

## Socialist Republic of Vietnam Country Overview



### 1. Opportunities for economic growth role of water, sanitation and hygiene

Water, sanitation and hygiene (WASH) are core elements of human capital development that drive Viet Nam's current and future productivity and growth. Human capital development is comprised of the knowledge, skills and health acquired over the course of one's lifetime. It therefore requires investment in children – especially in their early years and those who are most vulnerable – so that they can achieve full potential when they become adults and enter the job market. Water, sanitation and hygiene are indicators that are closely linked to education, skills development and nutritional status. Adequate investment in WASH would optimize Viet Nam's competitiveness in the regional and global market and accelerate its achievement of the Sustainable Development Goals (SDGs).

### 2. Existing water, sanitation and hygiene service levels and impact of COVID-19

On 1 April 2020, Viet Nam declared COVID-19 a pandemic and officially requested national-level social distancing by closing all public places, except for essential services. As a result, many key health, nutrition and sanitation services have been halted. Essential WASH services that remained open were also predicted to have reduced utilization rates. It is undeniable that this loss of access will negatively affect vulnerable groups such as children or disadvantaged families and may even have long-term effect beyond the pandemic.

*The Findings from Rapid Assessment conducted by UNICEF in August 2020 have showed the critical impact of Covid 19 in term of WASH as below.*

**Lack of access to safe water in some disadvantaged areas posed a serious hygiene challenge for families and children to prevent COVID-19.** Severe drought and saltwater intrusion in 13 provinces of the Mekong Delta region home to 19 million people, with one-third children, exacerbated the lack of access to clean water for most disadvantaged groups<sup>1</sup>. Specifically, 95,600 households lacked safe drinking water during the drought<sup>2</sup>. Some 35 per cent of commune health stations in Dien Bien, Gia Lai, Kon Tum, and Ninh Thuan provinces also reported insufficient or unsafe drinking water<sup>3</sup>. Moreover, 7 per cent of women and their families living in rural Central Highlands and Mekong Delta regions could not access safe drinking water, whereas 70 per cent still relied on centralized water collection points<sup>4</sup> due to a lack of piped water at home.

---

<sup>1</sup> UNICEF Vietnam Country Office. Policy Brief: The Impact of COVID-19 on Children in Viet Nam.; 2020

<sup>2</sup> Viet Nam: Drought and Saltwater Intrusion - Office of the Resident Coordinator Flash Update No. 2 (As of 27 February 2020) | United Nations in Viet Nam. Accessed July 7, 2020. <https://vietnam.un.org/en/36769-viet-namdrought-and-saltwater-intrusion-office-resident-coordinator-flash-update-no-2-27>

<sup>3</sup> UNICEF. Rapid Assessment on Secondary impacts of the COVID-19 Outbreak on the routine services of Health, Nutrition and WASH at commune level.

<sup>4</sup> EMPOWER, UN. The impact of COVID-19 on rural women and enterprises: A rapid socio-economic assessment in Vietnam by the EMPOWER project.

**The lack of access to handwashing facilities led to deprived handwashing and other hygienic practices in some disadvantaged areas.** Nearly 30 per cent of people in Dien Bien, Gia Lai, Kon Tum, and Ninh Thuan provinces had a limited availability of basic handwashing facilities at home - one of the fundamental practices to prevent COVID-19<sup>5</sup>. About 13 per cent had a shortage of hand sanitizers for children, families and other guests, while 6 per cent had no soap nor sanitizers<sup>6</sup>. Besides, some rural areas were found to sell low-quality hand sanitizers which affected the health of consumers. Most studied families were fully equipped with soap and liquid hand sanitizer at home. Some poor and near-poor families in quarantined areas received support from the ward People's Committee and other local stakeholders with COVID-19 preventive items such as soap, liquid hand sanitizer and masks.

**Handwashing practice during COVID-19 improved but remained a challenge for some disadvantaged groups.** The frequency of such healthy practices seemed much higher during than pre-pandemic. Such practices were even maintained post-social distancing. This may be because most studied children and adolescents had access to comprehensive COVID-19 prevention information through television, social media, newspapers, local health collaborators or from parent, school and teacher reminders.

