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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX II

to the Commission Implementing Decision on the financing of the annual action plan in favour of Vietnam for 2023 part 1

Action Document for the EU-Vietnam Decent Work Promotion Programme

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	EU- Vietnam Decent Work Promotion Programme OPSYS number: ACT-61300 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	Subject to confirmation of participating Member States' contribution, the action is intended to contribute to TEI-2 (Decent employment and inclusive entrepreneurship) in Viet Nam. In case the latter does not materialise and questions the sustainability of the action proposed, the action may be amended if needed.
3. Zone benefiting from the action	The action shall be carried out in Viet Nam
4. Programming document	Multiannual Indicative Programme for Viet Nam (2021-2027)
5. Link with relevant MIP(s) objectives / expected results	Priority area 2: Responsible entrepreneurship and enhanced skills for decent employment Specific Objective 2.2: Employment opportunities, rights at work, social protection and dialogue are promoted
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	DAC 160: Other Social Infrastructure & Services
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 8 Decent work and economic growth Other significant SDGs (up to 9) and where appropriate, targets: SDG 1, target 1.3 Nationally appropriate social protection systems and measures for all SDG 5 Gender equality
8 a) DAC code(s)	16070 - Labour rights (50%) 16080 - Social dialogue (25%)

	16010 - Social protection (25%)			
8 b) Main Delivery Channel	Multilateral Organisations – 40000 Non Governmental Organisations - 20000			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>	/
digital governance		<input type="checkbox"/>	<input type="checkbox"/>	
digital entrepreneurship		<input type="checkbox"/>	<input type="checkbox"/>	
digital skills/literacy		<input type="checkbox"/>	<input type="checkbox"/>	
digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	YES	NO		

	digital connectivity energy transport health education and research	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020131-C1-INTPA Total estimated cost: EUR 13 500 000 Total amount of EU budget contribution EUR 13 500 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through: - Grants, including twinning grants Indirect management with the entity selected in accordance with the criteria set out in section 4.3.3			

1.2 Summary of the Action

The Action seeks to strengthen the work done by the Government of Viet Nam, the European Union and other international organisations to promote Decent Work in Viet Nam, in a context of the post COVID-19 crisis. The EU is extending its support to accompany a labour reform process that started during the trade liberalisation years and continues to be a priority after the ratification of high level trade agreements such as the EU- Viet Nam Free Trade Agreement. These are areas where the EU has a comparative advantage and where the EU and Viet Nam have legally binding commitments, a strong ongoing engagement and policy dialogue. The action will build on achievement from initiatives funded by the EU or EU Members States with a stronger participation from the European business community to promote decent work in the private sector. The programme is designed to support the implementation of international labour standards, while eliminating unacceptable forms of labour such as child labour and reducing inequalities in the workplace, in accordance to the European Commission's proposal of September 2022¹. The Action is therefore fully aligned with the Team Europe Initiative to promote a more inclusive and responsible business and a transition towards formal employment and decent work. Moreover, European expertise in the field of social insurance will be mobilised through twinning. The objective is to broaden the coverage of existing social protection schemes for informal workers who continue to make up the majority of the workforce in Viet Nam.

The Overall Objective (Impact) of this action is to achieve SDG 8 in Viet Nam, namely to promote full and productive employment and decent work for all.

Three separate Specific Objectives (Outcomes) will be achieved:

¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5415

1. To strengthen industrial relations in Viet Nam, in line with ILO Fundamental Conventions and Viet Nam's Labour Code.
2. To improve social protection coverage for workers in vulnerable situations in Viet Nam.
3. The business community in Viet Nam is more supportive of decent work principles.

The Action falls under Priority area 2: Responsible entrepreneurship and enhanced skills for decent employment of the 2021-2027 Multi-annual Indicative Programme for Viet Nam. It will be complementary of activities in the field of vocational training and Responsible Business Conduct which will be addressed under AAP 2023 and AAP 2024. The action will contribute to the implementation of the Gender Action Plan III² and Country Level Implementation Plan (CLIP) for Vietnam 2021-2025.

2 RATIONALE

2.1 Context

Viet Nam's economic success story has been largely reliant on trade openness but also the accumulation of cheap labour. This growth model has generated a large population of workers in a situation of vulnerable employment, ILO statistics confirm. Viet Nam increasingly seeks to break away from this low value added model and move up the value chain. For this transition to materialise, the leadership of this one-party state wants to promote better skills, more investment in high productivity technology but also offer better protection and working conditions to its workers. These priorities will shape the future of Viet Nam's industrial strategy as laid down in Viet Nam's Socio-Economic Development Strategy (SEDS) 2021-2030 and Socio-Economic Development Plan (SEDP) 2021-2025. In parallel to this new industrial revolution, Viet Nam embarked on an ambitious labour reform agenda. A revised Labour Code entered into force in 2021 which introduced wide ranging reforms in industrial relations, notably provisions on independent workers representative organisations at enterprise level that however cannot be established and operate at the moment as respective implementing decrees have not been enacted. Several high profile trade agreements - including the EU- Viet Nam Free Trade Agreement in 2020 – were ratified during the same period. Commitments on labour rights included in trade agreements foresee the ratification of ILO fundamental Convention 87 on the Freedom of Association and Protection of the Right to Organise that remains to be ratified in Viet Nam.

