



# Integrating environment and development in Viet Nam

## Achievements, challenges and next steps

Steve Bass, David Annandale, Phan Van Binh, Tran Phuong Dong,  
Hoang Anh Nam, Le Thi Kien Oanh, Mike Parsons, Nguyen Van Phuc,  
and Vu Van Trieu



# **Integrating environment and development in Viet Nam**

## **Achievements, challenges and next steps**

Paper resulting from the Viet Nam Environmental Mainstreaming 'Lessons Learned Review' of March 2009 organised by IIED in association with the Viet Nam/UNDP Poverty Environment Programme

2010

Steve Bass, David Annandale, Phan Van Binh, Tran Phuong Dong, Hoang Anh Nam, Le Thi Kieu Oanh, Mike Parsons, Nguyen Van Phuc, and Vu Van Trieu

# Contents

Acknowledgements and Disclaimer	4
List of Acronyms	5
1.0 Introduction and Summary	7
2.0 The significance of environment-development links in Viet Nam	9
3.0 Viet Nam's achievements in integrating environment and development	13
3.1 Multiple pathways for integrating environment and development objectives	13
3.2 Exploring the pathways to integration – brief case studies	14
1 Improving the case for addressing poverty/environment issues – linking quantitative and participatory analysis in the Socio-Economic Development Plan for Ha Nam	14
2 Making use of an effective integration tool – Strategic Environmental Assessment of the Quang Nam Hydropower Development Plan	21
3 Area planning to link human and ecosystem wellbeing – learning from the Hon Mun Marine Protected Area	22
4 A high-level multi-stakeholder process to ensure improved investment – Vedan's factory in Ha Tinh Province	23
5 Local groups addressing their own linked poverty-environment needs – new commune-level environmental regulations	25
6 Media as a bridge linking development and environment stakeholders – journalists' workshops influencing water decisions	26
7 A catalytic programme linking the environment authority to other key players – PEP achievements and challenges	29
8 A catalytic programme linking the planning authority to other key players – DCE achievements and challenges	30
3.3 Progress to date – outcomes achieved in environmental mainstreaming	32
4.0 Explaining progress: the main drivers and constraints	41
4.1 Many drivers of environmental mainstreaming – but no single process	41
4.2 Viet Nam's development priorities to date – aiming at high rates of economic growth – constrain integration of environment objectives	44
4.3 Uncoordinated, inflexible and incompatible planning processes mean poverty-environment issues 'slip through the net'	45
4.4 Cultural and behavioural constraints to environmental mainstreaming	46
5.0 Summary lessons on successful environmental mainstreaming in Viet Nam	48
5.1 Prerequisites for successful environmental mainstreaming	48
5.2 Principles for successful environmental mainstreaming	48
6.0 Environment-development integration priorities for the future: eight ideas	50
Idea 1: An organised knowledge base on development-environment linkages – tackling the information gap	51
Idea 2: An economic study of environmental potentials and limits – tackling the economic analysis gap	51

Idea 3: A poverty-environment decree – tackling the policy gap	52
Idea 4: A 'living rivers mechanism' for cross-province river management – tackling the integrated management gap	52
Idea 5: A national movement to develop commune-level environmental regulations – tackling the people's mobilisation gap	53
Idea 6: Public environmental procurement and environmental funds – tackling the investment start-up gap	53
Idea 7: A 2010 conference on 'Readiness for investing in environment as a Middle Income Country' – tackling the vision gap	53
Idea 8: Continue cross-institution mainstreaming projects such as PEP – tackling the integration 'catalyst' gap	54
References	55

# Acknowledgements

We acknowledge with thanks the support of colleagues in the MONRE/UNDP Viet Nam Poverty Environment Project and IIED in helping to organise a Retreat of the authors in Hoa Binh in March 2009; and the financial support of DFID and Irish Aid through their framework agreements with IIED. Colleagues of the UNDP-UNEP Poverty-Environment Initiative regional office in Bangkok, Paul Steele and Sanath Ranawana, gave useful advice; Jake Brunner of IUCN-Vietnam offered helpful peer review comments; Kim Thi Thuy Ngoc of the Viet Nam Poverty Environment Project provided translation services; and Leianne Rolington of IIED provided editorial assistance. We are grateful to Dao Xuan Lai, Sustainable Development Team Leader of UNDP Viet Nam, for his leadership role in steering the process successfully.

Several photographers, whose work is featured on roadside billboards advocating better attention to poverty-environment issues, enrich this paper with their photographs: Nguyen Duy Hau, Nguyen Dang Khoa, Tran Cao Bao Long, Kim Manh, Tran Minh, Dao Hoa Nu, Nguyen Thi Thuy, and Bui Hoa Tien.

Disclaimer: Views in this paper constitute a broad (but not always complete) consensus amongst the authors in their independent capacities and are not necessarily the views of their organisations, or of UNDP, or of IIED.

# Acronyms

<b>ADB</b>	Asian Development Bank
<b>BAP</b>	Biodiversity Action Plan
<b>CIDA</b>	Canadian International Development Agency
<b>DCE</b>	Viet Nam-Denmark Development Cooperation in Environment Programme
<b>DOIT</b>	Department of Industry and Trade
<b>DONRE</b>	Natural Resources and Environment Department
<b>DPI</b>	Department of Planning and Investment
<b>EIA</b>	Environmental Impact Assessment
<b>FDI</b>	Foreign Direct Investment
<b>GEF</b>	Global Environment Facility
<b>GIS</b>	Geographical Information Systems
<b>GoV</b>	Government of Viet Nam
<b>HDI</b>	Human Development Index
<b>HEI</b>	Health and Environment Institute
<b>HEP</b>	Hydroelectric Power
<b>HUSTA</b>	Hanoi Union of Scientific and Technological Associations
<b>IIED</b>	International Institute for Environment and Development
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISGE</b>	International Support Group on the Environment
<b>IUCN</b>	International Union for Conservation of Nature
<b>IWRM</b>	Integrated Water Resource Management
<b>LEP</b>	Law on Environmental Protection
<b>MARD</b>	Ministry of Agriculture and Rural Development
<b>MIC</b>	Middle Income Country
<b>MOC</b>	Ministry of Construction
<b>MOIT</b>	Ministry of Industry and Trade
<b>MOLISA</b>	Ministry of Labour, Invalids and Social Affairs
<b>MONRE</b>	Ministry of Natural Resources and Environment
<b>MPA</b>	Marine Protected Area
<b>MPI</b>	Ministry of Planning and Investment
<b>NCSD</b>	National Council for Sustainable Development
<b>NGO</b>	Non-governmental Organisation
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PEP</b>	Viet Nam Poverty Environment Programme
<b>PES</b>	Payments for Environmental Services
<b>PPA</b>	Participatory Poverty Assessment
<b>SDIN</b>	Sustainable Development Institute of the North
<b>SEA</b>	Strategic Environmental Assessment
<b>SEDP</b>	Socio-Economic Development Planning
<b>SEDS</b>	Socio-Economic Development Strategy
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SOE</b>	State-Owned Enterprise
<b>UNDP</b>	United Nations Development Programme
<b>VFEJ</b>	Vietnam Forum of Environmental Journalists
<b>VUSTA</b>	Vietnam Union of Science and Technology Associations
<b>WWF</b>	World Wildlife Fund





# [1] Introduction and Summary

Development, poverty reduction and environmental management have for too long been treated as separate objectives in Viet Nam – as in most countries. Separate institutions, policies, budgets and programmes have been established to work on each objective alone. The priority given to development has brought some immediate and major benefits. However, the cumulative negative impacts of Viet Nam's extraordinarily rapid development on water, air and land – and the subsequent suffering of poor people from pollution, climate change and soil infertility – show that these objectives need to be considered together.

The challenges of integrating environmental management and development are significant and difficult, and few countries have a perfect solution as yet. It is essentially an issue of institutional change – bringing about improvements in government structures, in markets, in production systems and in people's daily lives in their habits of work, consumption and leisure – so that the environment is nurtured as a foundation of both poverty reduction and development. There are clearly no 'quick fixes' and any solutions will have to suit local cultures and norms.

We therefore suggest that the improved integration of environment and development objectives is best informed by knowledge of what has *already* worked well in Viet Nam over many years, so that it can be scaled up. It should also be informed by what currently *constrains* integration, so that barriers can be removed and bad practices stopped. Further, it should be informed by an assessment of *future* needs, given rapidly changing demographic, economic and environmental situations.

This short paper begins to offer such information. It results from a working retreat in Hoa Binh on 24-26 March 2009, which:

- brought together eight people from government, civil society, academia and the media who have been leaders, key participants or critical observers of integrating environmental objectives into development over the years;
- was hosted by the Viet Nam Poverty Environment Programme (PEP), a programme of the Ministry of Natural Resources and Environment (MONRE) and the United Nations Development Programme (UNDP) to "strengthen Government capacity to integrate environment and poverty reduction goals into policy frameworks for sustainable development";
- was facilitated by the International Institute for Environment and Development (IIED), a leading international policy research organisation based in London; and
- was informed by the outcomes of a preliminary workshop on 'environmental mainstreaming' held in Hanoi during November 2008, organised by PEP and IIED, with 70 participants from a wide range of backgrounds.

We began the retreat by reviewing the main achievements in linking environment and development over the last 20 years – identifying approaches that have improved the pro-poor and pro-environment attributes of decisions and institutions. Each of us brought forward specific case studies that illustrated a range of improvements in awareness, policies, procedures and capacities, and so on. Many of these achievements were the result of government activity at central and decentralised levels, but on their own these seem not to be enough: activities of business, civil society and media that jointly address environment and development needs are proving to be critical. The activities of cooperating partners can also be catalytic: PEP and other projects such as the Viet Nam-Denmark Development Cooperation in Environment Programme (DCE) have played brokerage roles in linking environment and development organisations and objectives, picking up on the environmental concerns of poor people that had not always been given priority.

Such achievements have not gone far enough. In spite of some good plans to better link environment and development needs, there remain many policy, coordination and capacity constraints. Many are located in government (central and decentralised), where cross-department working is weak. Others are connected to cultural norms and a market system that creates short-term financial incentives that are not informed of environmental benefits, especially benefits for poor groups. Continued improvement in Viet Nam, as in every country, will be a long-term affair, as the integration of environment and development is a matter of broad-scale institutional change, and such change takes place over a generation rather than, for example, a three-year project.

Thus, having reflected on the lessons of these achievements, we laid out the key challenges for development, and for poverty reduction in particular, over the next 10 years. This generated several key ideas, which are explored further in section 4; highlights being:

- **A resilient green economy in a middle-income country:** As Viet Nam approaches middle income status, it is time to ask how the economy can be shaped so that it is resilient to climate change, so that it ensures security of food, fibre, fresh water and clean air for all Vietnamese people, and so that private income and public revenue can be both increased and sustained from Viet Nam's rich resources. We propose a study of the economic implications of environmental change and a conference on 'preparing for green growth' in a middle-income Viet Nam – green growth that could increase Viet Nam's competitive edge over neighbouring countries.
- **Commune-level environmental regulations:** Seeing the success of some commune-level environmental regulations in handling environmental health and waste problems, we suggest the possibility of scaling up this approach to involve local people nation-wide – so that local people themselves balance development and environment objectives.
- **A poverty-environment decree:** Identifying the problem of coordination and the need for leadership, we point to the potential value of a catalytic poverty-environment decree (or at least central government guidance) to link the energies and resources of sector and provincial authorities.
- **Cross-province rivers management:** In view of the difficulties of target-setting when it comes to cross-provincial pollution issues, we suggest a regional 'living rivers' mechanism that establishes common but differentiated responsibilities between provinces.
- **Public environmental procurement and funding:** Government could offer leadership through a sustainable public procurement programme to ensure that government contracts for services, supplies and infrastructure preferentially use environmentally- and socially-sound products and processes. It could also ensure the pro-poor use of environmental funds, for example ensuring the National Environmental Protection Fund helps poor people as consumers, or as producers, or where they have been victims of environmental degradation.

Whilst our recommendations note the high value of catalytic programmes such as PEP and DCE, this paper is not narrowly focused on setting an agenda for such programmes. Rather, it aims to inform all current and future Vietnamese and cooperating partner initiatives that span the twin critical endeavours of environment and development. Whilst we address the whole field of development, we concentrate on the critical development task of poverty reduction.<sup>[1]</sup>

[1] Hence we sometimes distinguish between the wide range of environment-development issues and the more specific set of poverty-environment issues.

# [2] The significance of environment-development links in Viet Nam

Viet Nam's rapid economic growth of 7 to 8 percent over the last decade or more has enabled one of the world's most impressive increases in the Human Development Index, with particular progress in education, health and increased standard of living.<sup>[2]</sup> With China, Viet Nam has become a global leader in ensuring that high levels of economic growth lead to poverty reduction – although poverty is still high and the 'easy gains', especially from agricultural land reform, have already been taken.

What of the environment? Consciously or otherwise, there has been a political and public willingness to 'sacrifice' environmental assets in achieving Viet Nam's pro-poor growth – until recently. This is now changing: there are signs that such public willingness is declining based on the number of newspaper articles and TV programmes about pollution, public campaigns, public calls to prosecute major polluters, and claims for compensation. The Government of Viet Nam (GoV) itself has also come to place greater emphasis on environment management – recognising that some environmental limitations on growth, such as cumulative pollution and climate change, are increasing the vulnerability of current growth models. Spending on the environment from domestic resources has increased to 1% of the State annual expenditure total as from 2007 (around 3,500 billion VN dong or US\$ 193 million/year, at 2007 exchange rates).

While attention to poverty reduction in Viet Nam is now being accompanied by some attention to the environment, they are only beginning to be strategically linked together. The Viet Nam Poverty Environment Programme (PEP) was a pioneer in doing this. Its work in particular has revealed how poverty and environment are closely linked in Viet Nam:<sup>[3]</sup>

**Poor people disproportionately depend on environmental assets.** Clean water, fertile soils and rich biodiversity are critical for poor people's livelihoods, especially for the 70% of the population who work in farming. Clean air, water and sanitation support the health of all Vietnamese, and indeed poor people often express their poverty in terms of environmental ill-health. They offer safety nets in times of trouble, for example, access to forests when crops fail. Environmental assets are also a key source of income both for poor people (from farming, forestry, fisheries, tourism and other activities that depend directly upon the quality of the environment) and for the nation itself in terms of revenue from natural resource management. PEP has found that even where environmental assets are low in quantity or quality, poor people still identify them as highly valuable and irreplaceable. Soils, water bodies, forests and biodiversity are the 'production capital' of the poor, particularly in remote rural areas. They have little access to other assets, notably financial assets.

