



**Asia-Pacific
Economic Cooperation**

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Implementation of Free Trade Agreements (FTAs) and FTAs' Environmental Commitments in Viet Nam

Submitted by: Institute of Strategy and Policy on Agriculture and
Environment (ISPAE)



**Capacity Building Workshop on
Trade and Environment
Ha Noi, Viet Nam
17-18 April 2025**





**APEC Capacity Building Workshop on Trade and Environment
17-18th April, 2025**

**Implementation of FTAs and FTAs' Environmental Commitments
in Viet Nam**

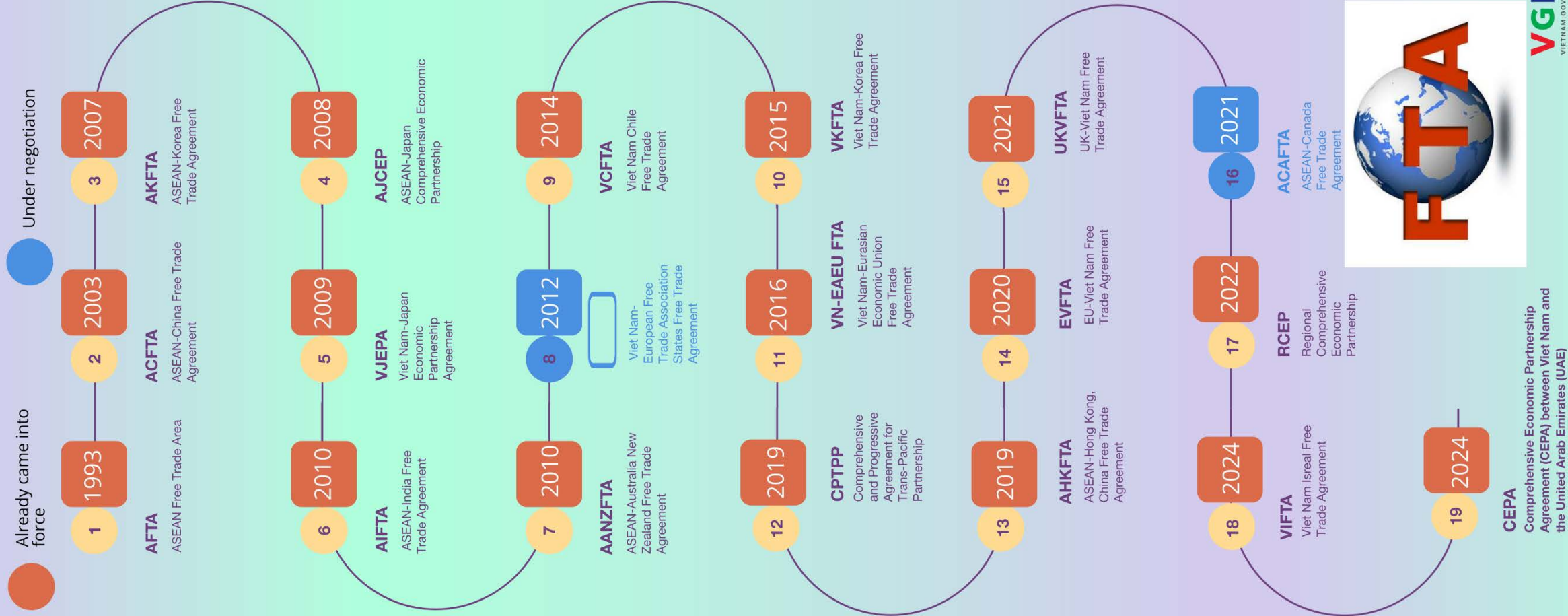
Ha Noi, 18th April, 2025

Nguyen Sy Linh, PhD
Institute of Strategy and Policy on Agriculture and Environment (ISPAAE)