Reforms are also visible on the social protection front. Resolution 28-NQ/TW adopted in 2018 and the corresponding Master Plan on Social Insurance Reform detailed the social protection priorities of the Party. The long term objective is to achieve universal social protection coverage through multi-tiered systems. Under the new Master Plan, social insurance coverage is expected to gradually increase for both wage and non-wage workers including those in informal employment, for long-term benefits (e.g. pensions) and short-term benefits (e.g. sickness, maternity and family benefits). The Master Programme on Social Insurance Reform in Vietnam (MPSIR) sets an ambitious target of 60% coverage for the working population by 2030, meaning that the number of people covered must double by 2030.

Despite progress in narrowing the gender gap recently, Vietnam still faces challenges considering deep-rooted gender stereotypes and a 'gendered structure' economy. Vietnam adopted the National Strategy on Gender Equality for the 2021-2030 period to foster Vietnam's gender equality and women entrepreneurship in the 2021-2030 period. Its aim is to increase the rate of female employees engaged in paid work to about 60% by 2030.

The National Programme on the Prevention and Reduction of Child Labour for the 2021–25 period, with a vision towards 2030, was also adopted in 2021, with the goal of eradicating child labour in the country and achieving (SDG 8) target 8.7.

Such objectives echo EU's own Decent Work priorities as laid down in the Communication on Decent Work Worldwide, adopted by the European Commission on 23 February 2022³. The Communication lays the ground for

² Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III)

³ Communication on Decent Work Worldwide:

further engagement with stakeholders in global partnerships, joining multi-stakeholder initiatives on decent work and working with social partners to ensure respect of labour rights in supply chains. The Communication puts a strong emphasis on the elimination of child labour and forced labour.

On the same day, the European Commission released a proposal for a Directive of The European Parliament and of The Council on Corporate Sustainability Due Diligence (CSDDD). This Directive lays down rules on obligations of due diligence by large EU companies regarding actual and potential human rights and environmental adverse impacts, with respect to their own operations or operations of their subsidiaries. All eight ILO Fundamental Conventions are used to define violations of Human Rights and Fundamental Freedoms under this proposal.

Several programmes funded by EU and EU Member States will be implemented under the same Team Europe Initiative's direction. Among relevant programmes is the Swedish Workplace Programme (Sweden, 2019-2023) implemented by the International Council of Swedish Industry (NIR) and the Metal and Industrial Workers Union. The programme promotes sustainability and diversity in the workplace by establishing better social dialogue and partnerships between management and employees. The Sustainable Textile Initiative: Together for Change (STITCH) financed by the Dutch Ministry of Foreign Affairs (2016-2025) aimed at amplifying workers' voices, strengthening trade unions, and improving brands' purchasing practices. And the Better Work Viet Nam (EU, Denmark, The Netherlands, Australia, Switzerland, 2009-June 2023) under the EU Global Public Good and Challenges (GPGC) thematic programme is an ongoing flagship partnership between ILO and the International Finance Corporation (IFC) which engages with workers, employers and governments to improve working conditions and boost social dialogue in the garment industry. It collaborates with 400 companies in Viet Nam.

2.2 Problem Analysis

Industrial relations are at a turning point in Viet Nam. The adoption of several ILO fundamental Conventions took place during the ratification of high profile Free Trade Agreements and is expected to end with the ratification of Convention 87 in 2023. The Viet Nam's new Labour Code included more elements of the ILO fundamental Conventions, but falls short to comply with them in particular in the areas of freedom of association and collective bargaining. Examples of legislation lagging behind are – in the area of freedom of association – that workers representative organisations are not allowed to operate beyond the enterprise level and that they have restrictions in freely electing their representatives. On collective bargaining, the ILO has outlined several gaps and made comments in a Direct Request, published in 2022, among others on the coverage of workers, on the right of organisations to operate at all levels and the need to ensure independence of organisations at all levels. ILO has acknowledged progress in Viet Nam, but has underlined the need for additional capacity building, awareness raising and evidence-based monitoring of the new labour laws before the principles contained in ILO conventions become a reality. The need to operationalise reforms will remain the main challenge in years to come beyond the legislative changes needed. Among the most sensitive innovations is the creation of independent workers organisations, in line with ILO Convention 87. Until recently, Viet Nam's legislation did only contain provisions on workers representative organisations as a member of the Viet Nam General Confederation of Labour (VGCL), an organisation directly under the supervision of the Communist Party and whose mandate includes the realisation of the Party's directives. The creation of new workers unions outside the scope of VGCL is foreseen in the revised Labour Code, but it has not yet been realised as respective implementing decrees have not been enacted. If realised, it would constitute a major step towards the freedom of association embedded in ILO conventions. The leadership of the country is, in principle, favourable to this reshaping of the industrial landscape. Politburo Resolution 02-NQ/TW called for the creation of more enterprise-level unions and a higher unionisation rate among workers in 2021. The same Resolution however proposes to strengthen the Party's leadership over the organisation and activities of trade unions, casting doubt over the independence of new generation workers organisations. The enactment of further legislation on the functioning of trade unions will be crucial to assess Viet Nam's willingness to uphold the right of association.