**Poor people are especially vulnerable to environmental hazards.** Viet Nam has a densely populated coastline exposed to cyclones, two low-lying deltas, and a mountainous hinterland with very steep slopes. The country is therefore particularly prone to natural disasters. One million Vietnamese people need emergency relief every year from natural disasters, notably floods. Poor people are also disproportionately the *victims* of pollution and climate change – most of which is caused by others: if no mitigation takes place, 11 percent of the population is at risk from a 1 metre rise in sea levels due to climate change caused by richer countries and individuals (World Bank, 2007). The environmental impacts of Viet Nam's current development path on human health are increasingly apparent – as measured by the incidence of respiratory infections, waterborne disease, and drug resistance, as well as records of public complaints.

[2] Viet Nam's total HDI score rose from 0.6 in 1985 to 0.73 in 2007 – with 0.8 being a target figure.

[3] Much of the factual evidence in this paper draws on PEP documentation, unless otherwise cited.

**Pro-poor growth sectors depend on both a high quantity and quality of environmental assets and control of environmental hazards.** Viet Nam's developmental success is tied intimately to the environment, through sectors such as agriculture, forestry, fisheries and tourism. These sectors are relied on for economic growth, and in particular for growth that involves poor people. Environmental hazards also present significant risks to income in these sectors and investment in controlling such hazards has a cost-effective insurance impact. For example, an initial review of 400 separate economic studies worldwide, employing conservative assumptions, demonstrated good benefit:cost ratios from investing in managing environmental assets and hazards: <sup>[4]</sup>

- Providing clean water and sanitation: up to 14:1
- Mitigating natural disaster impacts: up to 7:1
- Conserving mangrove forests: up to 7.4:1
- Soil conservation: up to 3.3:1
- Biodiversity in national parks: 0.6:1 to 8.9:1

**Yet 'mainstream' development institutions, policies and plans do not fully base themselves on the above realities.** Development, poverty reduction and environmental institutional mandates are separate and uncoordinated from national to local levels. Policies and plans for sectors and localities are similarly separate. If environment appears at all in development policies and plans, it is usually a separate 'chapter' covering a few environmental protection activities. In those instances where a plan has a cross-cutting role, the plan will usually stress environmental *problems* (and reveal only an intention to mitigate those problems, rather than how to carry out that intention). Only rarely do plans offer positive commitments to generate benefits from environmental assets on a sustainable basis. Finally, although environment is an issue affecting every sector and every social group, there are many barriers to cross-institutional working within the institutions representing those sectors and groups. This is common to most countries: there are particular blocks to 'environmental mainstreaming' – given the lack of clear facts about the environment and environmental valuation; and there are generic institutional blocks to any kind of mainstreaming where authorities are asked to surrender some of their authority.

**Consequently, much development is unsustainable – degrading environmental assets and hindering poverty reduction.** This 'development' is accompanied by degradation of environmental assets. For example, three environmental problems alone – particulate emissions, carbon dioxide damage and the net loss of Viet Nam's forests – reduce gross national income by 2.1%.<sup>[5]</sup>

**As a result, there is a large proportion of the population who suffer linked poverty-environment problems.** Defining poverty as partly concerning environmental deprivations (and not only on a cash or food basket basis) is an innovation promoted by the PEP. It corresponds to the reality that poor people express their poverty just as much by a lack of access to clean water, sanitation, fertile soils and clean energy as by a lack of access to finance. There is considerable evidence of this – in the Participatory Poverty Assessments (PPAs) carried out in 1999 and 2003, as well as by ten more recent PEP case studies in 2006-8 (see Box 1).

[4] Pearce, David W. 2005. "Investing in Environmental Wealth for Poverty Reduction," UNDP, New York (<http://www.undp.org/pei/pdfs/InvestingEnvironmentalWealthPovertyReduction.pdf>)

[5] World Bank figures cited in [www.nationmaster.com/country/vm-vietnam](http://www.nationmaster.com/country/vm-vietnam)

*Certain environmentally-poor localities predispose people to poverty:* PEP has divided these into low resource endowment areas (poor soils, steep slopes, very dry areas, etc); hazard-prone areas (subject to floods, droughts, landslides, etc); and contaminated areas (subject to air, soil and water pollution, etc). This gives rise to three main types of the 'environmental poor', as identified by the PEP:

- The chronic rural poor, notably in remote uplands who suffer unproductive and degraded soils and inadequate water supplies, who lack access to common-property resources such as forests, and who often are obliged to practice slash-and-burn cultivation (which yields only a low income and can further degrade the environment). The poorest people by current measures are in these regions.
- The coastal/delta poor who suffer environmental hazards unduly, notably floods; who often have to make their living on coastal resources which have been degraded by others, for example through industrial pollution; and who will be most vulnerable to fisheries losses and climate change. The largest number of poor people are in these regions.
- The urban poor who suffer from a lack of access to clean water, sanitation and shelter, weak rights to use these resources to generate livelihoods, and a range of pollution problems. The highest growth rate of poverty is expected to be into this category.

**In each of these three geographical groups, three social groups are especially vulnerable:** ethnic minorities (who will make up 50% of the poor by 2010, although only 14% of the population), women (who are 68% of the farming work force, yet under-represented in almost all institutions), and unregistered migrants in towns.

These are the particular groups in Viet Nam who it is important to understand and work with. It may be difficult to forecast the particular needs of future generations but it is more difficult still to imagine them living without clean water, a predictable climate, productive topsoil, pollination and genetic resources. The big challenge of our time is therefore to reinstall understanding about the environmental foundations of development.

### **[Box 1] PEP studies of poverty-environment links in Viet Nam**

In its work with local communities, PEP found that:

- **Rich and prosperous households often invest in semi-industrial production, business and services – which can harm poor people's natural resources.** The poor are still largely reliant on agriculture cultivation, their gardens and rice fields. Vegetable cultivation had formerly been helpful in providing supplementary incomes to the poor but is currently compromised because land and water sources are contaminated by semi-industrial production centres operating within the village (PEP study in *Đa Sỹ, Hà Đông, Hà Tây*).
- **As land and aquatic resources become degraded or are reduced, livelihood opportunities of the poor are increasingly limited.** Plots along streams and hillsides, formerly used for cash crops such as vegetables and watermelons, are now no longer allowed to be used for environmental protection reasons. As common grazing fields of villages are set aside for other purposes, those with insufficient land find it difficult to keep livestock. Farmers are therefore missing income opportunities (PEP study in *Tân Lĩnh of Hà Tây* province).
- **Lacking access to good and secure land, poor people attempt to supplement their income by using forests, but this can lead to further degradation.** Burning fuel wood and harvesting other forest products – if there are no incentives to sustain that forest – leads to an exhausted forest. A vicious poverty-environment cycle results: poor households

over-exploit forest resources, leading to exhausted, eroded soil, which leads to low agricultural production capacity, which in turn leads to low incomes and food shortage (PEP study in *Cẩm Mỹ, Cẩm Xuyên, Hà Tĩnh*).

- **Even in areas where natural resources such as land, water and forests are not favourable, the poor consider them the best available option for ensuring food and job security.** But, as they become increasingly excluded from their surrounding

productive livelihood environments, they are exposed to more risks to their income, health and social security, and their vulnerability increases. "Forest lands are mostly governed by state organizations or allocated to some rich households while most local people miss a chance to own forests, which results in employment shortages, leading to poverty, and resulting forest damage" (PEP study in *Vũ Quang Hà Tĩnh*).

# [3] Viet Nam's achievements in integrating environment and development

## [3.1] Multiple pathways for integrating environment and development objectives

Worldwide over the last two decades, one particular norm has evolved in order to meet the challenge of linking environment and development primarily: this is to get environmental issues reflected in the national plan. The 1992 Rio Earth Summit produced Agenda 21, which expressed the agreement that all countries shall prepare 'national sustainable development strategies'. Since then, another emphasis has been on integrating environment into Poverty Reduction Strategies.

The subsequent failure of many such strategies to lead to real change – beyond getting the right words into planning documents – has begun to focus attention on the institutional and behavioural constraints to implementing integrated plans. From a more positive perspective, it has also convinced us of the value of looking for several 'pathways' through which environment and development have become constructively linked in practice – looking at 'upstream' policy reforms and 'downstream' procedures, budgeting and investments, and not only focusing on integrated planning. These are likely to reveal other, often more robust, ways to achieve linked development and environment outcomes in given national contexts.

**The deliberate integration of developmental and environmental management goals into key decisions and institutions is relatively new in Viet Nam.** The PEP and DCE projects have become leading sources of information, debate, ideas and proposals, focusing on poverty-environment links rather than the broader development-environment agenda. They have worked with national planning but also with other drivers of integration:

- **Progressive provinces** are realising there are development-environment win-wins to be gained if the two objectives are treated together. A good example is Quang Nam province: in the last few years, the province has rejected some inward investment proposals that would have been especially environmentally damaging, and has instead initiated a process to design 5-year plans that fully incorporate environmental objectives.
- **Businesses aiming at export markets** are increasingly aware of foreign consumers' growing demand to be assured of the environmental and social sustainability of production processes – a market development that Quang Nam may soon benefit from.
- **Academics and the media** are beginning to inquire into the way in which development and environment problems are linked – with some high-profile pollution cases recently gaining much public attention.
- **Communities** are finding their voice on poverty-environment links, especially in environmental health, and are developing their own solutions.

**Central government institutions, however, remain central and critical players.** In section 3.2, we explore several short case studies within Viet Nam that use the different 'mainstreaming' pathways noted above. In all of these case studies, central government institutions have been critical – either in assisting progress or in constraining it. Indeed, as we shall see, the 'wiring diagram' of central government institutions and their relationships is a critical determinant of whether, where and how environment and development objectives can be constructively linked.

Here, we briefly introduce the five government institutions that have begun work on integrating environment and development, if in incomplete and often uncoordinated ways:

- **The Ministry of Planning and Investment (MPI)** leads on social and economic planning, facilitating private sector investment and aid coordination. It also leads on ensuring cross-government coherence on

economic, social and environmental objectives.

- **The Ministry of Finance** controls state finances and fiscal policy – including on environment and poverty reduction – and has been examining ways to link pro-poor and environmental tax regimes.
- **The Ministry of Natural Resources and Environment (MONRE)** is responsible for state management of land, water resources, mineral resources, environment and hydrometeorology and takes a lead in environmental protection.
- **The Ministry of Agriculture and Rural Development (MARD)** is responsible for farming, forests and rural development including service delivery in clean water and sanitation.
- **The Ministry of Labour, Invalids and Social Affairs (MOLISA)** is responsible for poverty relief and social development, focusing on the basic needs of the poorest communes, particularly in the uplands – and is now also requiring environmental sustainability to be considered in its poverty reduction projects.

In section 4, we explore issues of coordination and synergy between these institutions. Suffice to say here that, in the absence of clear roles and means for working on critical environment and development links, each institution's primary mandate remains paramount and the wider range of needs identified in section 2 are not well met. The institutions have not been effectively 'wired together' in a systematic way, and several overt and covert factors keep them apart. This will increasingly threaten Viet Nam's achievements as a country and the wellbeing of Vietnamese people.

### [3.2] Exploring the pathways to integration – brief case studies

Here we introduce eight short case studies that illustrate the many ways in which different organisations in Viet Nam have been attempting to link environment and development. They cover central as well as provincial government efforts, academic and media roles, the catalytic roles of aid-supported projects, and commune-level initiatives.

#### **[Case 1] A better case for tackling poverty/environment issues – linking quantitative and participatory analysis in the Socio-Economic Development Plan for Ha Nam Province**

There is a highly standardised procedure for preparing the socio-economic development plan (SEDP) in provinces and municipalities. The Ministry of Planning and Investment directs a 10-step process (and carries out much of it, unless otherwise indicated below):

- Step 1: Prepare key contents of the orientation framework for the 5-year SEDP, for submission to Prime Minister for approval
- Step 2: Disseminate the draft orientation framework for the 5-year SEDP among Ministries and Provinces
- Step 3: Compile data for drafting the full SEDP at provincial level
- Step 4: Ministries and Provinces make their respective plan inputs
- Step 5: DPI prepares the first draft 5-year SEDP
- Step 6: Organise the first consultation for the draft plan
- Step 7: Consult Provincial Party Committee and People's Committee on the draft plan
- Step 8: Consult National Assembly members and community on the draft plan
- Step 9: Finalise draft socio-economic development plan
- Step 10: Submit the plan to Provincial People's Council for approval



There are three major problems with this approach.

**Firstly, planning relies too heavily on 'scientific' quantitative data.** Participation of the people, especially the poor, is weak; especially regarding environmental issues and poverty reduction. Moreover, any participation that does take place has a limited or unclear impact on the plan. In large part this is because participation tends to yield qualitative information, which may be extremely relevant to local people and environmental issues but is viewed by planners merely as 'opinion', without the credibility of 'scientific' quantitative data. The latter is also more easily handled by planners, as it generates the measurable targets that are called for in the plan process – if not always meaningful targets. As a result of this planning bias towards data, almost nothing tends to be done about identifying and integrating poor people's environmental perspectives in provincial plans. Thus, for the foreseeable future, all information – including environment-development information – needs to be as quantitative as possible if it is to be influential in planning.

**Secondly, there has been a lack of central guidance covering both environment and poverty reduction issues.** Official methodology and procedures have not yet been issued to ensure "sustainable development" in the provinces. If and when issued, they should prove to be significant for helping provinces' work towards environment-development integration, because provincial authorities do understand that they must ensure that they comply with and maintain 'the unity and wholeness of the national planning system'. There are already some documents providing broad orientation for the integration of poverty and environment concerns into development plans:

- Directive no.33/2004/CT-TTg by the Prime Minister directs the integration of growth and poverty reduction goals into socio-economic development plans. This calls for attention to the quality of growth and accounting for indicators of living standards, human development, social development and environmental protection.
- Decree no.140/ND-CP of 2006 by the government specifies the inclusion of environmental protection in making, evaluating, approving and implementing development strategies, master plans, plans, programmes and projects.
- MPI issued follow-on guidance documents which centred on integrating poverty reduction goals (Document no.2215/2004/BKH-TH guiding the integration of poverty reduction into socio-economic development plans).
- MONRE issued a guideline for SEA, EIA and environmental protection which includes social and economic issues, and is being used by MPI (Circular 05, No. 05/2008/TT-BTNMT on SEA, 8th December, 2008).