Contents of the presentation

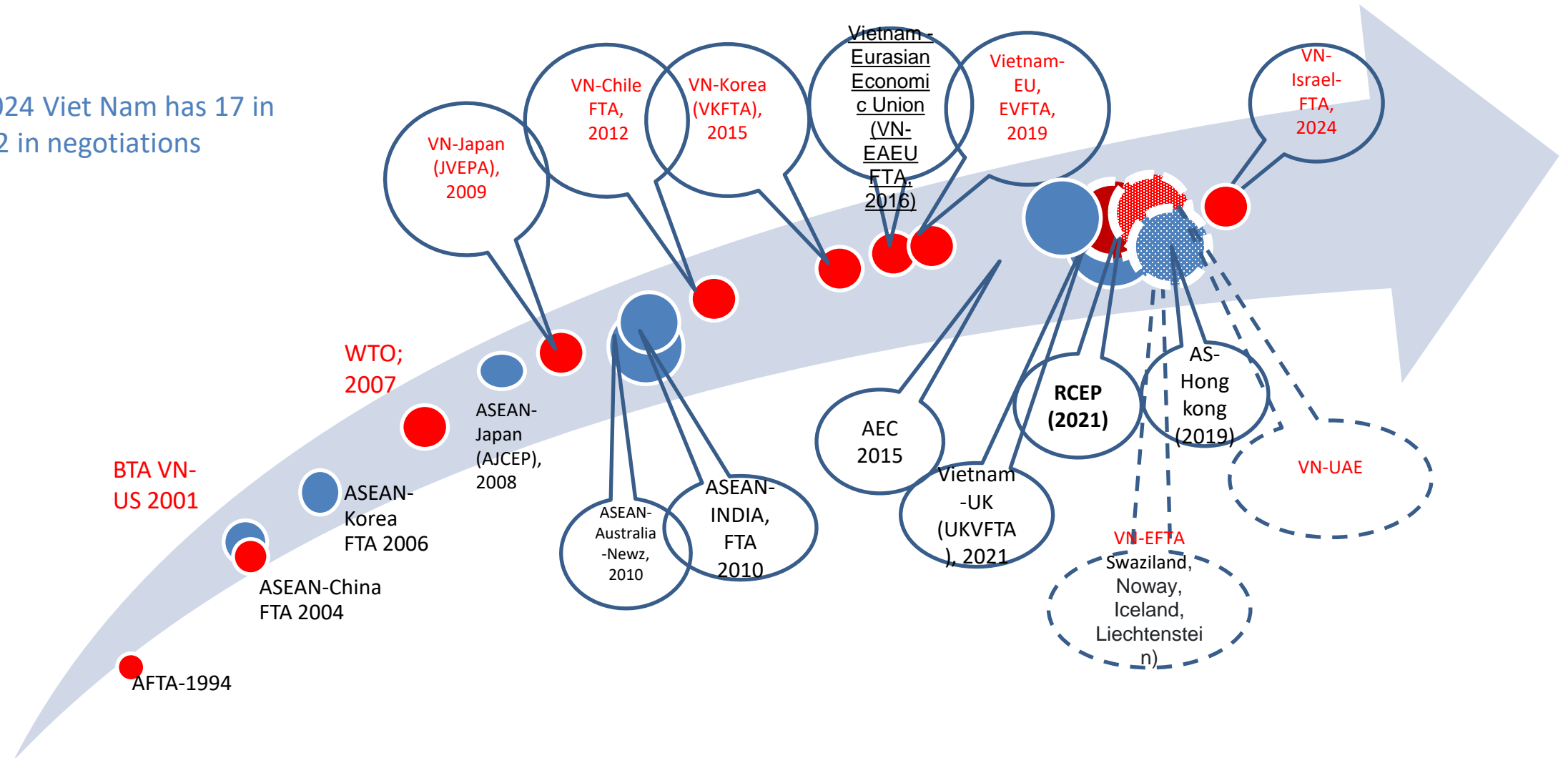
-  Overview of FTAs in Viet Nam
-  Overall implementation of some FTAs in Viet Nam
-  Implementation of some FTAs' environment commitments
-  Conclusions/Remarks