Other provisions in the Labour Code also contribute to stronger labour relations, namely collective bargaining rules between employers and employees, a new labour dispute conflict resolution mechanism and measures against discrimination and in favour of equality. If successful, this transition is expected to modernise labour relations in Viet Nam and mainstream decent work principles across all sectors. The business community is in principle supportive of the reforms, which have the potential to facilitate further Viet Nam's access to advanced markets, including the EU. In the absence of a well-functioning workers representation system, Vietnamese factories have witnessed frequent wild-cat strikes and labour disputes in recent years. It is clearly in the interest of employers to enforce harmonious labour relations and avoid disruptions to supply chains. The changes, however, will need to be gradual in a country where workers' representatives are traditionally appointed by management and/or the Party-affiliated trade union. Much will depend on the success of social dialogue but also on the capacity of the State to monitor and sanction violations. Viet Nam currently employs far fewer labour inspectors (approx. 0.4 inspectors per 20,000 workers in the formal sector) than the commonly accepted ILO benchmark (1/20,000 workers). In 2021, the ILO Committee of Experts on the Application of Conventions and Recommendations raised concerns on the number and availability of labour inspectors in Viet Nam, in the context of Convention 81 on Labour Inspections. The Committee also advised against over-relying on voluntary, non-binding self-declarations.

Against this background, the COVID-19 crisis disrupted global value chains and destroyed millions of jobs worldwide. Viet Nam's labourers were severely affected despite the country's own ability to control the epidemic for most of the first year. The crisis triggered a massive internal migration wave among factory workers immediately after lockdown measures were released in 2021. Disruptions to the labour market and supply chains were significant. During this difficult period, a large proportion of Viet Nam's workers who are not covered under the Labour Code had difficulties accessing social insurance benefits. Female workers were proportionately more affected than their male counterparts. Although comprehensive voluntary schemes exist for those wishing to contribute to a pension or unemployment scheme, most informal workers do not earn sufficiently to join them. In fact, studies indicate that joining a voluntary scheme would result in worsening poverty levels for many of them. As a result, in an economy where informality prevails, uninsured workers make up the majority of the labour force in Viet Nam (approx. 70%). Improving social protection coverage will require an effort both in terms of formalisation but also a higher share of subsidies from the general budget rather than social contributions. More inclusive multi-tiered social protection systems are needed to cover those most at risk during economic crises and throughout their life cycle. Such systems have wide implications in terms of social insurance reforms and public finance management. They are under consideration in Viet Nam with technical support from the ILO.

At the extreme end of the spectrum of vulnerable workers are children below the age of 18. In Viet Nam, according to the results of the 2018 National Child Labour Survey, more than 1 million children aged 5-17-were in child labour. They accounted for 5.4% of children in this age group. The impact of the COVID-19 pandemic on child labour in Viet Nam has not been measured but worldwide evidence suggests that the numbers went up for the first time in decades due to the COVID-induced economic crisis and school closures. Viet Nam has acknowledged the situation and adopted an Action Plan against child labour in 2021, though it remains unclear whether the goal of eliminating child labour achieved by 2025 in accordance with SDG 8.7. Although participation of children to the family workforce in the agricultural sector will be difficult to eradicate, efforts need to focus on the most hazardous forms of child labour.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The **Ministry of Labour, Invalids and Social Affairs (MOLISA)** is the main government contact point and partner for this Action. It is mandated with policy implementation in the fields of labour, employment, occupational safety, vocational education, social protection, children related issues, gender equality and social vice control – which includes human trafficking. MOLISA is involved in the preparation and submission of all draft legislation linked to the Labour Code and ILO Conventions to the National Assembly and/or the Prime Minister. The National Labour Inspectorate is also an agency under MOLISA.

Viet Nam Social Security (VSS) is a Government-attached agency in charge of implementing social and health insurance policies, in particular the collection and payment of social insurance contributions, managing health insurance funds and other social funds. VSS manages electronic transactions in the field of social insurance and

establishes beneficiary databases. It reports directly to MOLISA as well as the Ministry of Finance and the Ministry of Health.

The **Viet Nam General Confederation of Labour (VGCL)** is the only national organisation authorised to represent workers. All secondary, sectoral workers representative organisations must affiliate themselves to VGCL. VGCL's mandate includes the achievement of objectives set by the Communist Party of Viet Nam. With 10 million members and a presence in all provinces of the country, VGCL has a strong network in all enterprises. It is currently a pillar of any tripartite social dialogue. Its future role and positioning with regards to independent workers representative organisations - as foreseen under ILO Convention 87 - is a question mark.

Viet Nam's **private sector** is organised into about fifty distinct professional associations. Most are product or sector-based and defend the interests of their members. Several of these associations are already involved in EU-funded projects. They generally have the capacity to reach out to their members and convey information efficiently. Their understanding of international markets and trade policy is satisfactory. The Viet Nam Chamber of Commerce and Industry (VCCI) acts as the overall umbrella organisation, with close links to the business community, government and the Communist Party of Viet Nam.

The **European business community** is organised under the umbrella of Eurocham Viet Nam. It is one of the oldest in Asia, with total membership exceeding 1,000. Eurocham has a long history of cooperation with the EU through previous projects, notably the EU-Viet Nam Business Network which supported the preparation of the Whitebook - Eurocham's annual flagship publication. European companies lobby under 21 Eurocham sectoral and thematic working groups, including one group on Human Resources which follows closely developments related to the Labour Code.

Despite representing nearly 70% of workers, the **informal sector** in Viet Nam is by nature more diverse, less organised; it lacks representative institutions to make its voice heard. Its capacity to join and benefit from project activities is more limited, as is the ability of project to reach this segment of the working population. Digitalisation, allied with new non-contributory social insurance schemes, could improve access to social protection for the informal sector.