However there is not yet a similar instruction guiding the integration of poverty and environment issues together into socio-economic development plans. The Ministry of Planning and Investment is currently preparing a framework of sustainable development indicators, including indicators for poverty and natural resources and environment, which will then be elaborated in making, monitoring and evaluating provincial development plans.

**Thirdly, the awareness and capacity of the different ministries is not strong on how they could work together on environment-development issues** (or sometimes more specifically poverty-environment issues). This would be a constraint even if data and planning guidance were improved. This is something the current paper aims to address, by revealing areas of progress.

To begin to tackle these three constraints, a consultation workshop was facilitated by one of the authors to

support the inclusion of poverty-environment linkages in preparing the SEDP for Ha Nam Province. Participants concentrated on linking qualitative and quantitative data on key poverty-environment issues. *This better use of data revealed compelling cases for action:*

- Potable water availability in percentage of population – only 30-40%.
- River contamination in social terms – Nhue and Day Rivers are so contaminated that fishermen have to migrate to other provinces; rising cancer levels from arsenic contaminated water in Binh Luc and Ly Nhan.
- Impacts of mining emissions in terms of health – a surge in pneumoconiosis, and in terms of food security – a slump in crop yields.
- Numbers of people affected by new industrial zones located in poor communities – social impacts of excessive emissions and wastewater; lack of employment due to low education levels and policy of not recruiting people who are over 40 years old; and landlessness due to land taken by the zones.
- The numbers and kinds of jobs that enjoy – or more often suffer from – specific environmental working conditions.

This kind of quantitative expression of real issues affecting real people led participants to go on to identify key indicators of poverty-environment linkages – again, all of them in quantitative terms (see Box 2).

### **[Box 2] Quantitative poverty-environment indicators developed through participatory process in Ha Nam Province**

- |   |  |
|---|--|
| [1] Ratio of fishing households escaping poverty / total number of poor fishing households  | [10] Ratio of population having health insurance                                 |
| [2] Ratio of poor households having access to fresh water / total number of poor households living in contaminated areas  | [11] Ratio of unemployed workers   |
| [3] Ratio of poor households better off through forestry, with 50% of their annual income from forestry economic activities / total number of poor households living on forests | [12] Ratio of trained workers / total number of people of working age            |
| [4] Ratio of poor people working in limestone mines or living nearby suffering from pneumoconiosis  | [13] Number of days per year employed in rural areas                             |
| [5] Ratio of poor people (against standard poverty line) living or working in polluted craft villages / total village population (including hire-out workers)                   | [14] Ratio of limestone mining facilities having protection kits                 |
| [6] Ratio of poor households whose land is acquired / the total number of poor households before land acquisition   | [15] Ratio of population having proper sanitary facilities                       |
| [7] Ratio of poor households / total households   | [16] Ratio of urban population having access to clean water supply               |
| [8] Ratio of investment budget for environmental protection / total investment  | [17] Ratio of rural population households having access to clean water supply    |
| [9] Ratio of temporary housing in rural areas / permanent housing   | [18] Ratio of waste collected per person per day in rural areas                  |
|   | [19] Ratio of rural population having standard toilets                           |
|   | [20] Ratio of industrial parks having concentrated wastewater treatment facility |
|   | [21] Ratio of households in craft villages treating wastewater                   |





Nong Tu Tuong





Bui Hoa Tien

**Lessons from the case study:** This consultative workshop revealed that many stakeholders are indeed aware of poverty-environment issues but require a suitable framework of indicators which can help them to work together to generate quantitative information of a quality that can directly influence plans. It is useful to get the diverse range of officials and people together, in order to raise the questions, to get the information produced with meaningful numbers and to shape the case around 'mainstream' or politically 'hot' concerns such as jobs. Such a process itself can build capacity by improving connections between groups. Means need to be sought to continue this kind of work, which has been undertaken only on a pilot basis by PEP.

### **[Case 2] Using an effective integration tool – Strategic Environmental Assessment of the Quang Nam Hydropower Development Plan**

A major hydropower plan for the Vu-Gia Thu-Bon River Basin was produced in 2006 by the Department of Industry and Trade in Quang Nam Province. This called for a dramatic increase in the number of dams in the province – proposing upwards of 50 new dams to generate electricity. Recognising that this could have significant implications on river flows and poor people's access to water, an ex-post Strategic Environmental Assessment (SEA) was undertaken on the hydropower plan. This was a trial exercise, since SEA was new, and was funded by the Asian Development Bank (ADB). Although the SEA was not formally appraised by the government, its outcomes came to the attention of the Provincial Chairman – triggering a formal review of the original hydropower plan and adjustments to all hydropower planning in the province.

Following an extensive consultation with local stakeholders on over 80 economic, social and environmental issues in the study area, the consultant SEA team, made up of international and national experts, identified 15 "themes of concern" for detailed assessment. In the final stage of the assessment, the SEA focused on four linked environment and development concerns: (i) water supply; (ii) provincial economic development; (iii) ecosystem integrity; and (iv) impacts on ethnic minorities.

Because data deficiencies in the province made it difficult to quantify impacts, the pilot SEA used trend analysis as its primary analytical tool. The trends were assessed using expert judgment, matrices of interactions, GIS-based exercises, and elements of scenario analysis.<sup>[6]</sup> Scenarios – 'best-case' and 'worst-case' – were used to assess future environmental impacts. These scenarios were discussed with the relevant government authorities, which in some cases led to additional information being provided and, in turn, refinement of the overall assessment.

Analyses performed within the SEA were accompanied by consultation with national and local stakeholders at key stages. Consultation and participatory methods that were used included: (i) establishing a multi-sector working group as a focal point for engagement; (ii) stakeholder workshops for identifying issues, baseline analysis, and assessing impacts and mitigation measures; (iii) meetings and informal communications with senior provincial leaders and staff from sector departments in the two provinces. This kind of consultation was new and the pilot thus also built capacity for follow-up activities after completion of the SEA, and for possible replication of the SEA approach to hydropower planning in other basins.

The ex-post SEA made many significant recommendations, including:

- Mitigation activities for the whole river basin including cross-sector work, including a proposal to allow two

[6] This work was based on MONRE's General Technical Guidelines on SEA

rivers to run unimpeded to the sea.

- Institutional innovations to existing arrangements, including planning and management procedures.
- Specific project modifications and offsets – notably the cancellation of some of the 50-odd originally proposed dams and removal of 4 dams planned illegally within National Parks.
- A new river basin fund from HEP profits to assist those minorities who had to be relocated.

**Lessons from the case study:** Ex-post SEA is sometimes derided as having minimal impact on the design of policies, plans and programmes because it occurs too late. With the active involvement of provincial authorities, however, this case has been able to raise some high-profile and challenging recommendations for the originators of the hydropower plan. The combination of SEA as a technical tool capable of handling many factors, and the credibility of a multi-stakeholder group, proved powerful in achieving improved environment-development outcomes. The SEA law now gives the mandate for this participatory approach.

### **[Case 3] Area planning to link human and ecosystem wellbeing – learning from the Hon Mun Marine Protected Area**

To date, poor attention to both the ecosystem and human wellbeing of many marine areas explains their poor condition. For marine conservation to work, ecosystem wellbeing needs to be prioritised far more than it has been to date – its health and productive functions must be understood, valued and invested in. But human wellbeing must also be understood: coastal groups of poor people need marine management regimes to be fully understanding of their vulnerabilities and supportive of their needs and capabilities.

The Hon Mun Marine Protected Area Pilot Project was established to tackle this problem.<sup>[7]</sup> It encompasses marine waters around Hon Mun and eight other islands in Nha Trang Bay in Khanh Hoa Province. The islands, located up to 10 kilometres off the coast of Nha Trang city, are semi-arid and infertile. The Marine Protected Area (MPA) supports diverse coastal and marine habitats in a relatively small area (160 km<sup>2</sup>). These habitats include coral reefs, seagrass beds, mangrove stands, sandy beaches, cobble-boulder beaches and rocky shores, often forming spectacular headlands, particularly on the island's exposed eastern coasts. Following the 2003 designation of Nha Trang Bay as one of the 30 "Most Beautiful Bays in the World",<sup>[8]</sup> awareness of environmental issues has played a more important role not only in the management of the MPA, but also in the management of the Bay as a whole.

Despite pressures from economic development, Nha Trang Bay retains some of the few intact reefs in south-central Viet Nam. The site is an "area of highest national priority" for marine conservation and coastal tourism in Viet Nam. The MPA has internationally important coral reefs with some of the highest coral biodiversity recorded in Viet Nam (over 350 species of hard coral from a total of 800 species in the world).

The Pilot Project was established by 2002 following a marine biodiversity assessment and community involvement in the preparation of the Protected Area management plan. The Implementation Phase from 2003 to 2005 supported alternative income generation activities to draw people away from activities associated with excessive resource use; ran a sustainable financing strategy; built a full complement of staff and their capacity

[7] The Project was supported by the Ministry of Fisheries, the Khanh Hoa PPC, the Global Environmental Facility, the Danish International Development Agency and the International Union for Conservation of Nature (IUCN).

[8] [www.world-bays.com](http://www.world-bays.com)



through management training; engaged and educated the public; and conducted monitoring and evaluation, including a second assessment of marine biodiversity.

The project played a key pilot role in acting on two priorities of Viet Nam's Biodiversity Action Plan (BAP): the development of a national system of MPAs; and the conservation of the Hon Mun island cluster. Nha Trang Bay was the first of 15 planned MPAs to be approved and serves as a model for the other MPAs in the proposed system. Through the development of a multiple-use approach to MPAs, the Project has also supported developmental priorities – enabling local island communities to improve their livelihoods as well as, in partnership with other stakeholders, effectively protect and sustainably manage the marine biodiversity at Nha Trang Bay as a model for collaborative MPA management.

**Lessons from the case study:** In establishing a new way of managing resources for balanced human and ecosystem wellbeing, sustainability has to be the key concern:

- **Institutional sustainability** for the Nha Trang Bay MPA Authority has now been secured by provincial decree. Its success has helped to forge a provincial-level Nha Trang Bay MPA Authority and a system of co-management with local resource users.
- **Financial sustainability** has been helped by new income streams for the Nha Trang MPA Authority. These include the Hon Mun Service Charge which generated 700 Million Dong in 2005, and a new Nha Trang Bay Sightseeing Fee aiming to raise \$120,000 per year.
- **Social sustainability** has been sought through engagement with communities and alternative income activities (e.g. launching handicraft and crop production, tourism, aquaculture instead of traditional fishing, etc).
- **Environmental sustainability** was initially the principal goal, given just how much the local biodiversity and ecosystem productivity had been severely compromised. The MPA regime has begun to significantly reduce destructive fishing pressures on Nha Trang Bay, protecting areas where breeding stock of fish can re-establish.

#### **[Case 4] A high-level multi-stakeholder process to ensure improved investment – Vedan tapioca factory in Ha Tinh Province**

Intense public pressure arising from the poor environmental record of one company, Vedan, in Dong Nai Province led to officials in Ha Tinh Province spearheading a process to ensure a much better outcome from Vedan's new factory in Ha Tinh.

In September 2008, Dong Nai officials discovered the Taiwanese food manufacturer Vedan had been illegally dumping waste in the Thi Vai River from its MSG plant, using a secret system of underground discharge pipes. Dong Nai environmental inspectors from several departments quickly revealed an invidious practice that had been going on for the previous 14 years: the MSG plant had been contaminating the river with up to 105 million litres of untreated wastewater per month. The audacious and elaborate way in which the company had disguised their illegal activity attracted wide media publicity and fired the public's imagination. Condemnation at the highest levels made it a cause celebre and Vedan quickly became a household name for corporate environmental irresponsibility. The company was fined VND267.5 million (US\$15,000) and ordered to pay VND127 billion (\$7 million) in overdue environmental fees. Perhaps more significantly, 4000 compensation claims were lodged by local farmers for damages to their fish and shrimp ponds and ruined farmlands.<sup>[9]</sup>

Meanwhile, in Ky Anh district of Ha Tinh Province, Vedan was building a tapioca powder factory. This is one of the poorest districts in Ha Tinh, with less than a quarter of its land in agriculture, which has been struggling with finding ways to promote development and achieving an annual poverty reduction target of 4 percent. When Vedan's factory was proposed, with a crop planting area of around 2500 hectares and the promise of hundreds of new jobs, Vedan initially drew strong support from local authorities and the Provincial Government. They looked forward to anticipated increases in private sector contributions to their budget and a stronger local economy.

Whilst its need for economic development was uppermost in most officials' minds, the Province already also faced a major challenge in environmental protection. Following the Law on Environmental Protection 2005, Vedan's investor submitted an Environmental Impact Assessment (EIA) for its tapioca factory. The EIA was approved by Ha Tinh's People's Committee in April 2007. During the construction process, anticipating media reports that the waste water treatment was going to be poor in the new factory as it had been in Dong Nai, the company submitted an additional EIA report. This proposed a new waste water treatment system combined with biogas collection – a scheme that was approved by Ha Tinh's People's Committee in March 2008.

Tapioca powder production results in high volumes of toxic waste water, which needs to be well-treated prior to discharge into the environment. As the manufacturer's plant was located at the Rao Tro riverhead, it was seen as very environmentally sensitive. Ha Tinh's People's Committee paid special attention to environmental protection and approved a trial operation, subject to regular environmental monitoring and periodic checks. The People's Committee requested the Company to commit to all its waste water being treated in accordance with Viet Nam's highest environmental standards – in effect, requiring the company to harmonize the standard of its output water with that of its input water.

In 2008, when the news of Vedan's notorious operation in Dong Nai spread throughout the country, Ha Tinh's People's Committee requested that the Department of Industry and Trade (DOIT), the Natural Resources and Environment Department (DONRE), and the Environment Department of Ha Tinh's Police scrutinise the tapioca plant very carefully – reinforced by a site visit by the Chairman and Vice-Chairman of the People's Committee.