List of FTAs joined by Viet Nam as of October 2024

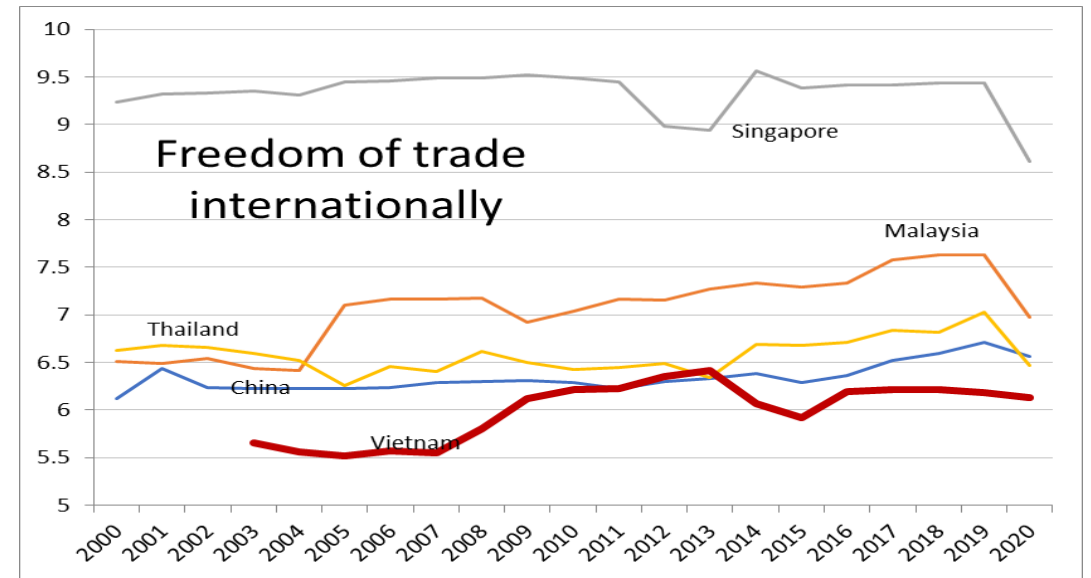
