style="list-style-type: none">• Increased number of holdings by Supreme People's Court• Percentage of cases automatically assigned by electronic system | | |

- Program 2: Project on Capacity Building for Monitoring and Evaluation (M&E) on National Plans and Establishing System in Vietnam

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|--|---|-------------------|---|
| Agencies | KOICA Ministry of Planning and Investment of Vietnam | Total Cost | KRW 3.4 billion |
| Program Type | Project | Objective | Enhance capacity and accountability in national plan management |
| Timeline | Preliminary study: 2021/ Project implementation period: 2022-2025 | | |
| Details (incl. partnership) | <ul style="list-style-type: none"> • Provide consultation to improve monitoring and evaluation(M&E) system over national plans • Build IT system for M&E • Build capacity to operate M&E IT system | | |
| Performance indicator | <ul style="list-style-type: none"> • Implementation rate of plans to improve evaluation system • Number of M&E IT system users (rate of application) | | |

III. Implementation Strategy

☐ Considerations of other cross-cutting issues specific to the partner country

- In addition to focused assistance in priority areas of cooperation, other areas, including science and **technology, creative innovation, and Fourth Industrial Revolution** will be taken into account in overall ODA programs.

* Expand ODA programs to support development of science, technology and ICT based on the Korean government's *Science, Technology and ICT ODA Strategy* (January 2022)