As a consequence, environmental monitoring of Vedan's pre-processing, processing, and post-processing procedures was tightened. After being forced to strictly follow environmental commitments in the EIA report, the manufacturer implemented environmental protection solutions step by step so that any associated difficulties were reduced for tapioca planters in the area. The People's Committee allowed Vedan to continue its pilot operation only if:

- Waste water was kept in sealed and well-maintained bio-lakes.
- Waste water was treated and released to the required environmental standards.
- If waste water began to leak at any point, production was stopped.
- The environmental treatment system was established and functioning perfectly before the scheduled end of the pilot and beginning of full operations.
- Environmental protection regulations were strictly adhered to and all environmental impacts were remedied satisfactorily during the production pilot.

[9] Initially totalling VND1.2 trillion (\$60 million), the Ho Chi Minh City Farmers' Association subsequently halved the size of its claim following legal discussions with the company.

**Lessons from the case study:** Development of privately-owned agricultural processing plants can create real opportunities to improve the livelihoods of poor households in mountainous areas such as Ky Anh, as well as to increase provincial revenue. Given the right incentives and controls, good environmental management by the manufacturer can also ensure that economic development and environment objectives do not conflict. This does however require strict compliance with Viet Nam's environmental standards. The standards themselves are good but compliance is often bad: in today's climate, a real push is needed to ensure a greater level of transparency, public engagement and forward thinking than has been common.

One-off 'rubber-stamping' of project proposals is clearly no longer good enough, but neither is the disorganised, complaints-based approach to environmental protection that seems to have evolved in Viet Nam. A complaints-based approach can be used to discriminate unfairly against companies and it rarely gets the optimal outcome. Objective criteria and indicators and a more anticipatory approach are needed. As the Ha Tinh authorities have demonstrated well, just as important will be active and informed local leadership in insisting on solutions that meet both developmental and environmental objectives. Continued consultation, monitoring and high-level scrutiny are needed to ensure that investments actually produce good social and environmental outcomes.

### **[Case 5] First steps in building a grassroots movement for environmental protection – development of commune-level environmental protection regulations**

With PEP support, a few communes have been preparing their own environmental regulations. The participatory process of drafting the regulations is a significant learning process for communities about poverty-environment issues. It also potentially informs district and higher level authorities about community needs that need to be supplied from these higher levels. Furthermore, ownership is strong – if 90 percent of local people agree on a regulation, it goes ahead.

A key example is from PEP's work in Ha Tinh, a poor province in North Central Viet Nam. Covering approximately 2 percent of the country's total area and with a population of nearly 1.3 million, Ha Tinh's poverty rate is high at 33.6 percent (2007), the majority of whom are from rural areas. People in Ha Tinh have come to realise the importance of environmental protection. Women are some of the biggest drivers of this, for example, complaining that children become sick when they play outside in polluted areas. With support from PEP, Ha Tinh has so far set up specific environmental regulations for 13 out of 262 communes. The regulations tend to focus on issues of environmental health and wellbeing but also access to natural resources (Box 3).

Devising and implementing environmental regulations is a legitimate task of government and a key requirement in fostering overall environmental protection. However, the process that has been adopted in Ha Tinh and elsewhere is also one that strengthens and promotes grassroots democracy. Involving the community in drafting and implementing such regulations is critical. It can ensure that environmental policies are appropriate, practical and applicable for the locality and local residents, and that both local and national needs are covered.

The process proceeds in this way: First, commune-level environmental regulations are drafted by a group of experts under the supervision of the commune's leaders (representatives of the local Fatherland Front, Farmers' Association, Women's Union, Association of Veterans, local People's Committee and Heads of villages). Next, local people are consulted; their participation in seminars helps to tailor the draft to suit local natural conditions, socioeconomic features, customs and special characteristics of local industries and livelihoods – demonstrating

the principle of "The people know, discuss, execute and evaluate". The commune-level environmental regulations are finalised when they receive the consent of at least 90 percent of local participants. Yet just as important is the enthusiastic support of commune leaders, in particular the championship of the Commune Chairman and relevant parties.

The involvement of district and provincial authorities and organisations is also needed to provide support for legal aspects, process organisation, information and costs of the regulation-building process. Moreover, if environmental regulations can become established in many communes, their involvement can help to integrate local environmental concerns into provincial and national policy and legislation frameworks, offering ways for devolving the latter to the local level.

**Lessons from the case study:**

- Community-prepared environmental regulations enhance community awareness of the benefits possible from taking responsibility for environmental protection.
- Environmental regulations need to conform to both existing laws / regulations and local conditions, and should refer to distinct localities so that the people can understand and implement them easily.
- The regulation document should be concise, easy to understand and yet sufficient.
- There should be concrete plans, targets and mechanisms to incentivise leadership by commune leaders and gain support from other authorities and organisations.
- Dissemination plans need to be devised to educate the people in the commune about their regulations and to promote their adoption.
- Communities need to be involved in monitoring and evaluating the implementation of these regulations and in drawing and applying lessons learned for continuing success.

Other provinces have been making visits to Ha Tinh and to five provinces in which the SEMLA project has also been supporting commune-level regulations. It is understood that some communes in these provinces have now set up their own environmental regulations by themselves – often by adapting existing regulations to cover environmental protection activities. Clearly, there is strong demand at local level to strengthen the ways in which local environmental issues facing the poor are tackled. Where communities are acting spontaneously in making their own rules to ensure positive poverty-environment outcomes, this suggests there are real potentials to scale this up into a national 'movement'. This could become a very significant 'bottom-up' counterpart to the 'top-down' initiatives to link poverty-environment, which have so far been impotent on their own.

**[Case 6] The Media's role in improving environment and development linkages**

The media in Viet Nam is viewed by many as the fourth most powerful institution after the legislature (National Assembly), the executive (Government) and the judiciary (the legal system). This is because of the direct impacts of the media on society's attitudes and behaviour. It may trigger positive changes, or on the contrary, it may have a negative influence on society if information on certain events is reported inaccurately. In reality the media has no direct power at all – rather, indirect power conferred by the strength of its information in influencing public opinion.

Whilst it has been mobilising public opinion against inappropriate or illicit acts, the media is already increasingly recognised (in Vietnamese society) as playing an active role in improving environment and development linkages.

**[Box 3] Typical articles in commune-level environmental protection regulations in Ha Tinh communes <sup>[10]</sup>**

Decision of Commune People Committee

Chapter I GENERAL PROVISIONS

- Article 1. Scope of regulation
- Article 2. Subjects of application
- Article 3. Environmental protection principles in the area of Cam My Village
- Article 4. Policies of Cam My on environmental protection
- Article 5. Responsibilities of organizations and individuals

Chapter II REGULATION ON HYGIENE

- Article 6. Regulations on hygiene in houses and public places
- Article 7. Public hygiene
- Article 8. Hygiene in animal breeding
- Article 9. Hygiene in production and business of agriculture services
- Article 10. Hygiene and animal epidemic prevention
- Article 11. Regulation on burials
- Article 12. Waste collection fee

Chapter III ENVIRONMENTAL PROTECTION, WATER RESOURCES AND BIODIVERSITY

- Article 13. Forest protection and development
- Article 14. Aquatic resources protection
- Article 15. Forest fire prevention and fighting
- Article 16. Regulation on tree-planting mobilisation
- Article 17. Surface and underground water
- Article 18. Financial sources for environmental protection

Chapter IV COMMENDATIONS AND HANDLING OF VIOLATIONS

- Article 19. Commendations
- Article 20. Handling of violations
- Article 21. Administrative violations

Chapter V IMPLEMENTATION PROVISIONS

- Article 22. Implementation effect
- Article 23. Implementation guidance and revision

The media is not involved directly in poverty-environment policy making in the way that lawyers and policy makers are. It has no financial resources to fund developments as credit / fiscal institutions do and it is not in the same position as local authorities in being able to gain deep insight into local poverty status and development needs.

If, for example, a newly established regulation has just been implemented, local people may not pay much attention to it. Yet the same local people tend not to ignore a newspaper article reporting on the regulation – especially if they may find, through their reading, something that might be closely bound to their interests. There are positive links between poverty reduction and environmental management, in contrast to the trade-offs that are more normally perceived between development and environment.

Change in social perception first requires change in awareness amongst communication practitioners. Previously, environmental issues were reflected only as very brief columns in a sea of more 'significant' economic, social and legal information and / or news, and were overlooked even in local newspapers. According to the 2007 survey of mass media reporting of environmental issues carried out by the Health and Environment Institute (HEI), only two in every ten local journalists / reporters preferred writing environmental

[10] The full provisions under each Article are not included here – only the headings are noted

stories, mostly attributed to the difficulty of getting them published. At that time, the Vietnam Forum of Environmental Journalists (VFEJ) had a membership of 50 journalists / reporters, only one third of them with a formal role in environmental reporting.

Yet environmental issues have come to be of central interest to the media in the last two years. There are many aspects of social life that are now looked at through an environmental lens, a key issue being poverty. VFEJ has now a membership of more than 100; most specialise in writing environmental issues and others also report environmental stories occasionally in their newspapers. This process can have direct influence on mainstreaming the environment. Two examples illustrate this:

[1] In 2006, Vinh Phuc province embarked on an ecologically sustainable project at Tam Dao 2, focusing on developing tourist infrastructure including villas, hotels and casinos. This occupied nearly the whole area of the Tam Dao National Park, accounting for 300 hectares - meaning that the whole park could have been converted into a tourist resort.

The Tam Dao mountain range – with 20 peaks ranging between 1000 metres to 1592 metres high – is likened to the 'roof' of northern Viet Nam. There are 200,000 people living in Tam Dao township and 27 craft villages in the foothills of the Tam Dao. Most of the local population who rely on farming for their livelihoods could be seriously affected by climate change impacts if the park's diverse fauna and flora, especially its forests, were to disappear.

Journalists from some local newspapers raised an objection to the Tam Dao project but their voice was not listened to. Having realised this "hot" environmental problem, VFEJ organised a field visit of more than 20 journalists, 10 scientists and environmental specialists to explore the problem further. As a result of the visit, ten articles were simultaneously published in popular newspapers, attracting the public's attention to a bad scheme and mobilising the strength of public opinion to influence local authorities.

Immediately the Prime Minister appealed for the Vinh Phuc provincial government to comply with environmental impact assessment requirements before giving any permission to implement the project. In response to this, the Vinh Phuc People's Committee decided to reduce the project's land area by over a third, to 199 hectares.

[2] In August 2008, VFEJ organised a seminar and several field visits to Ha Tinh province in Central Viet Nam, which is one of the provinces most seriously affected by abnormal incidents of floods, typhoons and increased temperatures.

The seminar addressed the lessons of different approaches to combating desertification in Ha Tinh. It was organised in Thach Van commune, Thach Ha district where the first phase of a GEF anti-desertification project was implemented by HUSTA. Field visits were also arranged to a further site in Thach Van commune, Thach Ha district, and to other communes in Huong Khe district, where the second phase of the project was implemented.

In the months following the seminar, a series of articles were published, reporting information on environment-related impacts on local agricultural economies. This increased awareness within the local business community – one amongst them responding by supporting guaranteed marketing of local

grapefruits or pomelo grown by the Phuc Trach communal farmers, who had been seriously affected by climatic extreme events, i.e. buffering the income risks of climate variability on fruit production. Another result of the journalists' involvement was a decision by the provincial government to suspend the construction of a 20-hectare municipal solid waste treatment facility at Thach Van village for environmental reasons, even though the project had already been granted its permit.

**Lessons from the case study:** The media's role in Viet Nam is increasingly about participation, acting as a bridge between stakeholders – not 'propaganda' for or against officialdom. However, the media requires good information, good standards and real independence to avoid being pushed into sensationalism or creating scapegoats (for example, highlighting the bad practice of foreign companies over Vietnamese ones). There is increasing confidence amongst both the public and government officers about the value of improving transparency on environmental issues, including good media exposés.

### **[Case 7] A catalytic programme linking the environment authority to other key players – PEP achievements and challenges**

#### **Strengthening capacity – so that sustainable natural resource use and environmental protection can also reduce poverty – presents a major challenge to Viet Nam and its development partners.**

Better environmental management is a central component of effective poverty reduction, sustainable growth and attainment of Viet Nam's development goals. However, the enabling conditions for good environmental management are not all in place: important policy and institutional gaps remain, with significant capacity constraints at all levels of society. Firstly, there is a need to mainstream environmental and sustainable natural resource use concerns into sector strategies and sector development planning, and secondly, to mainstream poverty reduction concerns into environmental and natural resource management policies and activities. The project '*Harmonizing Poverty Reduction and Environmental Goals in Policy and Planning for Sustainable Development*', (more commonly known as the Poverty and Environment Project or PEP), has tried to tackle these two needs simultaneously. Only limited success has been achieved in the first because the institutional centre of gravity in government for achieving this objective lies in MPI, but PEP was set up in the newly-established MONRE. In the second, however, some significant outcomes have been achieved.

**Getting the evidence for pro-poor environmental policy:** Evidence of poverty-environment linkages has been generated through participatory research conducted in ten Provinces on several themes, each one focused on poor groups: understanding the voice of the poor; environment and health; water supply and sanitation; environmental policies and legislation; EIAs and coping strategies; income from the environment; improvement of environmental conditions; renewable energy; gender dimension of poverty-environment issues; and the impact of migration on environment. Following four provincial workshops, the identified poverty-environment linkages were included in current socio-economic development plans and future forestry, fisheries, renewable energy and environment sector plans. Evidence was also generated on the effects of climate change on poor coastal rural livelihoods in participatory case studies in Ha Tinh, Thua Tien Hue and Ninh Thuan provinces.

**Communicating the evidence:** The lack of local understanding, analysis and 'ownership' of poverty-environment issues had been a major challenge facing the development of policy and legislation for poverty-environment concerns. PEP has achieved significant success in addressing this, having:

- Developed the Poverty-Environment Network as a legal entity, currently with over 130 members including government officials from various Ministries, to provide better support to the development of partnerships

between Government donors and civil society in addressing poverty-environment issues.

- Established a website to service this network and successfully transferred ownership of the site to the ISGE.
- Run photographic and essay writing competitions on poverty and environment issues, which were later used to develop eight billboards on one of Hanoi's main streets to raise the visibility of poverty-environment issues and advertise the PEN website. The photographs appear in this publication.
- Organised two study tours to the United Kingdom (including the current MONRE Minister, Chair of the PEP Steering Committee) and Tanzania to gain knowledge and experience of lessons learned on poverty-environment mainstreaming in other countries.