Under the Team Europe Initiative, the presence of **EU Member State representations** in Viet Nam will be important during the implementation of the action. One or several EU Member State administrations will be entrusted with the implementation of activities under Outcome 2 through a Twinning partnership. The overall objective of this Action document speaks to the outcome of the draft Joint International Logic for Team Europe Initiative 2 for pillar A "Decent Work": Full and productive employment and decent work for all.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is **to achieve SDG 8 in Viet Nam**, namely to promote full and productive employment and decent work for all.

The **Specific Objectives** (Outcomes) of this action are:

1. To strengthen Industrial Relations in Viet Nam, in line with ILO Fundamental Conventions and Viet Nam's Labour Code.
2. To improve social protection coverage for workers in vulnerable situations in Viet Nam.
3. The business community in Viet Nam is more supportive of decent work principles.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

Contributing to Outcome 1:

- 1.1 Collective bargaining involving independent Workers Representative Organisations is promoted
- 1.2 Regulations against child labour are disseminated widely.

1.3 The frequency and efficiency of labour inspections is reinforced.

1.4 Provisions on equality and non-discrimination are implemented, with a focus on gender equality

Contributing to Outcome 2:

2.1 New inclusive multi-tier social insurance policies are developed

2.2 Better social insurance benefits for informal workers

2.3 Improved digitalisation of social insurance services.

Contributing to Outcome 3:

3.1 Enhanced network of European companies and their suppliers to adopt decent work criteria in Viet Nam

3.2 Improved social dialogue involving independent workers organisations in pilot enterprises

3.2 Indicative Activities

Activities related to Outputs 1.1 to 1.4:

- ✓ EU-VN Dialogue on the ratification of ILO C87 with all policy makers, including National Assembly.
- ✓ Dissemination of information on ILO C135 (Workers Representatives) and ILO C190 (Violence and Harassment at Work)
- ✓ Capacity-building activities to support the establishment and operation of independent Workers Representative Organisations
- ✓ Assisting/reviewing the legislation related to gender equality and non-discrimination
- ✓ Training of labour inspectors
- ✓ Issuing guidelines on improved social dialogue
- ✓ Information campaigns on the enforcement of the new Labour Code
- ✓ Operating the labour dispute settlement system at grassroot level including training of mediators, arbitrators, and others
- ✓ Awareness raising campaigns for parents, community leaders and economic operators on child labour
- ✓ Surveys on child labour
- ✓ Conduct studies to guide evidence based policy reform on labour

Activities related to Outputs 2.1 to 2.3:

- ✓ Prepare legislation to implement Viet Nam's revised Social Insurance Law (after 2023).
- ✓ Provide comparative expertise on European social insurance models
- ✓ Design options for inclusive, multi-tier social insurance schemes for informal workers
- ✓ Review delivery mechanisms for social insurance benefits
- ✓ Support upgrading and decentralisation of remote payment and digital solutions
- ✓ Strengthening the capacities of organised informal workers groups/syndicates.

Activities related to Outputs 3.1 to 3.3:

- ✓ Labour compliance assessments in beneficiary companies and their supply chains.
- ✓ Training of labour specialists in professional sector-based associations
- ✓ Training of independent workers representatives, with a focus on women and young workers
- ✓ Promotion of collective bargaining among participating companies
- ✓ Capacity building for both workers and employers on prevention of sexual harassment at work-place
- ✓ Capacity building for women to take up senior leadership positions in the companies
- ✓ Information campaigns on EU CSDD Directive among enterprises

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that

the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that Gender equality is a significant objective. Provisions related to gender equality and non-discrimination will receive special attention. Although ILO new Convention 190 on Violence and Harassment at Work has not been ratified by Viet Nam, the action will raise awareness on the principles embedded in C190, using the Labour Code prohibition of sexual harassment in the workplace as entry point. Gender equality will be particularly central under Outcome 3, where a sample of companies will implement decent work principles. Specific indicators on gender wage gap and gender representation in newly formed workers' organisations will be used. The action will align with the objectives and the goals of the new National Gender Strategy (2021-2030), the European gender Action Plan and its Country Level Implementation Plan (2021-25).

Human Rights

This Action will contribute to the implementation of ILO Fundamental Conventions which guarantee fundamental principles and rights at work. It will strengthen authorities' ability to conduct labour inspections and limit labour rights infringements in the workplace. By enforcing provisions related to labour dispute resolution and collective bargaining in the Labour Code, it will limit the discretionary power of employers and human rights abuses e.g. against undeclared wage workers. Finally, the Action is supportive of the European Commission's agenda on Business and Human Rights.

The action is expected to consolidate the EU- Viet Nam Dialogue on Human Rights which takes place annually and covers topics of mutual interest.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that persons with disabilities are not the main target group. Nevertheless, disability issues will be integrated in the action through Section 4 of the Labour Code which provides minimum guidelines on the rights of workers with disabilities.

Conflict sensitivity, peace and resilience

This action will not be implemented in a context marked by conflict or peace building. No conflict analysis or conflict sensitivity assessment was carried out.