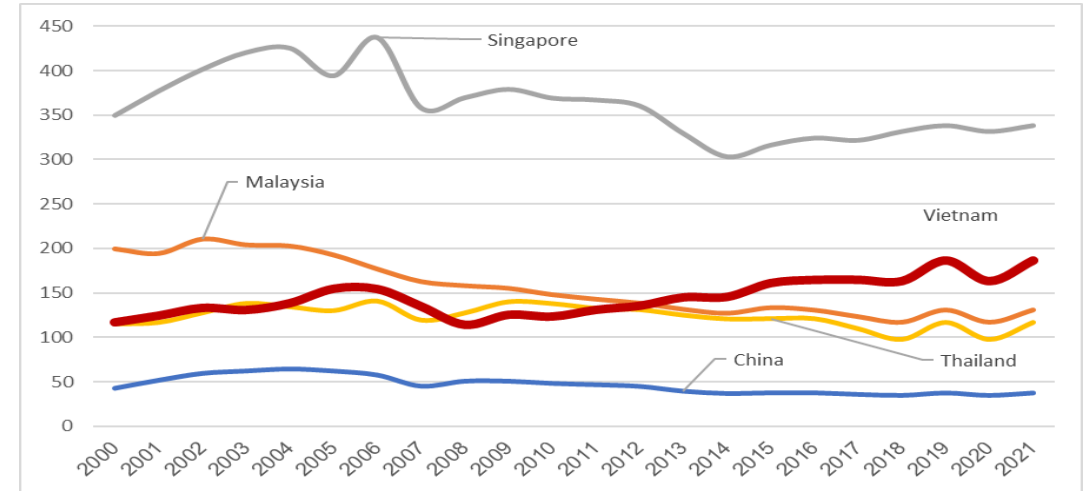
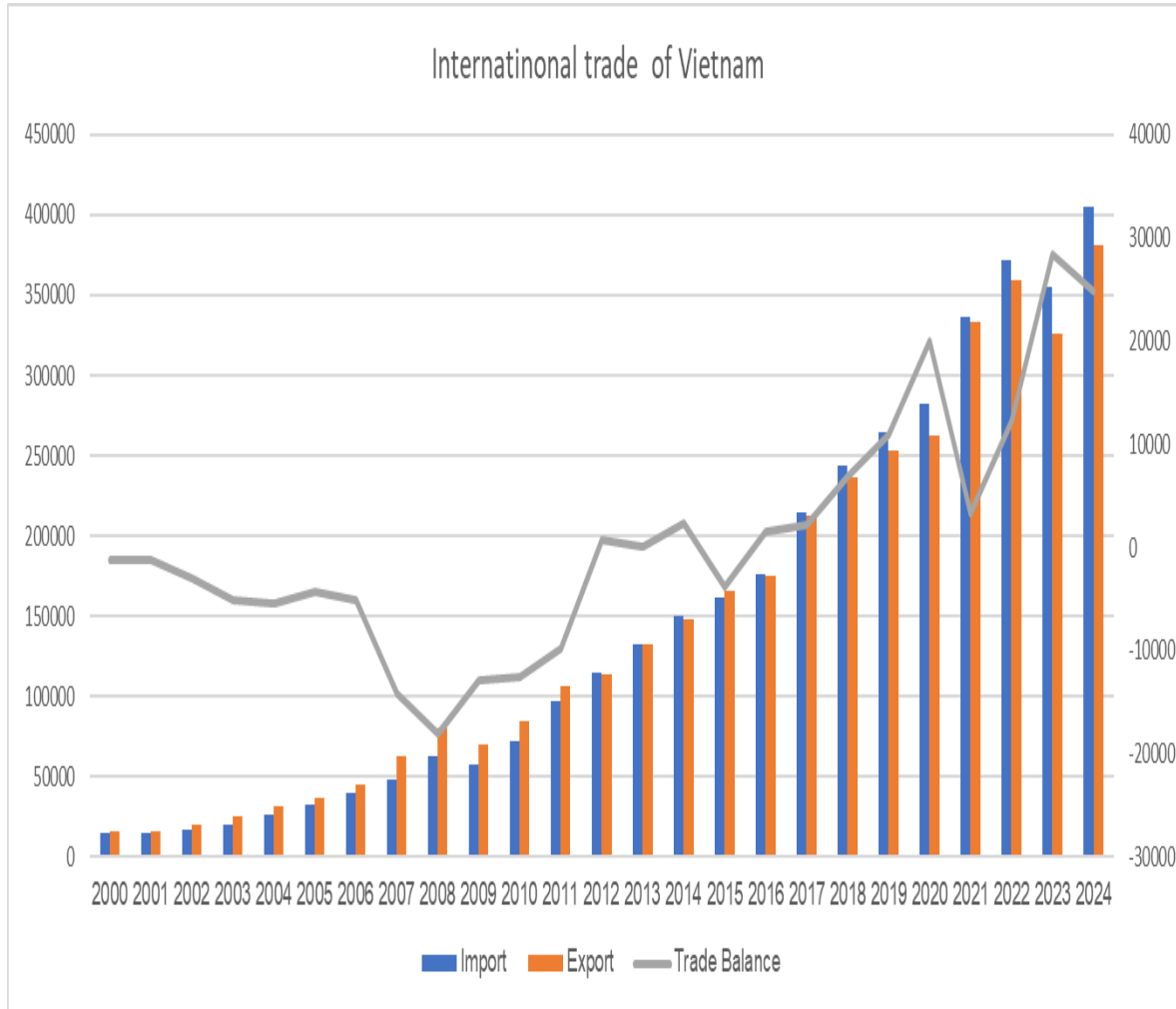


Moving from a close to an open economic!