The analyses and communications exercises described above have made a significant contribution to awareness for both ordinary citizens and officials. A much more integrated approach has already been observed among certain decision makers in MONRE, MARD, other ministries, provinces and the Committee for Science, Technology and Environment of the National Assembly Standing Committee.

**Shaping an enabling environment and policy / investment framework to benefit the poor:** PEP

supported MONRE to develop a series of policy and legislation instruments, including:

- The Law on Environmental Protection (LEP), in which PEP helped to integrate poverty issues into the Law, and later in the development of the Guidance Decree for implementation of the law.
- The world's first pro-poor Biodiversity Law, which supports local biodiversity knowledge, local access to biodiversity and benefit sharing, and payments to poor groups for their roles in biodiversity protection.
- A roadmap for environmental policy and legislation, which reviews and assesses the implementation of environmental protection inter-resolutions between MONRE and mass organisations.
- A participatory mechanism, which piloted activities to attract the participation of the poor in developing and implementing policies, legislation and regulation on environment in Ha Tay and Ha Tinh. Outcomes of the latter included Commune-level Environment Regulations (Case 5) and a manual on how to develop them.

**Strengthening institutional capacity to monitor and report on poverty-environment indicators**

**and outcomes and use data effectively:** A sub-set of poverty-environment-livelihood indicators has been developed, bringing together standard government indicators as well as an environmental poverty approach, and a Monitoring and Evaluation Manual has been developed. Capacity to integrate poverty-environment concerns has been strengthened through exercises in socio-economic development plans, and forestry, fisheries, renewable energy and environment sector plans – with training for Provincial officials in Ha Nam, Ha Tay, Ha Tinh and Ninh Thuan.

**Lessons from the case study:** Collaboration among line ministries is the key for successfully integrating poverty-environment issues into policies and planning, but the planning ministry needs to be involved to lead this process. Participation of line ministries is important for mainstreaming poverty-environment in their sectors and this is easiest at provincial level. Demonstration models may be necessary for the successful dissemination of project results but finding best existing practice and promoting it may be more effective for scaling up.

**[Case 8] A catalytic programme linking the planning authority to other key players – DCE achievements and challenges**

One of the biggest challenges for integrating environment and development in Viet Nam is encouraging "all-of-government" activity. Long-held cultural practice discourages cross-Ministerial collaboration, often resulting in



what has become termed a 'silo' mentality.

With this problem in mind DANIDA (the Danish aid agency) purposely designed its most recent environmental aid programme to work both within – but also across – five separate Ministries and to be based in the Ministry of Planning and Investment, which has a coordination mandate. The Viet Nam-Denmark Development Cooperation in Environment programme (DCE) has components in the ministries of Construction (MOC), Agriculture and Rural Development (MARD), Industry and Trade (MOIT), Environment and Natural Resources (MONRE), and Planning and Investment (MPI). The DCE programme is designed to be very significant: it is for six years (2005-2011) – longer than normal; has a budget of US\$50million – bigger than normal environment projects; and focuses its activities in 5 provinces, as well as at the national level.

It also aims at scaling up as soon as possible – there is a big emphasis on pilot demonstration projects undertaken within the boundaries of individual Ministries. For example, the highly successful MOIT component has introduced the concept of "cleaner production" to the small-to-medium sized (SME) sector in Viet Nam. In addition, the MONRE component (known as "Pollution Control in Poor Densely Populated Areas") has invested in innovative approaches to pollution control associated with common property problems.

Other parts of the DCE programme focus on environmental mainstreaming and on encouraging line Ministries to take responsibility for the environmental outcomes of their clients' activities. The most obvious example is work by MPI to develop SEA as part of the strategic planning work of the Ministry, a combination of capacity building and the development and trialling of SEA guidelines. The latter endeavour has mirrored MONRE's General Technical Guidelines on SEA, the intention being to develop a "nested" set of sector guidelines following a template established by the earlier MONRE work. The MPI guidelines were written in 2008 and have been undergoing a set of trials during 2009 at three levels of strategic planning: the national Socio-Economic Development Strategy; a regional Master Plan; and a provincial Socio-Economic Development Plan. At the conclusion of the trial, the SEA guidelines will be redrafted and published formally in 2010. In addition, MPI also initiated a more general programme of environmental mainstreaming awareness raising across government in 2009, utilising the services of IIED to undertake a survey of mainstreaming tools currently being used by sector Ministries.

One success of the DCE programme has been to encourage partner Ministries to develop their own, tailored SEA guidelines. The Ministry of Construction, for example, published its SEA guidelines customised for the urban construction sector in late 2008. There are now indications that MARD will develop SEA guidelines in the near future and that other Ministries may follow.

**Lessons from the case study:** *Perhaps the most obvious lesson is that administering a cross-Ministry programme in Viet Nam is extremely challenging.* There is no doubt that "anchoring" a major bi-lateral environmental aid programme in an influential planning Ministry has had an important impact on environmental mainstreaming in strategic planning at all levels. Much collaboration has come about through the power and persistence from this most influential of ministries, rather than through willing demand from other ministries. The activity may not have been as successful if the mainstreaming agenda had been anchored, for example, in MONRE. MPI directs strategic planning at all levels, from the national down to the provincial (and even with significant 'reach' to the commune level), and it can encourage attention to the environmental mainstreaming agenda by sector agencies and provincial departments through the official guidelines to which it requires adherence.

**It is also clear that an aid programme that works across Ministries eventually shows the benefits of collaboration through its strong networking example.** DCE requires its 5 partner Ministries to participate in a range of joint activities, from learning workshops through to study tours and "show-and-tell" exercises. These activities bring younger members of the different Ministries into regular contact with each other, thereby beginning the process of breaking down traditional rivalries.

Finally, the very active donor collaboration in SEA and environmental mainstreaming in Viet Nam has proven helpful. The SEA Donor Framework brings together all of the donors working in the area on a regular basis. They provide support for different aspects of the SEA agenda in Viet Nam by contributing to a "basket fund". This simple forum was presented at the OECD Accra aid effectiveness meeting in September 2008 as a good example of donor harmonisation in practice. In turn, the participating Vietnamese counterparts see the donors working collaboratively and are perhaps encouraged to do the same.

### **[3.3] Progress to date – outcomes achieved in environmental mainstreaming in Viet Nam**

'Environmental mainstreaming' is a term which is commonly used to mean the integration of environmental objectives into institutions and their decisions.<sup>[11]</sup> To fully integrate environment and development objectives is a long-term matter of institutional change. It would be unwise to believe that this can be accomplished by one activity or project, even those as comprehensive in their scope as PEP and DCE.

In November 2008, PEP and IIED held a one-day workshop of more than 70 Vietnamese stakeholders to ask the question: how far has Viet Nam reached in integrating environment and development? A realistic assessment seems to have been made by participants. No-one judged that there had been no progress, or alternatively that development and environmental management had been fully integrated. Instead, there were 33 'votes' for improved awareness being the stage reached in Viet Nam, 17 for useful trials and innovations (including some of the cases in 3.2), and 10 for Viet Nam having achieved better policies and institutions.

Building on this, and the lessons from our eight case studies, our preliminary observations are that progress has been made in ten outcome areas. We lay these out in a 'spectrum' – from improved awareness which is a prerequisite for change, to improved governance which systematically integrates environment and development:

- [a] Awareness improved
- [b] Knowledge improved
- [c] Analysis improved
- [d] Advocacy improved
- [e] Experimentation and innovation
- [f] Planning instruments improved
- [g] Policies and laws improved
- [h] Finance improved
- [i] Resource management regimes improved

[11] IIED. 2009. *Environmental mainstreaming guide*. [www.iied.org](http://www.iied.org)

**[a] Awareness of poverty and environment links** – Only a few years ago, officials in government would not recognise any linked poverty-environment issues. Understanding of poverty-environment issues was not merely non-existent – in many cases it was actively negative, denying the existence or importance of environmental issues affecting the poor, or reckoning they could be ignored until the achievement of 'middle-income status' would somehow accord them a priority status. This is beginning to change. Whilst many officials still view environmental issues as a constraint to development – the presumption remaining that Viet Nam should wait until it has reached middle-income status before it can begin to tackle them – there is also a growing understanding that environmental management can help development, by ensuring the quantity and quality of resources for production and for supplying health and livelihood needs. Further, whilst many officials still tend to assume that poor people destroy the environment (notably by observing the impacts of shifting cultivators who are limited to reduced areas and of poor farmers relocated to other land), this is being countered with a growing realisation that poor people can also protect the environment – given the rights and resources to do so. Studies and debates organised by think tanks, VUSTA, and now also PEP and DCE have contributed to this. Such awareness is not confined to central levels. Indeed, it may be more significant at provincial level, made more real by growing expressions of public concern about ever more apparent environmental issues on the ground. However, if awareness of environmental threats and opportunities has improved, awareness of useful operational responses is limited. Operational responses are not researched, promoted or implemented effectively. In general, businesses and poor groups continue in their attempts to increase short-term outputs without including or measuring environment provisions.

**[b] Improved knowledge** – Linkages between expertise and knowledge sources on poverty and environment. Both government departments and training institutions continue to rigorously separate disciplines and mandates, with few incentives for cross-disciplinary working. However, as experience is gained in instruments such as SEA, which demand an interdisciplinary approach, links between different professional groups have grown. The recent formation by PEP of a 'Poverty Environment Network' has enabled nearly 150 professionals to come together across institutional divisions, examining shared problems and developing solutions. Whilst initially focused on PEP's own needs for information, this informal group now offers broader possibilities for working together. Perhaps a 'catalogue' of best practices should be made available – also to meet needs identified at a) above.

**[c] Information and analysis of poverty and environment links** – This has only recently begun to improve. The World Bank, and subsequently PEP and DCE, have conducted or commissioned many studies of poverty and environment links, including climate change issues. This now offers up-to-date knowledge to inform decisions, although there is not yet a baseline aimed at sectoral or spatial plans and authorities. Neither is there a system for organising, managing, developing and using that knowledge. Opportunities for consolidating and building on consecutive pieces of analysis have been missed, due to different initiatives going ahead in the absence of a systematic and shared approach for integrating poverty and environment links into the development agenda. For instance, some World Bank and related Asian Development Bank work could also have served as a starting point for PEP in developing a set of poverty-environment indicators.

**[d] Greater capacity to act on poverty-environment issues** – MONRE has made progress both in understanding how poverty issues affect its environmental mandate and in its ability to influence 'mainstream' development authorities to attend to environment issues. This may partly be explained by the PEP project being lodged in MONRE. There is still a long way to go, however, on the converse – the capacity, and associated incentives and procedures for MPI to understand and act on environment issues remain poor.

However, DCE, with Danish support, is focusing on SEA and other key instruments that are best suited to use by MPI; and MOLISA is now requiring environmental sustainability to be considered in its poverty alleviation projects. Several line ministries also have environment departments or units that liaise with MONRE, and at a provincial level this is mirrored in DONRE and line departments (although cooperation could improve).

**[e] Experimentation and innovation** – A range of demonstration and adaptive research projects have been carried out, often with the support of donors and international organisations, to secure public environmental benefits in ways that include poor people (as producers and / or as consumers). Some are discussed in our eight case studies in section 3.2. Other notable innovations are pilots for payments for environmental services schemes (PES) with a focus on forest and watershed protection, and pilots for renewable energy with a focus on reducing both energy poverty and deforestation. These early PES schemes have revealed promising results but have not yet influenced mainstream policy. Various other innovations have been developed in progressive provinces and districts but at present there is no routine mechanism to review and scale up what works best. If the new poverty-environment indicators developed through PEP help to shape the Viet Nam government's monitoring and planning system, this might encourage an active search for initiatives that improve those indicators – 'catalogues' of best practice.

**[f] Improved planning mechanisms and instruments** – There has been considerable progress in terms of planning instruments for integrating environment and development. For the first time ever, nine environmental targets were included in the national 5-year Socio-Economic Development Plan (2006-2010). There is currently much momentum behind getting SEA right for Viet Nam. The country has a significant recent history of SEA with over 20 pilot projects, with strong donor support, albeit not yet strong capacity. Viet Nam is in the process of harmonisation of international and national SEA requirements. The DCE Programme at MPI has produced guidance for SEA and environmental mainstreaming in Socio-Economic Development Strategy (SEDS) and Plans (SEDPs). SEA guidelines for MPI have been finalised (and are being trialled in 2009 before publication in 2010), giving specific direction for SEA of all MPI planning processes. MONRE is also encouraging each ministry to prepare its own SEA guidelines, which seems to be working well – better than enforcing a single approach from the centre. Three sectors have already produced their own SEA guidelines, which appears also to be building a sense of ownership over high-level environmental mainstreaming initiatives. None the less, it is still the case that international participation makes a difference to whether SEA is used or is treated seriously. ADB's adherence to SEA policies partly explains the successes in Case 2 above. In contrast, nationally-driven SEA is weaker, except for very large (inter-provincial) projects that are decided upon by the National Assembly. Environmental issues are now routinely included in SEDPs but still usually as a separate chapter rather than linked throughout all chapters. As noted above, the PEP has recently developed a set of poverty-environment indicators, adding real value where previous indicator sets were too narrow, or treated poverty and environment separately.

**[g] Improved policy and legal provisions** – There is improved political will in government, which is now beginning to give much attention to the environment. Several of the authors are invited to participate actively in formulating environmental laws and implementation and – to a lesser extent – development policy and plans. A relatively good legislative system now exists on environmental protection; the new 2005 environment law itself has all the right ingredients to promote pro-poor approaches. There is also a good legal system for social equity and protection – there are regulations for grassroots democracy (although a lack of supporting policy to implement it). Particular progress has been made in the mainstreaming of poverty issues into environmental legal frameworks and regulations, notably the new Biodiversity Law, which may well be ground-breaking at

the international level in its inclusion of poverty issues. The Biodiversity Law includes several components supporting local biodiversity knowledge, local access to biodiversity and benefit sharing, and supporting incomes and livelihoods for poor groups for their roles in biodiversity protection. In addition, a special force of "environment police" was created with a mandate to conduct inspections and identify legal infringements.