### 3. Making SMART Investments: options for economic and social development

#### 3.1 Issued Policy:

- In 2010, Government of Vietnam had issued National Strategy on Rural Water Supply and Sanitation by 2020, this is important instrument to implement rural water and sanitation;
- The Government of Vietnam has approved 03 National Target Programs (NTP) on Rural Water Supply and Sanitation (NTP RWSS) in following phases: (2001 - 2005), (2006 - 2010), (2012 - 2015) to implement rural water supply and sanitation targets;
- In 20210, the National Target Programs (NTP) on New Rural Development (2016-2020) and on Sustainable Poverty Reduction (2016-2020) had been issued, including implementation of criteria of rural water and sanitation.
- In 2010, Government of Vietnam had issued Irrigation Strategy by 2030 and vision to 2045
- National Program against non-revenue water by 2025 under Decision No. 2147/QĐ-TTg dated 24/11/2010;
- National Program on ensuring safe water supply in 2016-2025 period under Decision No.1566/QĐ-TTg dated 9 August 2016
- In 2016, Government of Vietnam had issues decision on strategy for water supply for urban and industry zones.

#### 3.2 Results to date in rural water and sanitation

Over the years, Access to save water and sanitation remains a public priority in Vietnam. The results in water and sanitation have increased significantly these thanks to the attention of the Party, governments, local authorities, people and the strong support of donors and international organizations such as: UNICEF, WHO, Australia's Ministry of Foreign Affairs and Trade, Ambassador Dutch Embassy, Embassy of Hungary, JICA, GIZ, WB, ADB, and a number of non-governmental organizations:

<sup>5</sup> UNICEF. Rapid Assessment on Secondary impacts of the COVID-19 Outbreak on the routine services of Health, Nutrition and WASH at commune level.

<sup>6</sup> UNICEF. Rapid Assessment on Secondary impacts of the COVID-19 Outbreak on the routine services of Health, Nutrition and WASH at commune level.

- NTP RWSS had been implemented in three phases: 64,800 million (roughly 282 million USD) including central government budget, fund from donor, loan from Social policy bank, and households contribution: NTP 1 (2000-2006): 6,500 billion (282 million USD); NTP 2 (2006-2010): 20,700 billion VND (roughly 900 million USD); NTP 3 (2011-2015): 37,600 billion VND.
- Loan program from World Bank for Program for Results in RWSS: 9, 800 billion VND (453 million USD): for 08 Red River Delta provinces (2013-2017): 5,000 billion (230 million USD); for 21 northern mountain and central highland provinces (2016-2020): 4,800 million USD (225 million USD).

### **3.3 Implementation results in water and sanitation access**

Currently, there are about 16,573 centralized rural water supply schemes supplying water to 44% of the rural population, 56% of the rural population using small, household-sized water supply - Rate of sanitary water supply 88.5% in rural areas, 51% meet the Vietnamese standards. There are more than 500 urban water supply systems with a total capacity of 9.2% million m<sup>3</sup> / day and night, supplying water meeting standards for 87% of the urban population.

The rate of rural sanitation improved by the end of 2019 will reach 75.2%.

## **4. Identified actions to support national priorities through the Mutual Accountability Mechanism**

### ***Strategy for water and sanitation***

- Develop Water Supply Law and by-laws
- Develop a decree on regulation of rural water supply; National Strategy on Rural Water Supply and Sanitation to 2030 and Vision to 2045;
- Implement rural clean water agenda in the Resolution of the National Assembly on water security for production, daily life and safety management, lakes and dams in the period of 2021-2025;
- Issue regulations on water tariff, economic & technical norms for the management and operation of water supply schemes that are suitable with regions, areas and taking cost recovery into account;
- Promote the socialization of rural clean water supply, to adopt incentive policies to create a driving force to attract investment, management and exploitation of rural water supply works in difficult areas;
- Support for household water supply, small-scale to serve water supply for households in areas facing water resource difficulties, ethnic minority areas, mountainous areas, islands, coastal areas and beaches;
- Strengthen cooperation and support from donors, United Nations agencies, non-governmental organizations and international communities in rural water supply and sanitation;
- Ensure the participation of local authorities and communities in improving resilience to climate change and risks in rural water supply and sanitation.

### ***Priorities in rural water and sanitation***

- Development of medium-term plans for public investment in rural water supply nationwide, targeting the provinces frequently affected by droughts, water shortages, saltwater intrusion, floods and inundation (6 Mekong River Delta provinces) and regions of water scarcity (3 northern mountain provinces (Ha Giang, Cao Bang, Dien Bien): 1,500 billion VND;
- National Target Program on New Rural Development for the period 2020-2030: 36,000 billion VND, including rural water and sanitation;

- National target program for socio-economic development in ethnic minority and mountainous regions in the period 2021-2030, budget for rural water: 2,800 billion VND;
- The program on rural domestic water supply implements a project on water security for production, daily life and safety management, dams in the period of 2021-2025;
- Loan Project from World Bank on water supply and sanitation for sustainable rural climate change adaptation for 17 provinces in the Mekong River Delta, Central Region: 8,800 billion VND (equivalent to 400 million USD).