Disaster Risk Reduction

This action will not be implemented in a context marked by disaster risk reduction.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1-External environment	Risk 1 Viet Nam’s leadership puts the legislation guiding the formation of workers organisations on hold, e.g. the ratification of ILO Convention 87 is delayed	Low	High	The implementation of ILO Conventions is central to the bilateral EU-VN dialogue in the context of the EVFTA. A strong engagement and frequent policy EU-VN dialogues should prevent any backsliding on labour commitments. In the eventuality of long delays affecting the creation of independent workers representative organisations, the action will focus on early implementation in pilot enterprises, including activities on collective bargaining in the context of existing legislation.
2- Planning, processes and systems	Risk 2 Budget constraints put a cap on the number of labour inspectors	High	Medium	The action will focus on the efficiency of inspections, in addition to the quantity of inspections, including through digital means.
1-External environment	Risk 3 The economic slowdown and global inflation put additional stress on companies at the expense of workers	Medium	Medium	The action will support the passage of new legislation on industrial relations and social protection, to avoid a selective application of decent work principles in times of economic hardship. The involvement of the European business community - historically more familiar with the formation of trade unions - will also be instrumental to create a level playing field and ensure good labour standards are the rule.

Lessons Learnt:

The Better Work Programme is one of the flagship programme on decent work in Viet Nam since 2009. It has received support from EU Member States (Netherlands and Denmark) and from the EU since 2019. As implementing agencies, ILO and IFC have built a strong network of companies and advisers monitoring labour compliance and providing

technical assistance to managers and workers representatives. Tripartite social dialogue has improved and has proven successful in ensuring compliance, improving working conditions and reducing the number of disagreements and strikes in participating companies. It is important that the current Action builds upon and complements these achievements, with a stronger participation from the European business community.

The creation of independent workers representative organisations however is a new and sensitive topic for which broad public consultations have been limited so far. Government has steered the process with minimum information sharing and limited involvement from civil society. Several ministries are monitoring developments to avoid unwanted contributions and track any perceived anti-State agenda. In this context, the creation and capacity building of independent workers representative organisations at enterprise level can be expected to be gradual, with attention paid to social dialogue to ensure the legitimacy and safety of WRO leaders.

Involvement of non-governmental organisations in policy making has been traditionally limited in Viet Nam. EU-funded projects in the labour sector in collaboration with non-governmental organisations have made limited progress and occasionally reported impediments to their work. Although this action does not focus solely on non-state actors, linkages with the NGO and academic community are important. For this to materialise, members of the recently created Viet Nam EVFTA Domestic Advisory Group working on labour will be informed regularly about the progress of this action. The Domestic Advisory Group as committed to in the EVFTA is a consultative group of independent civil society organisations covering all aspects linked to trade and sustainability, while the commitment of the EVFTA is not yet met as no independent organisation on labour is present as of 2022. The group meets its European counterpart and reports to the EVFTA Joint Committee once a year.

3.5 The Intervention Logic

The underlying intervention logic for this action is that a renewed EU-Viet Nam dialogue, together with technical assistance on the implementation of ILO Conventions, will speed up the pace of labour reforms already initiated in Viet Nam. It will contribute to the full implementation of Viet Nam's new Labour Code and a better use of the social protection system. The Action is expected to complement the ongoing policy dialogue between the EU and Viet Nam on the adoption of international labour standards.

If Viet Nam's commitment to pursue international labour standards as laid down in ILO Conventions holds true - as confirmed in July 2022 during the EU-Viet Nam Subcommittee on Good Governance, Human Rights and Rule of Law under the EU-Viet Nam Partnership and Cooperation Agreement (PCA) - then policy dialogue and support for the preparation and implementation of new legislation will build a conducive legal environment for workers representative organisations (Output 1.1). Legal reforms will be reviewed at frequent intervals during dialogue sessions between the Viet Nam Government and the EU. Providing assumptions pertaining to public spending on enforcement are realised, the quality and efficiency of labour inspections will also improve (Output 1.3). A better enforcement system will be in place which will improve implementation at enterprise level. Anti-discrimination measures (Output 1.4) are expected to benefit female workers in terms of wage gap, better protection in the work place and equal opportunities when accessing managerial positions. On child labour, both a better enforcement system and stronger evidence guiding policy makers (Output 1.2) will make it possible to zoom in on sectors and provinces where the most hazardous forms of child labour are found. Better awareness among community leaders and parents will be key to address the root causes of the problem and prevent abuses. This result will be achieved providing assumptions on a full economic recovery from COVID-19 hold true, as economic shocks have shown to have a detrimental effect on school attendance and ultimately on child labour. Improvements in collective bargaining, protection of children and anti-discrimination measures in the workplace will ensure a better implementation of Viet Nam's Labour Code, in line with fundamental ILO Conventions (Outcome 1).

Because 70% of workers are still considered informal, they are less likely to benefit from any improvement in industrial relations. If European expertise and the comparative advantages of social protection systems in the EU are used as examples through a dedicated government-to-government twinning partnership, Viet Nam's revised Social Insurance Law will deliver more inclusive, universal social insurance coverage (Output 2.1). The Action will broaden the coverage of existing social protection schemes to reach out the informal sector (Output 2.2), indirectly supporting efforts to reduce informality. Allied with a higher penetration rate for digital services (Output 2.3), the action will contribute to improve social protection coverage for vulnerable workers in Viet Nam (Outcome 2), in line with the objective of doubling the number of workers benefitting from social insurance by 2035 as directed by Viet Nam's leadership. Women - who are at the risk of dropping out of the labour force when looking after their first child - are expected to face better conditions once new family benefits become available. In a post-COVID-19 context, better social protection coverage is also expected to stabilise the labour market and mitigate the likelihood of large migration waves similar to those that happened in Viet Nam in 2021.