There have been many individual government decrees on poverty and on the environment.<sup>[12]</sup> These tend to be treated as useful guidance rather than law. Firstly, the impact of multiple decrees tends to be somewhat 'viral', producing pragmatic localised solutions through differing interpretations by People's Committees and Councils in structuring responses, for example, service delivery mechanisms for poor groups. Secondly, in recent years, "socialisation" (broader participation of the communities) has been strengthened and is now considered to be a fundamental requirement for poverty reduction and environment protection, which itself alters the way in which the decree is implemented. Thirdly, decrees are interpreted according to availability of funds and practical technical options, that is, they can be implemented 'efficiently' if a budget is attached; and 'effectively' if best-practice approaches are available. Finally, authorities still continue to operate in 'silos' rather than working together across the boundaries that currently separate them. Current work by the ADB-supported Vietnam Water Sector Review process suggests that, whilst there are impressive pieces of 'joined-up' policy, these have not proven easy to implement in Viet Nam: for example, Integrated Water Resource Management (IWRM) has been the official policy since the late 1990s but there has been little appreciable progress and hydropower planning has proceeded without the integrated approach that is desired.

**[h] More finance for poverty-environment investments** – An Environmental Protection Fund has been set up by central government with a target of 1% of government budget, and similar funds have been established in some provinces. The funds are linked to various 'polluter-pays' schemes. How these will be spent – especially in relation to the environmental needs of poor people, and their potential implications for other budget sources – is not yet clear. On the one hand, special environment funds could be a positive catalyst for other pro-poor, pro-environment expenditure; on the other hand, their existence could also offer excuses for others to reduce their own poverty-environment expenditure. Apart from modest donor expenditures on PEP and DCE catalytic projects, we have not yet seen large-scale donor investment in poverty-environment needs – in part due to donors offering looser budget support (where the key need is to strengthen the government's own poverty-environment criteria, indicators, monitoring and use of that information in planning).

**[i] Integrated natural resource management regimes** – Two areas where there has been good progress in utilising natural resources in pro-poor ways are in marine and forest areas. For certain marine protected areas (see case 3) and for community forest protection, learning is just starting to come in from the field regarding what works, what constraints stand in the way of further benefits (notably the lack of rights to use resources from protected areas), and what the future prospects might be.

**[j] Integrated institutions and governance** – The ultimate outcome for environment-development integration should be institutions and decisions that embed environment-development links in their policy, plans and operations. Such institutions will also tackle the corruption, weak coordination and other problems that are the underlying causes of both environmental degradation and poverty. Some of the above improvements to date – in awareness, information, analysis, policy instruments such as SEA, and so on – are key components of better governance. There have already been some governance improvements that we

*[12] There are also indicators for poverty and indicators for environment but no linked indicators as yet in one place (if there was a legal decree on social impact assessment, this might assist linkages with EIA).*

have not yet mentioned, notably those that accord the right for communities to own the natural resources on which they depend; but there are several general governance conditions of transparency, accountability and participation that still need to be in place. Again, there are some signs of improvement here. The media has begun to be freer to report on poverty-environment problems, and local communities have been more emboldened to speak out. The National Assembly has robustly debated cases of pollution arising from state-owned enterprises and foreign direct investment, calling for environmental justice to run its course. However, in spite of the above areas of progress – some of which have been amplified in case studies 1-8 – there is not yet a coherent governance system capable of handling the synergies and trade-offs between development, poverty reduction and environment.

The progress described above, therefore, is promising but incomplete. Consequently many poverty-environment problems remain, with others (such as climate change) still not even fully explored. Full integration will take time to achieve. To improve governance is perhaps the biggest remaining challenge. Initiatives such as PEP and DCE, that have earned credibility by catalysing improvements at the plan level, might wish to move 'upstream' to catalysing governance improvements – a process of full and systemic environment-development integration across Viet Nam's major institutions. That process would be more effective if it is informed by an analysis of who and what has driven integration to date, and who and what has resisted integration. We turn to this in the next section.

# Billboards



**'Let's protect rivers to support poor people's livelihoods'**  
**Hãy bảo vệ các dòng sông, giữ gìn nguồn sống cho người nghèo**

Photo by: Dao Hoa Nu



**'Let's enable poor people to adapt to climate change'**  
**Hãy giúp đỡ người nghèo thích ứng biến đổi khí hậu**

Photo by: Nguyen Duy Hau



**'Let's protect forests for poor women's income'**

**Hãy bảo vệ rừng để có nguồn thu nhập cho phụ nữ nghèo**

Photo by: Tran Minh



**'Clean water is key to poverty reduction'**

**Nước sạch là điều kiện cốt yếu để cải thiện chất lượng cuộc sống cho người nghèo**

Photo by: Bui Hoa Tien





**'Let's use forest land for irreversible poverty reduction'**  
**Hãy khai thác hợp lý đất rừng để giảm nghèo bền vững**

Photo by: Tran Cao Bao Long



**'Let's support poor people overcoming natural disasters'**  
**Hãy cùng người nghèo vượt qua thiên tai trong cuộc sống**

Photo by: Nguyen Thi Thuy



**'Stand up to reduce poverty and improve the environment'**  
**Hãy cùng người nghèo vượt qua thiên tai trong cuộc sống**

Photo by: Nguyen Dang Khoa



**'Let's work together to improve the environment of the poor'**  
**Hãy chung tay xóa bỏ nhà ổ chuột, cải thiện môi trường sống cho người nghèo**

Photo by: Kim Manh

# [4] Explaining progress: the main drivers and constraints

## [4.1] Many institutions are concerned with environmental mainstreaming in Viet Nam – but with little coherence

Viet Nam's situation is common with many other countries: a broad spread of actors have some interest in environmental mainstreaming but with different expectations of how it could or should take place and in no coherent strategy – and sometimes with a greater interest in environmental mainstreaming not taking place.

**The Party mechanism is sending out multiple messages on issues concerning development and environment**, which are sometimes complementary but other times not, notably in the area of shifting cultivation. There is no clear message on how to balance environment, poverty reduction and development.

**Central government has considerable power and resources, with much activity in environment and in development but no coordinated approach.** No strong, recognised 'mainstream' authority, such as a central planning or finance authority, is seriously and comprehensively ensuring the full integration of environment and development objectives in Viet Nam's key institutions and plans. Several policies and procedures are conducive to integration, such as SEA, but they are not routinely and effectively applied. For many good reasons, MPI considers that it is playing a coordination role, but as we shall see (4.2), its coordination tends to be focused on economic growth, which biases how environment and poor people are treated. However, MPI is beginning to demand some elements of mainstreaming – at least in terms of safeguard procedures. The National Council for Sustainable Development (NCSDD) has a mandate to coordinate monitoring and evaluation on environment and development; but, even if chaired by a Deputy Prime Minister, it appears to have inadequate powers and resources to be taken seriously and it rarely meets.

**Government agencies individually have made some progress but there is not yet a recognised driver of environmental mainstreaming.** Perhaps more progress has been made in MONRE in understanding poverty issues than in MPI in understanding and acting on environment. However, the main authorities in charge of 'green' and 'brown' issues on the ground, MONRE and MARD, are not yet planning and delivering a mainstreamed approach, stressing instead the need for their own separate 'sector' environment strategies and budgets. This is the understanding at provincial level too: MOLISA is in the provinces for poverty alleviation, MONRE is there for environmental issues – but little brings them together. There is no strong institutional framework and incentive to ensure the key players – MPI, MOLISA, MONRE and MARD – actually work together. Meanwhile, major state infrastructure projects drive significant poverty-environment change; often by resettling people who then change land use, usually for short-term gain.

**Certain provinces, districts and municipalities have been progressive but in general there is little mainstreaming understanding or provision.** Provincial Party and People's Committees, and provincial departments such as DPI and DONRE, have sometimes been able to interpret centralised policies on poverty and on environment in ways which are integrated in local contexts. They do this in part because there is often a high demand for environmental services that help poverty reduction, for example environmental health in settlements and better access to natural resources for livelihoods.

Provincial authorities usually do not know how to integrate poverty-environment, have few resources, and no strong signals from the centre (often citing the absence of a central government decree or policy on poverty-environment, as well as guidelines, targets and indicators, to give confidence and inspire action). It seems that

provincial and district leaders perceive their performance to be judged principally on the basis of economic growth and conflict avoidance; and at present they perceive environmental objectives as being in conflict with both criteria. Thus their integration efforts may not be efficient or effective, investing sometimes in high-risk or unproven demonstration projects. Meanwhile, laws on environmental safeguards, notably EIA, are not well enforced locally; they tend to be treated as a guide, with low compliance – the need to attract investment into the province means poor environmental practice by businesses is overlooked (a 'race to the bottom' in terms of environment outcomes and sometimes poverty, too). Furthermore, there are no incentives to invest in tackling environmental problems that are often generated outside the province – for example, pollution from Hanoi has an impact on other provinces.

**Civil society interests are not yet effective drivers of mainstreaming.** Environmental NGOs, some donors, the UN and some media have 'pushed' for environmental mainstreaming but their calls have not always been heeded. These advocates understand the value of mainstreaming intellectually but have neither the current understanding of how government actually works nor the influence to make mainstreaming happen. They are constrained from independently driving environmental mainstreaming through limited resources and the need to be registered. They are expected to respond to issues, not lead – in direct contrast to many other countries where environment progress has been driven by civil society organisations holding government and business to account. Some of the internationally-linked groups such as IUCN and WWF have considerable influence accorded by their knowledge base but do not yet have major financial or political influence.

**Business is not yet a key policy player in environmental mainstreaming.** However some companies engaged in major international supply chains have been showing the way, adopting voluntary measures that are good for both the environment and their own profits. Vietnamese businesses are coming into contact with external markets and policy players that discriminate in favour of environmentally- and socially-sound goods. For example, business is well ahead of government in understanding the risks that new European Union and US legislation poses to current Vietnamese export markets. Anti-illegal logging campaigns and certified forest products buyers – and now EU and US legislation – have been influencing Viet Nam's wooden furniture sector to ensure they buy sustainably-produced wood, as these markets will only buy wood products from sustainably-managed forests. Fair trade movements in export markets are discriminating against 'sweat-shop' clothing manufacture. A Viet Nam Business Council for Sustainable Development has recently been established. Progressive businesses are soon likely to want clear and stable government policy and support for better environmental practice and may be expected to become positive advocates for environment mainstreaming.

**Commune-level drivers vary but often there are high local demands for action by poor groups themselves.** Drivers of mainstreaming are usually concerned about poverty-environment issues, especially where ordinary people are suffering from environment-related problems, for example, people's committees in pollution-affected areas, women's organisations whose children's health is being threatened, poor farmers and fishers whose livelihood is being threatened because of depleted resource base. Central government is increasingly responsive to such local groups and does not want to upset them. Until recently, at grassroots level, there have been few effective means to support a democratic approach to poverty-environment issues and it has not often been clear to people how poverty-environment issues can or should be handled. Although many poor groups have traditional knowledge that can help to tackle problems of poverty and environment together, currently their voice on poverty-environment issues does not reach too high in the hierarchy, and only initiatives such as PEP and DCE are directly seeking their views. The recent support to commune-level

environmental regulations is showing a positive way forward (Case 5 above); some kind of central support to commune-level mainstreaming and to bringing together poor groups to articulate poverty-environment needs and ideas may now be critical if commune-level drivers are to be effectively mobilised all over the country.

**The mass media is increasingly active.** It is becoming less of a one-way communicator and more of a bridge / connector to other groups (Case 6 above). It has an increasingly good understanding of environment-development and poverty-environment issues, even if it is not yet clearly able to frame the desirable outcomes that it could be promoting. It has some links to civil society and business, which enables it to access and spread information. But it still has little political power (needing to be registered, with no truly independent voice) and consequently little direct influence on government.

**Vietnamese research groups have been key players in analysing environment and development problems and in framing desirable outcomes and solutions.** Our current paper relies heavily on their insights, as do the major environmental mainstreaming projects PEP and DCE. However, to some extent the research groups are serving the status quo rather than challenging it and they are not actively linking the potential drivers of change together. Some will be increasingly valuable players in the coming months and years – especially as the government is recognising the need to improve efforts to invest in the environmental foundations of wellbeing and development as Viet Nam moves towards becoming a middle-income country. The new ISPONRE research institute in government has a mandate for environment-development research: it may become a key player if accorded good support, enabled to make many domestic and international links, and if it is able to exert influence beyond the confines of MONRE, its parent ministry.

**International organisations and donors operating in Viet Nam have an influential voice in environmental mainstreaming.** Development assistance accounts for only 15% of total government expenditure and only 4% of GDP, but it is very significant in the state capital budget. Donors have asserted strong positions on environmental issues in the absence of a strong Vietnamese system for environmental mainstreaming. Donors have been concerned about the environmental impact of major investments and the need for environmental safeguards in national and sector planning. They are currently preoccupied with the developmental risks of climate change, for which donors are perhaps the strongest voice in Viet Nam. Active donor engagement in the International Support Group on Environment (ISGE), set up in 2001 and chaired by MONRE, has created a platform for environmental advocacy that might still be more coherent than that from government but is yet to address poverty-environment issues routinely. Donors promoted a correction of the lack of inclusion of environment in the first draft CGPRS, paying for several studies and workshops. Several poverty-environment projects preceded the PEP and DCE, including by SIDA and CIDA at local levels, and the World Bank in research.

The fact that the donor voice on environment is unified, rather than reflecting multiple positions, is due in large part to Vietnamese government leadership: with Viet Nam a key player in the Paris Harmonisation agenda, government has encouraged greater donor harmonisation. However, there is also significant leverage contained in the Poverty Reduction Support Credit process. The government receives contributions from this significant World Bank budget support mechanism – but needs to demonstrate that it has met all conditionalities, which include environmental considerations. The UN has also responded by working with the government of Viet Nam to promote greater UN coherence and deliver as 'One UN', opening the door to strong UNEP and UNDP collaboration in Viet Nam's Poverty Environment Project.

**Finally, it may also be useful to reflect on the pros and cons of a 'project' approach to mainstreaming.** Most work in Viet Nam related to poverty-environment integration has been carried out under discrete projects such as PEP, DCE and SEMLA, work on SEAs, piloting PES, etc. Projects are useful to undertake specific activities such as capacity building and awareness but mainstreaming is a long-term process of institutional change – a 10 to 20-year agenda rather than a 1 to 2-year project.