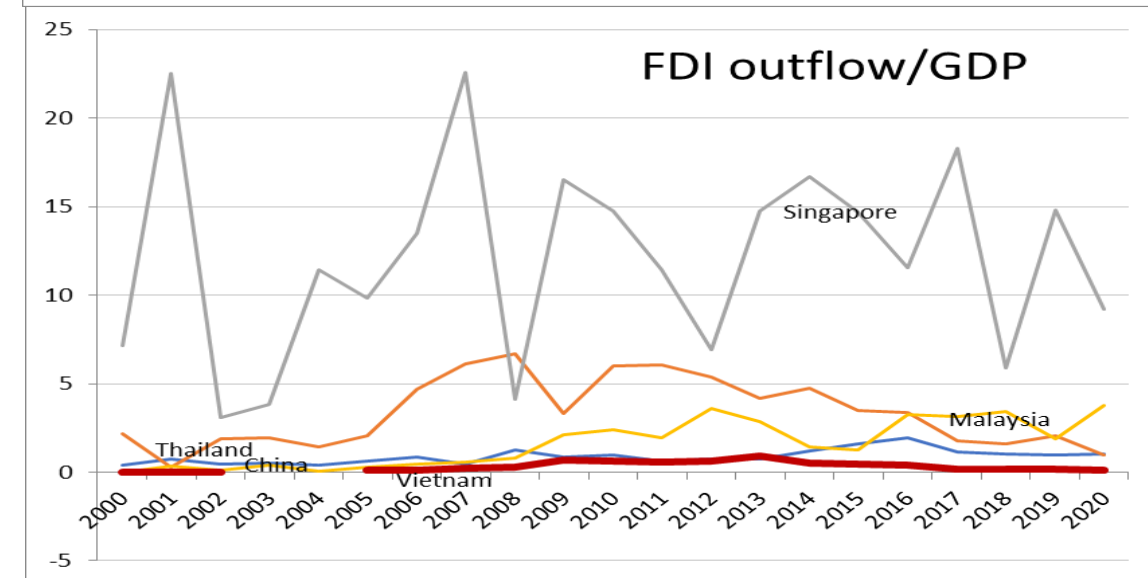
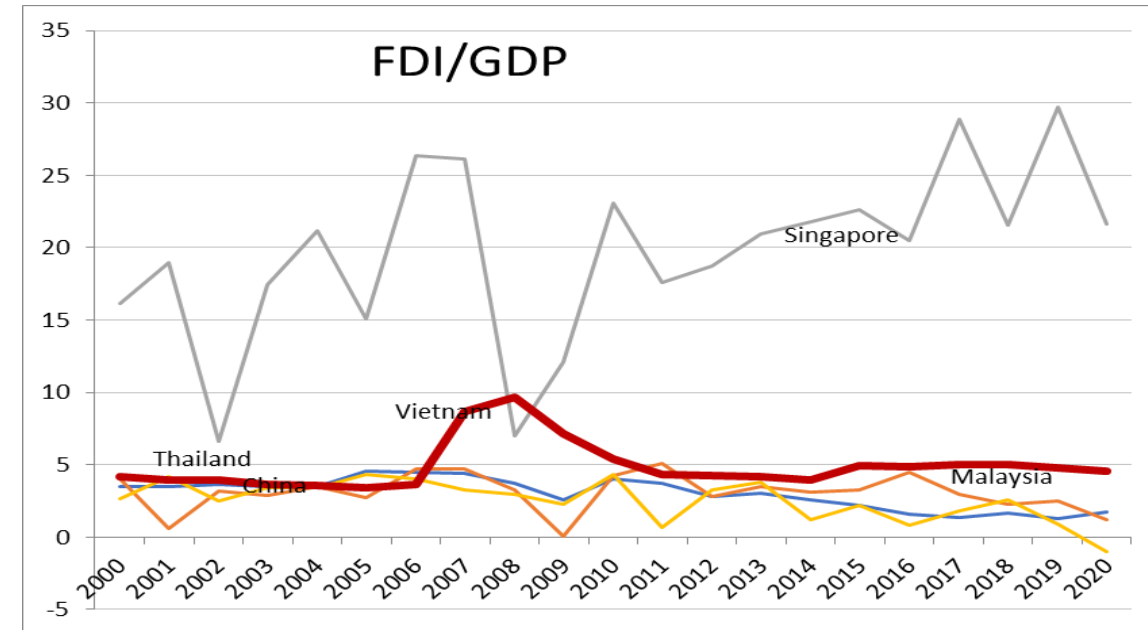