Importantly, the upcoming legislation on Decent Work and Corporate Due Diligence in the EU introduce an additional incentive for the private sector to prioritise good labour practices. With the action building a network of pilot enterprises leading by example (Outcome 3), it is expected that a level playing field will exist for companies willing to engage in global supply chains, in particular in connection with the European market. Among improving labour practices, measures to enforce equality and non-discrimination in the workplace will receive special attention to the benefit of female workers.

Again, this logic will hold true providing the improving global economic context and recovery from the COVID-19 crisis continue. A deteriorating economic context could slow down the pace of labour reforms, both at policy and enterprise level.

Ultimately, a stronger industrial relation framework (Outcome 1) backed by private sector (Outcome 3) and a better social protection system (Outcome 2) will provide opportunities for vulnerable workers from both the formal and informal sector in Viet Nam to engage in full and productive employment and decent work, contributing to the achievement of SDG 8 (Overall Objective).

Linkage to TEI: if EU Member States and their financing institutions implement their actions under the Team Europe Initiative 2 Pillar A, this will further contribute to reaching the overall objective of this Action, because they are all related to decent work.

If EU Member States and their financing institutions implement their projects on industrial relations in specific sectors also involving businesses, this will contribute to reaching specific objectives 1 and 3 of this Action, because this will improve industrial relations overall and also familiarise business with decent work principles.

If EU Member States and their financing institutions implement projects on social insurance or labour market institution and policy, this will contribute to reaching specific objective 2 of this Action, because this will assist individual, households and communities to better manage risks that leave people vulnerable.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To achieve SDG 8 in Viet Nam, namely to promote full and productive employment and decent work for all	<p>1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities (SDG 8.5.1)*</p> <p>2 Proportion of informal employment in total employment, by sex (SDG 8.3.1)</p> <p>3. Proportion (%) of children aged 5-17 years engaged in child labour, by sex and age (SDG 8.7.1)*</p>	<p>1. 5.7 million VND/month in 2019 (Wage gap 13.7%)</p> <p>2. 68% in 2020</p> <p>3. 5.3 % in 2019</p>	<p>1 tbd at baseline</p> <p>2 tbd at baseline</p> <p>3 <1% by 2025</p>	<p>1 GSO</p> <p>2. Viet Nam SDG Report</p> <p>2 Viet Nam National Child Labour Survey</p>	<i>Not applicable</i>
Outcome 1	To strengthen Industrial Relations in Viet Nam, in line with ILO Fundamental Conventions and Viet Nam's Labour Code	<p>1.1 Level of national compliance of labour rights (freedom of association and collective bargaining) based on ILO sources (SDG 8.8.2)*</p> <p>1.2 Percentage of labour disputes successfully resolved through mediation or arbitration</p> <p>1.3. Number of child labour occurrences reported by inspectors/provincial authorities</p> <p>1.4.1 Proportion of women in managerial positions (SDG 5.5.2)*</p>	<p>1.1 0.6 in 2020 (0-1 scale)</p> <p>1.2 tbd at baseline</p> <p>1.3.tbd at baseline</p> <p>1.4 Proportion of female directors/owners of businesses was 26.4% in 2016</p>	<p>1.1. tbd at baseline</p> <p>1.2 tbd at baseline</p> <p>1.3 tbd at baseline</p> <p>1.4 tbd at baseline</p>	<p>1.1 ILO</p> <p>1.2 MOLISA</p> <p>1.3 Viet Nam Labour Inspectorate</p> <p>1.4 Viet Nam SDG Report</p>	Viet Nam's commitment to align legislation on international labour standards as laid down in ILO Conventions is maintained.
Outcome 2	To improve social protection coverage for workers in vulnerable situations in Viet Nam	<p>2.1 Share of vulnerable workers benefitting from at least one social insurance benefit (SDG 1.3.1)</p> <p>2.2 Share of unemployed of active age who receive a regular unemployment benefit</p> <p>2.3 Share of population above the statutory pensionable age benefitting from an old-age pension</p>	<p>2.1 31% in 2019</p> <p>2.2 10% in 2018</p> <p>2.3 35% in 2020</p>	<p>2.1 45% by 2025 and 60% by 2030</p> <p>2.2 tbd at baseline</p> <p>2.3 tbd at baseline</p>	<p>2.1 Viet Nam Social Security</p> <p>2.2 Viet Nam Social Security</p> <p>2.3 Viet Nam Social Security</p>	Viet Nam's objectives in terms of social protection coverage as laid down in Resolution 28-NQ/TW remain unchanged.

