# *\*The below chapter is a part of the under-development 2019 Annual One UN Results Report which narratively presents UN’s joint results toward the achievement of the One Strategic Plan 2017-2021’s intended outcomes. The report will be finalized expectedly in mid-June for official submission to donors and other stakeholders.*

# **CHAPTER 4: FINANCIAL OVERVIEW**

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## **Joint Resource Mobilization**

In 2019, the UN Country Team in Viet Nam continued to emphasize joint resource mobilization for OSP implementation and followed the Resident Coordinator’s strategic direction to move beyond joint programming towards joint programmes, which are more effective and coherent but also more attractive for resource mobilization from regional and global funding sources.

In response to the Joint SDG Fund’s 2019 call for proposals, four UN agencies (ILO, UNDP, UNICEF, UNFPA), in cooperation with MOLISA, submitted a Joint Programme proposal on “Accelerating Viet Nam’s transition toward inclusive and integrated social protection.” The proposal was one of 30-40 out of approximately 130 countries worldwide to be awarded a grant of USD 2 million for two years (2020-2021). The Joint Programme will support Viet Nam in developing an integrated, multi-tiered social protection system using the life-cycle approach, including an extended social care services system and an innovative e-service delivery system.

In 2019, a new partnership with Vietjet was discussed which should mature in 2020, leading to Vietjet providing USD600,000 to implement the UNESCO-UNIDO-UNHABITAT Joint Program on “Mobilizing Cultural Dynamics and Youth Participation for Ha Noi Creative Capital.” This fund will be channeled through the Viet Nam SDG Fund, administered by the MPTF-O. The Vietjet Fund for Vietnam’s Heritage and Innovation, which is planned to be established under this partnership, is envisaged as a platform to encourage additional and long-term collaboration between the UN in Viet Nam, SOVICO (Vietjet’s parent cooperation) and other national partners (especially youth and social innovators) to preserve and promote Vietnam’s cultural heritage and sustainable tourism.

Other joint resource mobilization efforts include UNESCO and UNICEF’s support to the GOVN in securing a grant of USD467,000 from the Global Partnership for Education (GPE) for 2019-2021 to develop a national education development plan. UNDP and WHO received USD636,000 from a multi-partner consortium (including HR Wallingford, UNDP, WHO, the London School of Hygiene and Tropical Medicine, the Met Office and Oxford Policy Management in the UK, and the GOVN) to implement the Joint Program “Dengue Model forecasting Satellite-based System” (D-MOSS). UN Women, FAO, and UNICEF jointly mobilized USD534,000 from ECHO to implement phase two of the Joint Program on scaling up Forecast based Financing/Early Warning Early Action (FbF/ EWEA) and Shock Responsive Social Protection (SRSP).

## **2019 Budget and Spending**

In total, the UN in Viet Nam was able to mobilize approximately USD77.4 million, equivalent to 84.2 per cent of the total planned budget for 2019 of about USD91.9 million, which was significantly lower than the mobilized amount of each of the last two years of 2017 and 2018. This reflects the impact of the overall decline in grant ODA in Viet Nam. Nevertheless, the accumulated 3-year mobilization accounted for roughly 71 per cent of the OSP’s total five-year estimated budget of USD423 million, showing that the UN and the GOVN were still on track in terms of planned resource mobilization for OSP implementation.

**Table 1. OSP 2019 Budget (in USD)**

|  |  |  |
| --- | --- | --- |
| **Focus Areas** | **Outcomes** | **2019** |
| **Total Required**  | **Available**  | **Gap** | **Expenditure** |
| **FA1** | Outcome 1.1 | 4,352,978.00 | 3,798,553.00 | 554,425.00 | 2,601,896.81 |
| Outcome 1.2 | 23,790,253.00 | 12,592,299.09 | 11,197,953.91 | 15,307,498.00 |
| Outcome 1.3 | 4,076,710.00 | 3,597,968.00 | 478,742.00 | 879,200.00 |
| **FA2** | Outcome 2.1 | 27,287,061.00 | 27,285,042.01 | 2,018.99 | 21,303,332.42 |
| Outcome 2.2 | 3,396,147.76 | 3,396,147.76 | 0.00 | 2,635,073.76 |
| **FA3** | Outcome 3.1 | 5,684,805.00 | 5,104,494.00 | 580,311.00 | 3,212,266.58 |
| Outcome 3.2 | 3,021,283.00 | 3,021,283.00 | 0.00 | 2,845,972.00 |
| **FA4** | Outcome 4.1 | 6,128,059.84 | 5,313,826.84 | 814,233.00 | 3,897,375.84 |
| Outcome 4.2 | 14,161,160.00 | 13,276,912.00 | 884,248.00 | 10,077,849.00 |
| **TOTAL** |  **91,898,457.60**  |  **77,386,525.71**  |  **14,511,931.89**  |  **62,760,464.41**  |

As showed in below Table 1, the highest proportion of UN investment in 2018 went to Outcome 2.1 on low-carbon, climate and disaster resilient development (35.3 per cent), Outcome 4.2 on human rights protection and justice (17.2 per cent), and Outcome 1.2 on equity in health (16.3 per cent). The three-year trend since 2017 shows that the UN consistently put a high level of investment into equity in health and constantly increased its budget for human rights protection and justice. Nevertheless, the work on poverty reduction, social protection, education, economic growth, and an inclusive labour market got a decreasing and small budget due to difficulties in resource mobilization. For other areas, the budget fluctuated greatly over the last three years (see Chart 1).

Regarding expenditure, by the end of 2018, UN agencies delivered USD62.8 million, resulting in a disbursement of 81.1 per cent against the total available budget of USD77.4 million, a relatively high rate compared to earlier years.

## **UN Viet Nam SDG Fund**

The UN Viet Nam SDG Fund (SDGF) was established in the end of 2018, based on the rebranding of the One Plan Fund (OPF) and as the result of the UN in Viet Nam’s consultation with the GOVN and the Multi-Partner Trust Fund Office (MPTFO). This aims to provide a local pooled fund, mirroring global efforts on the Joint SDG Fund, to better support SDG acceleration and OSP implementation. In 2019, MPTFO transferred USD120,904 (in the total of USD252,776 left over from OPF) to SDGF for the Resident Coordinator Office’s operation. An expense of USD54,197 was recorded in 2019 to mainly cover the salaries for RCO staff (during the RCO transition period under the UNDS reform) who provided coordination assistance to the UNCT and different substantive inter-agency groups (including Results Groups) in supporting Viet Nam’s SDG implementation and acceleration.