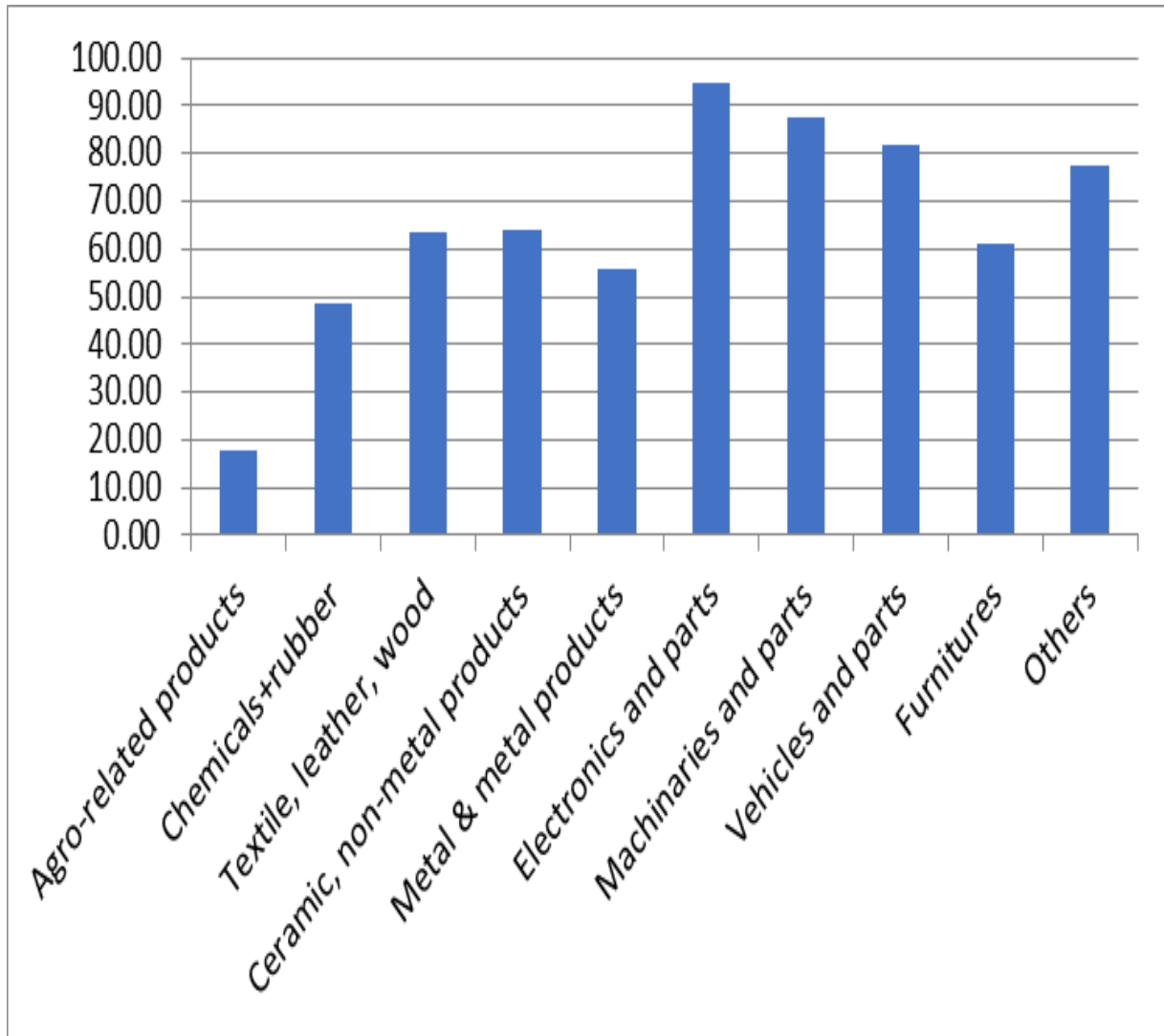
By 10/2024 Viet Nam has 17 in effect, 02 in negotiations