#### **[4.2] Viet Nam's development priorities to date aim at high rates of economic growth – but in ways that constrain integration of environment objectives**

**The fact that environmental 'mainstreaming' is required at all indicates how most institutions exclude environment from their everyday priorities.** Worldwide experience suggests that effective environmental mainstreaming necessarily involves substantial change to institutions – making them better linked to others and engaged in shared objectives. Environmental mainstreaming is therefore both a characteristic of an open, inclusive political economy and supports its achievement.

**The key issue is the development philosophy.** Economic liberalisation since the 1986 Doi Moi (Renewal) policy has brought with it sweeping economic reforms – opening the country to foreign investment and trade. It has also brought governance reforms – supporting greater decentralisation, redistribution of farm land to rural households, and grassroots participation. These reforms are not yet complete. Middle-income status is approaching on the horizon for Viet Nam: it may therefore be timely to reflect on how foreign investment and governance can be adjusted to improve both environment and development, as well as to reduce the environmental and poverty problems caused by growth.

**The prevailing development narrative in Viet Nam is to achieve middle-income status through economic growth, under conditions that (it is assumed) will also reduce poverty en route.** This is in spite of environmental damage becoming apparent and export markets increasingly demanding sustainably produced goods. Viet Nam's market orientation excites competition between provinces to attract foreign direct investment (FDI), which continues to drive a 'race to the bottom' in ignoring environmental standards; state-owned enterprises (SOEs) continue to 'steal from the future' by polluting air and water. Heavy costs are imposed on the environment, with much natural resource degradation and pollution, which in turn explains much entrenched poverty. The National Environmental Performance Assessment (n.d.) is consequently gloomy, noting how water and air quality having been static or deteriorating and big losses of biodiversity in particular.

**Environment is not central to the economic growth philosophy, except that poverty is seen to be a cause of environmental degradation.** Indeed, environmental problems are sometimes attributed explicitly to some ethnic minorities – suggesting that changing the resource use practices of poor people should be the priority. Various policy documents suggest that environmental protection to make up for recent 'environment sacrifices' can be 'afforded' only once middle-income status is achieved. In the meantime, MONRE asserts that strong state control of the environment is required, necessitating a strong set of rules and a well-resourced environment sector strategy: while much of this is necessary, so also is environmental mainstreaming to improve the quality of development activity and to reduce its negative environmental impacts in the first place.

**Other narratives of sustainable development are not yet as widely accepted as the overriding**

**economic growth narrative.** For example, the pro-poor, pro-environment value of community-based natural resource management; 'eco-village' forms of spatial and production planning (expressed by NGOs and academics); or the short-term poverty impacts of environmental pollution (expressed by some media). (Nguyen and Stewart 2005)

**The 'economic growth first' narrative creates great pressure to ignore environmental considerations at all levels.** Production, income and economic growth are the top targets by which officials will be assessed. The associated quantitative indicators are compelling and the lack of similar quantitative environment indicators does nothing to balance the growth incentive. Furthermore, the honourable notion of 'victory means sacrifice' would seem to justify acceptance of the idea of sacrificing environment in the medium term – why create only one 'green job' if two 'polluting jobs' can be created today and the resultant income used to clean up associated environmental damage later? This short-term drive for growth may indeed be efficient if environmental assets can later be rebuilt, or if environmental hazards did no lasting harm, but this is not always the case. Unlike Thailand, Laos, Malaysia, Indonesia, and other neighbours, Viet Nam's environment was already highly degraded before the growth spurt of the 2000s. Without significant change, the likely outcome of continued degradation may resemble China's – with its huge social costs.

**Information, analysis, debate and planning systems need to support a better realisation of environmental thresholds and tipping points and their associated costs and risks** – and to counter dangerous assumptions. Though such systems do not yet exist to help shape a paradigm better suited to a 21st-century, middle-income country living in a 'one-planet' world where environmental limits have to be respected.

#### **[4.3] Uncoordinated, inflexible and incompatible planning processes mean that many environment-development issues 'slip through the net'**

**Several national planning processes, some regular and others one-off, run in parallel and have potential to cover environment-development links.** Yet none of three flagship 'integrated' and 'participatory' planning approaches have authoritatively addressed environment-development links:

- The "Strategic Orientation Strategy on Sustainable Development in Viet Nam" (National Agenda 21), coordinated by MPI and – on paper – the main vehicle for integrating environment and development objectives;
- the "National Strategy for Environmental Protection and Vision Until 2010", coordinated by MONRE, covering environmental needs at all levels and sectors – but without aiming to mainstream poverty-environment issues; and
- the "Comprehensive Growth and Poverty Reduction Strategy" – one vehicle for managing the trade-offs between growth and poverty reduction, and for coordination with donors (Nguyen and Stewart, 2005).

**All three are somewhat marginal to a fourth, parallel – and more 'mainstream' – planning process, the "Socio-Economic Development Strategy/Plan" (SEDS/SEDP).** The SEDS/SEDP deals with environment, but unsatisfactorily. It currently has only a separate 'environment protection and healthy life' section but not an integrated approach.

**Several characteristics of the planning system constrain environmental mainstreaming:** This is in spite of much planning progress noted at 3.3. Remaining constraints are summarised below (along with

possible ways forward):

- **Centralised policies and plans constrain integration of environment links on the ground.** State planning is largely concerned with setting and meeting targets, influenced by the pre-Doi Moi 'command planning' model. When it does occur, environmental mainstreaming can seem to take on a very top-down character. In essence, government planners play the role of investment planners, rather than analysts or policy advisers on fundamental development problems. Although there is some lower-level participation in the formulation of policy, the government machinery tends to issue decrees and instructions to reach targets. Few institutions, even MPI in its all-important policy coherence role, receive significant feedback on local realities, apart from whether targets were met.
- **No central guidance is available on the integrating planning procedures which should be issued to keep unity with the national planning system.** The new SEA guidelines for SEDP, which include poverty and climate change, should help.
- **Plans are treated as inflexible.** The various strategies date from 2001 and provinces cannot always change the targets even if something changes or new information – for example on environment-development or poverty-environment issues – comes to light.
- **Finding the real decision-makers is not always easy, especially the drafters of the SEDP or new laws.** An environment-development or poverty-environment initiative could find itself working on an issue for several years and yet find its work is not integrated into the plan. Sometimes the people involved in making the decisions are scattered (lawyers in different universities, party members, senior officials) and never meet in one room. A shared diagnostic map of planning processes would help.
- **There is low awareness and capacity of different planners on how they could work together on environment-development and poverty-environment issues, especially in provinces.** Years of working in silos exacerbates this lack of knowledge of entry points and methodologies for joint working. The new PE Network – albeit informal at present – has many members and could potentially spread best practice and link professionals together.
- **There is a mismatch of information types which does not help integrated planning.** For social and some environmental issues, the emphasis on qualitative information is often dismissed as mere 'opinion'. This contrasts with financial issues (and certain other environment issues), where more quantitative data is available and is favoured as being more reliable and 'scientific'. All of this makes it difficult to put the different issues on the same 'page'. All data needs to be as quantitative as possible if it is to be convincing: the recently formulated poverty-environment indicators should help to structure the information system.

#### **[4.4] Cultural and behavioural constraints to environmental mainstreaming**

We have noted how environmental mainstreaming tends to be a long-term process, with a spectrum of outcomes from raised awareness to changed institutions. Although the focus of mainstreaming efforts tends to be on plans, other key matters are the beliefs and norms of people – as individuals as well as 'officials'.

**One constraint is the education and incentives facing senior officials.** In common with many countries, senior officials in Viet Nam tend to be older than most people, busier than many, and have no time for capacity development. Yet they were often educated at a time when 'holistic' thinking – about such matters as links between environment and development – was less evident in the education system. Until such ideas are promoted at the top, with supporting evidence and new incentives, it will remain 'difficult to get new ideas into 50-year-old men', as one of our colleagues describes it. At present, seniority emphatically trumps knowledge



in the decision-making process. Policy and legislation in comparatively new areas, such as climate change and biodiversity, is consequently not straightforward.

**A further constraint is the lack of a tradition for common property resources in Viet Nam.** In spite of all the commune-level committees that might exist, untreated wastewater will still flow from outlet pipes in people's houses into nearby streets and into rivers. For example, in spite of Hanoi's ambitious plans for shopping centres and office blocks, there is no real wastewater strategy. As one of us (a lecturer in environment) puts it, the way people think about their toilet is indicative of how people think about environment and other public goods; if the middle class – with their education and lobbying power – do not have wastewater treatment, can the poor do better? In the absence of effective master planning for common property resources such as clean water, the answer may be bleak.<sup>[13]</sup> There is a real need to generate an awareness of common property resources and a desire to nurture and improve them.

[13] However, in some other countries, the strong community sense and norms of poor communities has led to their building directly waste treatment systems – at lower cost than standard contractors.

# [5] Summary lessons on successful environmental integration in Viet Nam's development

## [5.1] Governance conditions for successful environmental mainstreaming

From experience to date in Viet Nam and elsewhere, we can identify several conditions that – if already in place – enable development objectives and environmental management objectives to be better integrated:

- [1] **Legality:** The legislative system supports both environmental protection and social justice, with no significant inconsistencies between the two.
- [2] **Institutional home:** All sectoral and decentralised institutions have mandates for tackling environment as a cross-cut issue within their own work.
- [3] **Public concern:** Public demands to tackle environmental degradation and to nurture environmental assets are significant and well-expressed.
- [4] **Public and media advocacy:** Mass organisations and NGOs are able and free to raise difficult policy issues in environment and development.
- [5] **Leadership:** Government and other top leaders are prepared to listen, to change policy, to act and to be accountable.
- [6] **Communications and transparency:** There are many ways of accessing, sharing and feeding back information about environment-development links.
- [7] **Cooperation:** There are shared initiatives, processes and other means for actors to collaborate – centre-province, sector-sector, government-nongovernment.

Where all the above conditions are fully present, this would amount to a political economy with extraordinarily good potential for balancing human with ecosystem wellbeing, short-term with long-term objectives, and public with private interests. No country is in very good shape in relation to all these conditions. Viet Nam has made some progress in many conditions but little in others. Future progress will depend upon both high-level leadership and public engagement, as many of the conditions cannot be created by environment and poverty reduction initiatives alone.

## [5.2] Principles for successful environmental mainstreaming

From experience to date in Viet Nam, we have also identified some principles that can guide initiatives that aim to integrate environment and development:

- [1] **Identify, encourage and use the above governance conditions (5.1)** – so that the environmental mainstreaming process benefits from them.
- [2] **Spend time getting to know exactly how 'mainstream' decisions are made and by whom** – this will help case-making, policy formulation and capacity development.
- [3] **Use existing mainstream procedures and 'language'** – helping organisations to integrate environment-development needs into their own procedures is more effective than imposing special new procedures and 'language' just for environment-development issues.
- [4] **Work from bottom-up as well as top-down** – commune plans and field solutions are as necessary as national policy pronouncements and institutions.
- [5] **Generate both quantitative and participatory information** – combining scientific credibility (meaningful numbers) with political credibility (reflecting stakeholder opinions, as well as what can

realistically be done by government).

- [6] **Anticipate trends and future needs** – so that mainstreaming is aimed at resolving future problems and potentials, not only by current or past problems.
- [7] **Construct cases around mainstream concerns** such as jobs (for example natural resource-based jobs), not only environmental concerns such as endemic species.
- [8] **Encourage integration capacity within each relevant ministry and the provinces**, such as a coordination unit and not only a single 'umbrella' institution.
- [9] **Expect mainstreaming to take time and require several 'pathways'** – it is a long institutional change process involving many stakeholders, not a short-term project.
- [10] However, **fast-track tactics will also be needed** to avoid major environment and poverty threats and to exploit opportunities, such as stopping environmentally damaging subsidies and rapidly scaling up good practice.
- [11] **Aim mainstreaming work at specific people, places and sectors** – concentrating on groups of poor people (people living on infertile or polluted land); or on sectors where major investment needs to be made (energy, transport or health).

There is real scope through initiatives, such as the global UNDP-UNEP Poverty-Environment Initiative (of which PEP is a part), to share practical learning between countries on such principles.

# [6] Priorities for the future: Eight ideas for more effective integration of environment and development in Viet Nam

Whose demands for environmental integration? In the first place, future priorities for integrating environment and development might best be drawn from the views expressed by the main groups of poor people in Viet Nam, through PPAs and PEP surveys, among other means:

- **The chronic rural poor** in remote uplands have expressed the need for access to common property resources and the means to generate viable livelihoods from them. These include payment schemes and other incentives that will encourage them to generate public environmental goods such as water, HEP, carbon, (agro)biodiversity and landscape, and support for resource rehabilitation and recapitalisation alongside food and forest products.
- **The coastal poor** need climate change adaptation strategies and marine protected area management regimes to be more understanding of their vulnerabilities and supportive of their needs and capabilities.
- **The urban poor**, who are likely to form an increasing proportion of the population, wish to participate in approaches that help both settled and migrant poor groups to improve their livelihoods and legitimate employment prospects – and thus reduce the social costs associated with urbanisation (water poverty, energy poverty, environmental health burdens, and so on).
- **All poor groups** hold in common the need for secure rights regimes, permissions to settle and trade, capacity support, sustainable natural resource management regimes, effective delivery mechanisms for environmental health and the ability to hold state agencies to account.

The above is just a guide: specific needs will need to be ascertained in particular places. Within each group, women, internal migrants, and ethnic minorities will also have specific demands and capabilities. Such poor groups need priority attention, as their needs and capabilities are both very significant.

Secondly, the needs and potentials of key sectors should be sought, especially those which depend directly upon environmental quality for their production and profits – notably agriculture, forestry, fisheries, water supply and tourism. Other sectors should also be addressed where their infrastructure and production patterns present particular environmental burdens – notably energy, transport and industry. One way to organise such an assessment is an environmental expenditure review of the public expenditures of such sectors against associated risks, revenues and potentials.

## [Box 4] A rapid multi-stakeholder view: scoping 'what next in integrating environment and development'

A one-day PEP workshop in November 2008 offered the chance for more than 70 stakeholders to explore priorities for the future of environmental mainstreaming. A diverse range of suggestions was offered, all with the common aim of institutional change and implementation of new policies and laws.