Outcome 3	The business community in Viet Nam is more supportive of decent work principles	<p>3.1 Number of business associations disseminating good labour practices to their members</p> <p>3.2 Labour rights compliance rates among participating companies</p>	<p>3.1 None as of 2022</p> <p>3.2 tbd at baseline</p>	<p>3.1 +10 by 2027</p> <p>3.2 tbd at baseline</p>	<p>3.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>3.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	<p>The strong economic rebound that started after the COVID-19 crisis continues.</p> <p>EU draft legislation on corporate sustainability due diligence is enacted.</p>
Output 1.1	1.1 Collective bargaining involving independent Workers Representative Organisations is promoted	<p>1.1.1 Status of Viet Nam's ratification of ILO Convention 87</p> <p>1.1.2 Number of implementing decrees on freedom of association and collective bargaining adopted with EU support</p> <p>1.1.3 Number of independent WROs in Viet Nam</p>	<p>1.1.1 C87 not ratified as of 2022</p> <p>1.1.2 None as of 2022</p> <p>1.1.3 None as of 2022</p>	<p>1.1.1 C87 ratified by 2024</p> <p>1.1.2 2 by 2027</p> <p>1.1.3 100 WROs by 2027</p>	<p>1.1.1 Viet Nam's instrument of ratification</p> <p>1.1.2 Text of laws and regulations</p> <p>1.1.3 MOLISA</p>	<p>Ongoing consultations on the functioning of WROs are successful.</p> <p>The EU-Viet Nam dialogue on Trade and Sustainable Development under the EVFTA remains on track.</p>
Output 1.2	1.2 Regulations against child labour are disseminated widely	<p>1.2.1 Number of families with children at risk receiving information with EU support</p> <p>1.2.2 Number of officials trained on child labour prevention</p> <p>1.2.3 Number of national information campaigns related to child labour</p> <p>1.2.4. Number of provincial/city action plans against child labour developed with EU support</p>	<p>1.2.1 None as of 2022</p> <p>1.2.2 None as of 2022</p> <p>1.2.3 None as of 2022</p> <p>1.2.4 None as of 2022</p>	<p>1.2.1 10,000 families by 2027</p> <p>1.2.2 500 officials trained by 2027</p> <p>1.2.3 3 national campaigns by 2027</p> <p>1.2.4 20 action plans by 2027</p>	<p>1.2.1 Progress reports for the EU-funded intervention</p> <p>1.2.2 Progress reports for the EU-funded intervention</p> <p>1.2.3 Progress reports for the EU-funded intervention</p> <p>1.2.4 Progress reports for the EU-funded intervention</p>	<p>No major economic shock arises that impacts school attendance negatively.</p>
Output 1.3	1.3 The frequency and efficiency of labour	1.3.1 Number of labour inspectors per 20,000 workers	1.3.1 Approx. 0.4 inspectors per 20,000 formal workers (1/3	1.3.1 One labour inspector per 20,000 workers by 2027	1.3.1 to 1.3.3 Labour Inspectorate	Public spending on civil servants and administration is conducive to an

	inspections is reinforced	1.3.2 Number of labour inspections 1.3.3 Number of labour violations reported	performing inspections) 1.3.2 3,969 in 2019 1.3.3 tbd at baseline	1.3.2 +100% by 2027 1.3.3 tbd at baseline	Annual Report to ILO under C81	increase in the number of inspectors.
Output 1.4	1.4 Provisions on equality and non-discrimination are implemented, with a focus on gender equality	1.4.1 Number of women receiving training to access managerial positions with EU support 1.4.2 Number of companies receiving training on non-discrimination with EU support 1.4.3. Number of women receiving support to solve discrimination cases	1.4.1 None as of 2022 1.4.2 None as of 2022 1.4.3 None as of 2022	1.4.1 500 women by 2027 1.4.2 500 companies by 2027 1.4.3 100 women by 2027	1.4.1 Progress reports for the EU-funded intervention 1.4.2 Progress reports for the EU-funded intervention 1.4.3 Progress reports for the EU-funded intervention	Viet Nam's leadership support for the achievement of SDG 5 is maintained.
Output 2.1	2.1 New inclusive multi-tier social insurance policies are developed	2.1.1 Number of social insurance policies developed/revised with EU support 2.1.2 Number of beneficiaries covered by new social insurance schemes	2.1.1 None as of 2022 2.1.2 None as of 2022	2.1.1 3 policies are developed or amended by 2027 2.1.2 10 million workers benefit from new social insurance policies	2.1.1 Text of laws and regulations 2.1.2 Viet Nam Social Security	Viet Nam's national budget allocations to social protection are consistent with an increase in coverage.
Output 2.2	2.2 More informal workers receive social insurance benefits	2.2.1 Number of organised informal workers groups receiving information on contributory and non-contributory social protection schemes 2.2.2. Number of information campaigns on social protection directed at informal workers 2.2.3 Number of informal workers benefitting from at least one (non health) social insurance benefit	2.2.1 None as of 2022 2.2.2 None as of 2022 2.2.3 1.9% of informal workers in 2019	2.2.1 20 groups by 2027 2.2.2 3 national campaigns by 2027 2.2.3 +5 percentage points by 2027	2.2.1 Progress reports for the EU-funded intervention 2.2.2 Progress reports for the EU-funded intervention 2.2.3 Viet Nam Social Security	Viet Nam's national budget allocations to social protection are consistent with an increase in coverage.
Output 2.3	2.3 A better digitalisation of social insurance	2.3.1 Share of workers with access to IT services for social insurance	2.3.1 tbd at baseline 2.3.2 4 th in 2021	2.3.1 tbd at baseline 2.3.2 Still in Top 5 in 2027	2.3.1 Viet Nam Social Security 2.3.2 ICT Index	The ongoing modernisation of social insurance services remains a priority.