Trade performance

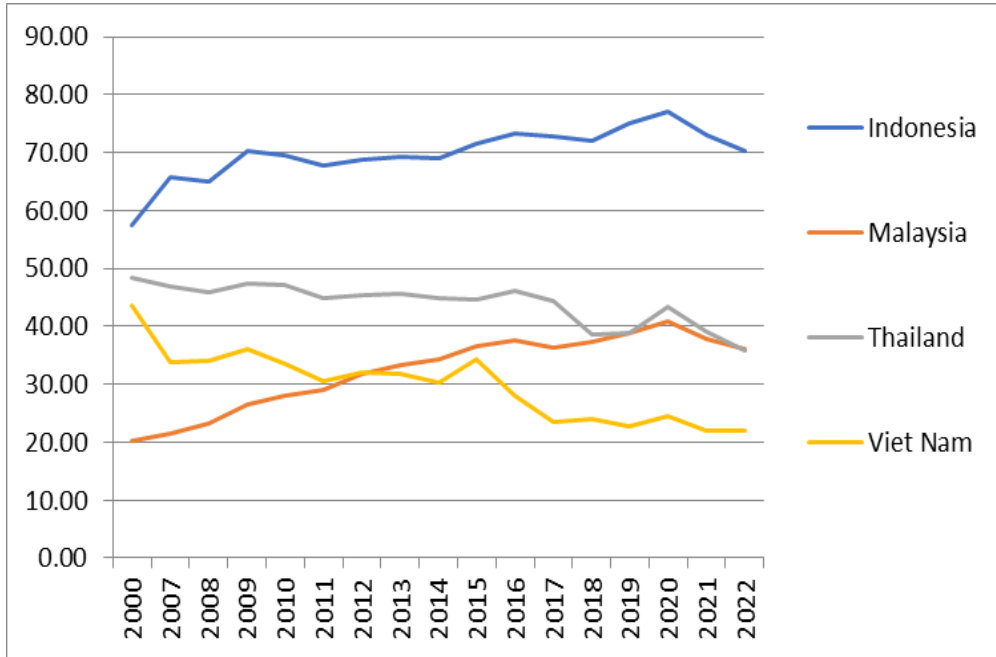


Role of FDI in trade

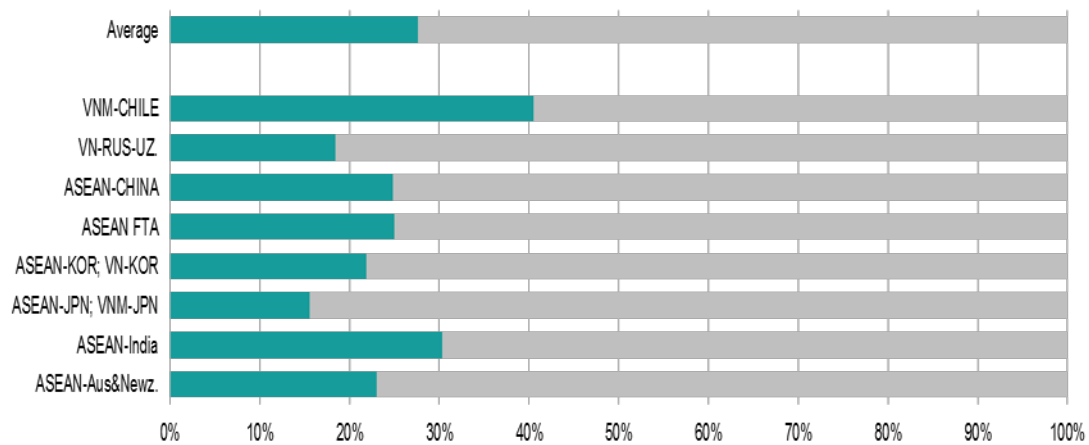


Contribution to global value chains