The majority of suggestions focused on government policy-makers or mass organisations, with priority accorded to central and provincial government agencies, recognising especially that the energy for implementation needs to come from progressive provincial governments.

Suggestions for civil society or private sector roles were less ambitious, focusing on improved 'delivery', knowledge management and awareness roles – perhaps reflecting their current low level of policy engagement in Viet Nam. However, business in particular is likely to become a major agent of change in future.

Emphasis was put on getting the SEDS/SEDP process to include poverty-environment issues and strengthening the poverty-environment assessment of proposed investments. There were also calls to improve the level of investment in environmental assets and to improve the focus on climate change.

**What scenarios will shape environmental integration?** Poverty and environment issues and their solutions are dynamic, and integrated approaches should be forward-looking. Thus issues of increasing importance need to be explored. These appear to be: urbanisation, rural-urban links, the relative size of different groups of poor people, changing trade and associated cross-regional 'ecological footprints', and major climate change tipping points. The government's core planning may need to invest more in future-search / scenario development methods and routinely including poverty-environment indicators in its work. Vietnamese planning is generally target-driven (often GDP-related) and produces a detailed plan of one way to get there. In circumstances of greater uncertainty – as with future climate change and poverty, and where a diversity of tasks and players is needed to tackle these problems – the examination of alternatives is crucial. Whilst environmental mainstreaming was ignored in the recent past as an issue that can be left pending, this is not a strategy now and will become intolerable in the future.

Therefore we propose eight ideas to help improve the resilience of Viet Nam's development to increasing and sometimes unpredictable environmental hazards, and to enable Viet Nam's environmental assets to contribute more to development and poverty reduction. Each idea builds on our assessment of progress to date and identifies particular gaps that must now be filled:

### **[Idea 1] An organised knowledge base on development-environment linkages – tackling the information gap**

The big challenge of our time is to improve understanding about the environmental foundations of development, including making 'catalogues' of best practices available. PEP, DCE, SDIN and others have greatly improved the available information base on environment-development and poverty-environment links but this has not yet been organised and made available to key development actors. MPI and provincial authorities would be the priority 'customers' of such information, as well as being providers of some information. This would need (a) the set of poverty-environment indicators to be finalised and made more integrated, (b) using these indicators routinely in the major developmental, poverty and environmental information systems, (c) developing IT solutions so that these information systems can be linked for the purposes of planning and monitoring, (d) developing poverty-environment assessment protocols, especially to improve their quantitative aspects, (e) using all such information to make better and more routine economic cases for investment in environmental assets and controlling risks, and (f) creating a joined-up system for poverty-environment research.

### **[Idea 2] An economic study of environmental potentials and limits – tackling the economic analysis gap**

At the international level, the IPCC's reports on the science of climate change have been influential in forming policy. The 'Stern Report' on the economics of climate change went a step further and has led governments to look seriously at the costs and risks of climate change, and consequent changes in investment and fiscal policy – taking climate change into the 'mainstream' of development planning. Currently, the scientific findings of the Millennium Ecosystem Assessment on the state of ecosystems and biodiversity are being followed up by work to produce the 'Sukhdev Report' on the economics of biodiversity and ecosystems, which has secured considerable international policy attention even before it has been released.

The idea that environmental capital may be "driven down" – to the point where economic development is

severely impeded – is not yet well understood in Viet Nam. We therefore propose a significant study that would focus on where the "limits to growth" are being breached, as well as the costs and benefits of investing in environmental assets.<sup>[14]</sup> This study would inform the National Sustainable Development Council, which has been asked by the Prime Minister to see how best economic goals can fit with social and environmental goals. It could also feed into:

- scenarios work for development planning;
- work on economic governance – especially ways to ensure economic resilience;
- options for establishing wealth accounting at national level and green accounting at other levels; and
- procedures for routine public expenditure reviews – including environmental questions on how dependent / sensitive each sector is to environment, what the sector spends on environmental management and with what benefits.

One idea is to focus on deltas which are affected strongly by climate change, assessing current assumptions about coastal development.

### **[Idea 3] A poverty-environment decree – tackling the policy gap**

We have noted that the lack of an integrated decree reduces the effectiveness of the individual poverty and environment decrees and means that decentralised authorities have no direct mandate and guidance to act on specific poverty-environment issues. Through PEP, DCE, SDIN and many other initiatives, there is now much good information around which to construct an integrated decree.

The procedure will have to meet three criteria: either that the decree clarifies an existing law or that it addresses an immediate need; that it corresponds to a mandate of an existing ministry; and that it requires a ministry to draft the decree. How these criteria would be met for a cross-cut issue is not yet clear. The choice of lead ministry is a dilemma, as more than one ministry handles (or should handle) poverty-environment issues. MOLISA's involvement is valuable as it would be important to influence the social development programme regarding environmental issues. MONRE's involvement is important for influencing the coverage of environmental issues in the contents of SEDP. However, MPI perhaps needs to take the lead to ensure influence in shaping the whole SEDP process (and perhaps a complementary approach would be for MPI to revise its circular on SEA, or issue guidance on poverty-environment issues).

### **[Idea 4] A 'living rivers mechanism' for cross-province river management – tackling the integrated management gap**

There are problems of setting water quality targets and action plans in a given province, when water pollution from one province causes impacts downstream in another province. The idea of a regional institution, covering more than one province, is seen as unrealistic. Therefore an idea to consider instead is to develop a regional 'living rivers mechanism' with common targets for the whole river – and common but differentiated responsibility, with water quality monitoring points in every province. The funding could be constructed to reward the province with the highest quality river improvement; another indicator of success might be how many new livelihoods are created for the poor in fishing. There are models that have proven successful

[14] We suggest that the study could "localise" the global focus of Meadows D, J. Randers, and D. Meadows. 2004. *Limits to Growth, The 30-Year Update*

elsewhere, notably the living rivers programme in Australia and the clean rivers programme in East Java. UNDP/MPI work in this area also provides material on which to build.

### **[Idea 5] A national movement to develop commune-level environmental regulations – tackling the people's mobilisation gap**

We have noted the success of the PEP-supported pilots and indeed the spontaneous move of some communes to regulate their own environment for the benefit of the poor. People are willing to do this as they are increasingly feeling the burden of environmental health and waste problems – and are willing to take responsibility. This will need further advocacy and support at district level, too.<sup>[15]</sup> A mechanism is required to ensure widespread development of regulations and their implementation across and within many provinces. Involvement of the Fatherland Front or VUSTA may be helpful in mobilising communities.

### **[Idea 6] Public environmental procurement and environmental funds – tackling the investment start-up gap**

One of the clearest ways in which government could offer leadership is in the implementation of a sustainable *public procurement programme*. This would ensure that government contracts for materials, services, buildings and other supplies preferentially use environmentally- and socially-sound products and processes. A good example, employed now in many countries, is timber supplies – ensuring wood products are from legal and / or sustainable sources, sometimes certified; for example to Forest Stewardship Council standards.

A further recommendation is the better mobilisation and pro-poor use of environmental funds. It will be important to ensure that the use of the *National Environmental Protection Fund* helps poor people as consumers, or as producers, or at least in compensating them when they are 'victims' of environmental damage. Similar challenges apply to the forest protection funds that are to be established at provincial level and that are likely to receive funds from PES initiatives. There is also more potential to link fiscal policy on poverty with fiscal policy on environment; as well as on trade policy to ensure trade brings poverty-environment benefits. The Ministry of Finance appears willing to consider a range of fiscal instruments, not necessarily limited to collecting fees for pollution. Thus there may be potential to introduce incentives for pro-poor environmental measures outside the mandate of the Environmental Protection Funds.

### **[Idea 7] A 2010 conference on 'Readiness for investing in environment as a Middle Income Country' – tackling the vision gap**

Viet Nam's target date for MIC status is 2011. MIC status brings with it a set of key macroeconomic conditions that have significant implications for environment as a driver or barrier to growth. Furthermore, the government has implied that MIC status is required before it is truly ready to tackle a back-log of environmental problems caused by rapid economic growth. In circumstances where Viet Nam will find it difficult to compete on price with China, in particular, its products could be distinguished in the marketplace by their higher social and environmental responsibility – a 'green economy' national brand that will support Viet Nam's development (in much the same way that Costa Rica, South Africa, and Thailand have successfully promoted national brands). This will require high level commitment and leadership in Viet Nam. A conference, perhaps in late 2010, on

[15] *Whilst the chairman of the commune plays a key role in environment-development integration as he or she understands who is poor and what the local environmental issues are, such understanding is low among district chairmen.*

the importance of environmental assets and the capabilities of poor groups in shaping a 'green economy', may prove to be a timely occasion to bring together several of the above suggested initiatives. It might usefully consider:

- **Developing a shared vision for a 'green economy'** that integrates development and environment in constructive ways, that helps institutions to focus their energies and collaborate better, and that enables poor people to protect – and benefit more from – the environment.
- **Highlighting investment and public expenditure priorities to support 'green growth'** – perhaps the most pressing need being to support provinces to clean up the negative poverty-environment impacts of much foreign direct investment (FDI), as well as state-owned enterprises (SOEs), through improved safeguards and fiscal policy – so that FDI and SOEs begin to produce environmental value. Both 'carrot and stick' (or 'praise and blame') approaches may be useful.

Whilst donors are less of a significant source of finance in countries with MIC status, donors will be very interested in the transitional arrangements required for good MIC governance, which are understood to include coherent, mainstreamed environmental policies and investments. They should find such a conference worthy of support.

### **[Idea 8] Continue cross-institution mainstreaming projects such as PEP – tackling the integration 'catalyst' gap**

Whilst environment-development integration to date has been a 'supply-pushed' endeavour – with environment interests asserting problems and solutions to mainstream organisations, it is becoming a demand-driven one – with MPI and sector authorities increasingly committed to act (if not yet in a fully systematic way). The 'bridging' work of PEP and DCE has been valuable and there is a need to continue this type of activity, perhaps more closely allying with mainstream authorities now. For example, having been successful in helping national and provincial plans to include more poverty-environment issues, different 'downstream' work on capacities, budgets and investment – and the '*compliance gap*' in implementing legislation – will be warranted, as well as 'upstream' influence on major policies and institutions that constrain the actual implementation of the plan.

In conclusion, the integration of environment and development is, ultimately, a long-term institutional change endeavour. It is not merely a technocratic process but rather an intensely 'political' one that has to include many actors, needs to be more future-looking, and should be energised by international sharing and other links. On the one hand, it depends upon *environment institutions'* capacity to engage in the mainstream, tracking and advising on the environmental situation, costs and benefits – helping the 'supply-push' of relevant environmental information and advice. On the other hand, it perhaps more critically depends upon the political will and capacity of *mainstream institutions* to integrate environment in development strategies, plans and budgets – creating more of a 'demand-pull' on environment-development information and options. For this to produce enduring results that improve the wellbeing of all Vietnamese people, it also needs to build on the many provisions available in Viet Nam to put people, especially poor groups, at the centre of both environment and development policy.



# References:

DFID. 2008. *Development: making it happen*. Annual Report 2008. DFID, London

Government of the Socialist Republic of Viet Nam. 2002. *Sustainable development in Viet Nam: Report to the World Summit on Sustainable Development*. GoV, Hanoi

IIED. 2009. *Environmental mainstreaming guide* [www.iied.org](http://www.iied.org)

Meadows D, J. Randers, and D. Meadows. 2004. *Limits to Growth, The 30-Year Update*. Chelsea Green, Vermont

Millennium Ecosystem Assessment. 2005. *Ecosystems and Human Wellbeing: Synthesis*. Island Press, Washington DC

MONRE and UNDP. 2007. *Environmental policies, legislation and the poor* (draft)

MONRE and UNEP. nd. *Viet Nam National Performance Assessment (EPA) Report*. ADB, Manila and UNEP, Bangkok

Nguyen Q & Stewart H. 2005. *The PRSP Process and Environment - the Case of Viet Nam*. Institute for Development Studies, Brighton, UK

Pearce, David W. 2005. *Investing in Environmental Wealth for Poverty Reduction* UNDP, New York

Stern, N. 2007. *The Economics of Climate Change: The Stern Review*. Cambridge University Press, Cambridge UK

World Bank. 2007. *The impact of sea level rise on developing countries: a comparative analysis*. World Bank, Washington DC

### **Environmental Governance Series**

No. 1 The challenges of environmental mainstreaming: Experience of integrating environment into development institutions and decisions

No. 2 Integrating environment and development in Viet Nam: Achievements, challenges and next steps

### **Related IIED Titles**

Creating and Protecting Zambia's Wealth: Experience and next steps in environmental mainstreaming, Natural Resource Issues No. 14, ISBN 978-1-84369-735-0, Order No. 17502IIED.

Environment at the heart of Tanzania's development: Lessons from Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA), Natural Resource Issues No. 6, ISBN 978-1-84369-656-8, Order No. 13543IIED.

Visit [www.environmental-mainstreaming.org](http://www.environmental-mainstreaming.org) for more information and resources



## **Integrating environment and development in Viet Nam: Achievements, challenges and next steps**

Development and environmental management have, for too long, been treated as separate objectives in Viet Nam – as in most countries. Viet Nam's extraordinarily rapid development has brought immediate and major benefits. But it has also led to poor people suffering pollution, climate change and soil infertility. It is time for development and environment to be considered together. This paper reviews what has worked well in integrating environment and development objectives in Viet Nam, as well as what currently constrains integration. It assesses future needs, given rapidly changing demographic, economic and environmental situations. Its recommendations offer a sure footing for 'preparing for green growth' in a future middle-income Viet Nam.

'Integrating environment and development in Viet Nam' is published by IIED in association with UNDP's Viet Nam office.

*IIED has defined environmental mainstreaming as 'the informed inclusion of environmental concerns into the decisions and institutions that drive development policy, rules, plans, investment and action. This series explores cases in many developing countries, including the co-authored findings of national learning groups, as well as analyses of particular themes and tools.*

**Environmental Governance Series No. 2**

**ISBN 978-1-84369-762-6**



3 Endsleigh Street,  
London WC1H 0DD, UK  
[www.iied.org](http://www.iied.org)



United Nations Development Programme  
25-29 Phan Boi Chau, Ha Noi, Viet Nam  
[www.undp.org.vn](http://www.undp.org.vn)