	services is in place	2.3.2 VSS rank in Viet Nam ICT Index for government agencies				
Output 3.1	3.1 A strong network of European companies and their suppliers adopt decent work criteria in Viet Nam	<p>3.1.1 Number of companies adopting a labour assessment monitoring plan with EU support</p> <p>3.1.2 Number of companies newly certified for good labour practices with EU support</p> <p>3.1.3 Number of business leaders reached by the project</p>	<p>3.1.1 None as of 2022</p> <p>3.1.2 None as of 2022</p> <p>3.1.3 None as of 2022</p>	<p>3.1.1 200 companies by 2027</p> <p>3.1.2 50 European companies in Viet Nam by 2027</p> <p>3.1.3 300 by 2027</p>	<p>3.1.1 Progress reports for the EU-funded intervention</p> <p>3.1.2 Progress reports for the EU-funded intervention</p> <p>3.1.3 Progress reports for the EU-funded intervention</p>	Support from the European business community in Viet Nam is ensured.
Output 3.2	3.2 Social dialogue involving independent workers organisations is in place in pilot enterprises	<p>3.2.1 Number of new enterprise-based collective bargaining agreements with EU support</p> <p>3.2.2 Number of independent WRO leaders appointed or elected in participating companies</p> <p>3.2.3 Share of female union representatives in participating companies</p>	<p>3.2.1 None as of 2022</p> <p>3.2.2 None as of 2022</p> <p>3.2.3 None as of 2022</p>	<p>3.2.1 50 collective bargaining agreements by 2027</p> <p>3.2.2 100 leaders by 2027</p> <p>3.2.3 50% of new WRO members by 2027</p>	<p>3.2.1 Progress reports for the EU-funded intervention</p> <p>3.2.2 Progress reports for the EU-funded intervention</p> <p>3.2.3 Progress reports for the EU-funded intervention</p>	<p>Strong buy-in from business associations to advocate for better collective bargaining practices.</p> <p>Participation from organised women's groups to encourage female participation in corporate leadership.</p>

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement. To deliver the expected results the action will require long implementation period. In addition, the different implementing modalities proposed will imply lengthy administrative procedures to get the required approvals from the administration.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Direct Management (Grants)

Grants (twinning): (direct management)

(a) Purpose of the grant(s)

Twinning Grants will contribute to the achievement of Specific Objective 2.

(b) Type of applicants targeted

Twinning Grants applicants must be EU Member State administrations or their mandated bodies.

4.3.2 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

Grants will contribute to the achievement of Specific Objective 3.

(b) Type of applicants targeted

Business association, an academic or research institution, a local authority, a non-governmental organisation or an international organisation.

4.3.3 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria.

- 1/ first-hand understanding of the ratification process and implementation of ILO conventions
- 2/ long standing experience working on labour related issues in Viet Nam, supported by a presence in the country and a team of qualified core staff.
- 3/ good relations and track records working with the Government of Viet Nam as an independent organisation, free of any conflict of interest.
- 4/ previous experience implementing EU-funded projects successfully in Viet Nam.

The implementation by this entity entails all outputs and activities necessary for the achievement of Specific Objective 1.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Specific Objective 1 composed of	
Indirect management with a pillar assessed entity - cf. section 4.3.3	6 200 000
Specific Objective 2 composed of	
Grants (twinning) (direct management) – cf. section 4.3.1	3 000 000
Specific Objective 3 composed of	
Grants (direct management) – cf. section 4.3.2	4 000 000
Evaluation – cf. section 5.2	300 000
Audit – cf. section 5.3	
Totals	13 500 000

4.6 Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) will be established with responsibility for guiding the project and for approving work plans. The PSC will meet yearly and ad hoc, as required. The PSC shall be made up of at least:

- A representative from MOLISA (co-Chair)
- A representative from the EU Delegation to Viet Nam (co-Chair);
- A representative from the International Labour Organisation
- A representative from Viet Nam Social Security
- A representative from employers, as invited by the co-Chairs
- A representative from workers organisations, as invited by the co-Chairs
- Representatives from EU Member States, as observers
- Other participants as observers invited by the co-chairs

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). Where relevant indicators will be disaggregated by sex and age.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Under the indirect management mode, the pillar assessed organisation will have in place a permanent internal, technical and financial monitoring system for the action. It will be responsible for data collection, analysis and monitoring, using data collection systems in place in Viet Nam (e.g. Annual Labour Survey) as well as surveys conducted by other partners and international organisations. The project will be used to collect additional data where gaps and missing data are reported.

Under the direct management mode, the Member State(s) receiving a Twinning grant is in charge of drafting quarterly reports. The Beneficiary administration shall be fully involved in the process of drafting the reports and shall be given appropriate time to comment on drafts. Monitoring shall be based on the indicators defined in the logical framework of this project under Specific Objective 2 and in the Twinning project proposal. Other recipients of grants under section 4.3.1 will be responsible for monitoring and reporting, in line with the logical framework of this project and their own action description, as annexed to their contract. A specific budget will be earmarked under each grant budget for the purpose of monitoring. All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality. Where relevant indicators will be disaggregated by sex and age.

Frequent coordination meetings for reporting and monitoring results at management level will take place among programmes falling under this Team Europe Initiative.

5.2 Evaluation

Having regard to the nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the steering of the project and the identification of lessons learnt. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the project is supporting several key ongoing reforms in Viet Nam.

All evaluations shall assess to what extent the action is considering the human rights based approach, as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams. Where relevant indicators will be disaggregated by sex and age.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

In Viet Nam, the EU Strategic Communication and Public Diplomacy Action Plan will provide guidelines on communication priorities.

Appendix 1 REPORTING IN OPSYS

An Intervention² (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as <delete the options that are not applicable to the Action>;

Action level		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action>
Contract level		
v	Single Contract 1	Indirect management with a pillar assessed entity
v	Single Contract 2	Twinning Grants (direct management)
v	Group of contracts 1	Grants (direct management)

² [Ares\(2021\)4450449](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have armonised 5 level fons, including ‘action’ and ‘Intervention’ where an ‘action’ is the content (or part of the content) of a perational follow up Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective - erations on the ground. See more on the [concept of intervention](#).