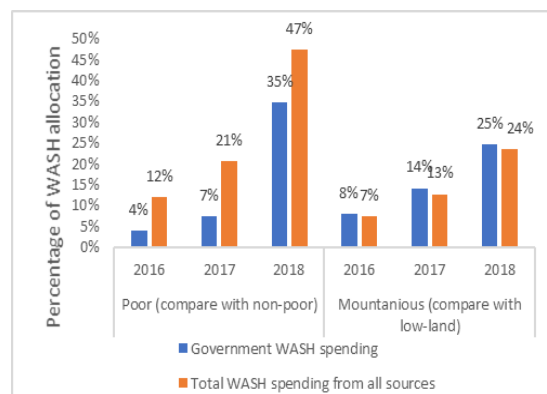
## ANNEX 1: SUMMARY OF FINANCING ANALYSIS FOR WASH IN VIETNAM

In 2019, UNICEF in collaboration with Hanoi Public Health School has conducted a cross-sectional study for information about the public financing for WASH at both national and sub-national levels. The key findings are below:

**Trend for Financing for Water, Sanitation and Hygiene (WASH):** The total expenditure on basic WASH-related activities in Viet Nam decreased by 30 per cent. This translated to a reduction in the proportion of WASH expenditure in GDP from 1 per cent in 2016 to 0.56 per cent in 2018.

**Composition of WASH spending:** Investment was focused in large network systems such as urban wastewater treatment and sewerage systems at 59.07 per cent of total State WASH expenditure. Spending on public hygiene services (mainly at government offices) remained low at 15.07 per cent, followed by 7.8 per cent in clean water supply, 7.65 per cent in basic drinking water supply, 6.05 per cent in basic household level sanitation and 4.09 per cent in supportive services (training and guidelines). Spending on hygiene promotion and handwashing within the total WASH expenditure was reportedly very low (0.03 per cent).

**Equity in WASH budget allocation:** The Government has maintained efforts to ensure equity in the access of WASH services. The percentage of government WASH expenditure in mountainous provinces has more than tripled, from 8 per cent in 2016 to 25 per cent in 2018, while the rate of government WASH spending in poor regions increased to 35 per cent in 2018, compared to 4 per cent in 2016. Similarly, total WASH spending from all sources for the poor increased from 12 per cent in 2016 to 47 per cent in 2018, while total WASH spending for the mountainous areas increased from 7 per cent in 2016 to 24 per cent in 2018.



**Financing options for WASH:** Between 2016-2018, most WASH expenditure (85.96 per cent) was allocated from the State budget. This included 47.24 per cent from government revenues, 20.49 per cent from government repayable funds (loans and bonds) and 18.23 per cent from government non-repayable funds (grants and Official Development Assistance (ODA)). In recent years, the private sector has been increasingly encouraged to participate in water supply (equitization), especially in areas of high population density.

**Financial gaps in achieving SDGs for WASH:** Viet Nam would need to spend 1.1 percent of the 2017 GDP per year (USD2.331 billion USD) or a total of 13.8 per cent of 2017 GDP (USD 30.308 billion) to provide safely managed and affordable drinking water to all households and end open defecation. Conversely, Viet Nam will need to spend 0.5 per cent of its annual GDP on water and 0.6 per cent on sanitation in order to achieve the SDG targets set for safely-managed water and sanitation. The biggest concern remains the fragmented water supply in remote areas, where donor assistance still plays an important role, and the maintenance costs are high and ever increasing.

## Recommendations:

- Review and reflect specific WASH indicators and their monitoring and evaluation framework in the National Plan of Action for Viet Nam's SDGs;
- Include WASH indicators and targets in the national and sub-national socio-economic development strategies, plans, national targeted programmes (for sustainable poverty reduction, new rural development and for ethnic minorities) and relevant sectoral strategies and plans;
- Close the financing gaps to accelerate progress towards achieving SDG 6 on WASH; urgent measures are needed to increase the current spending to 1.1 percent of the 2017 GDP per year in order to provide safe water to all households and end open defecation. This will require in-depth sectoral budget analyses for core sectors.