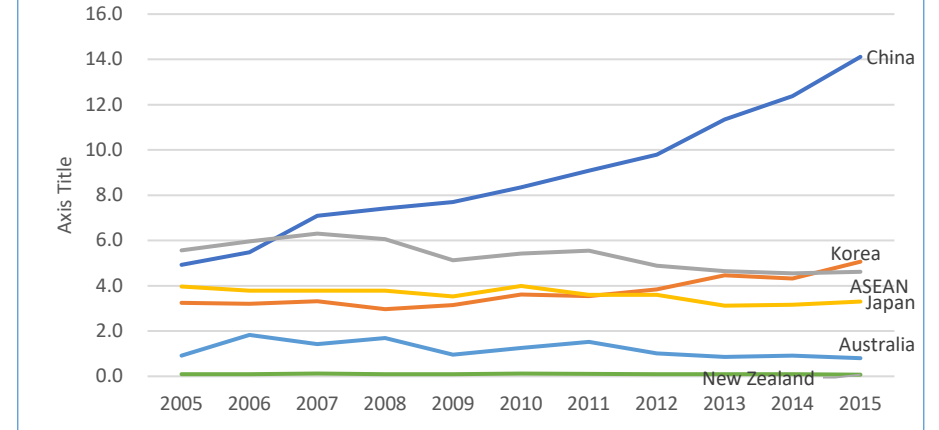
Purely domestic output



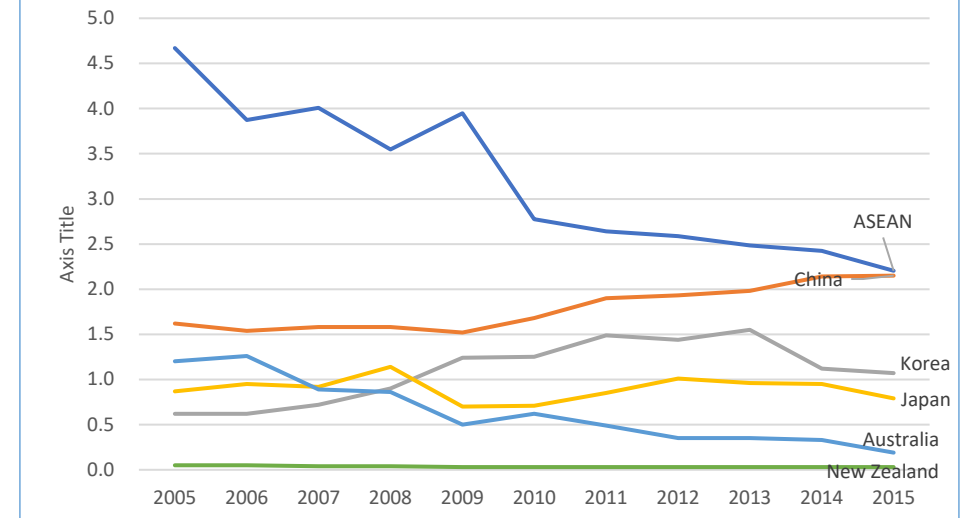
Preferential tariff utilisation



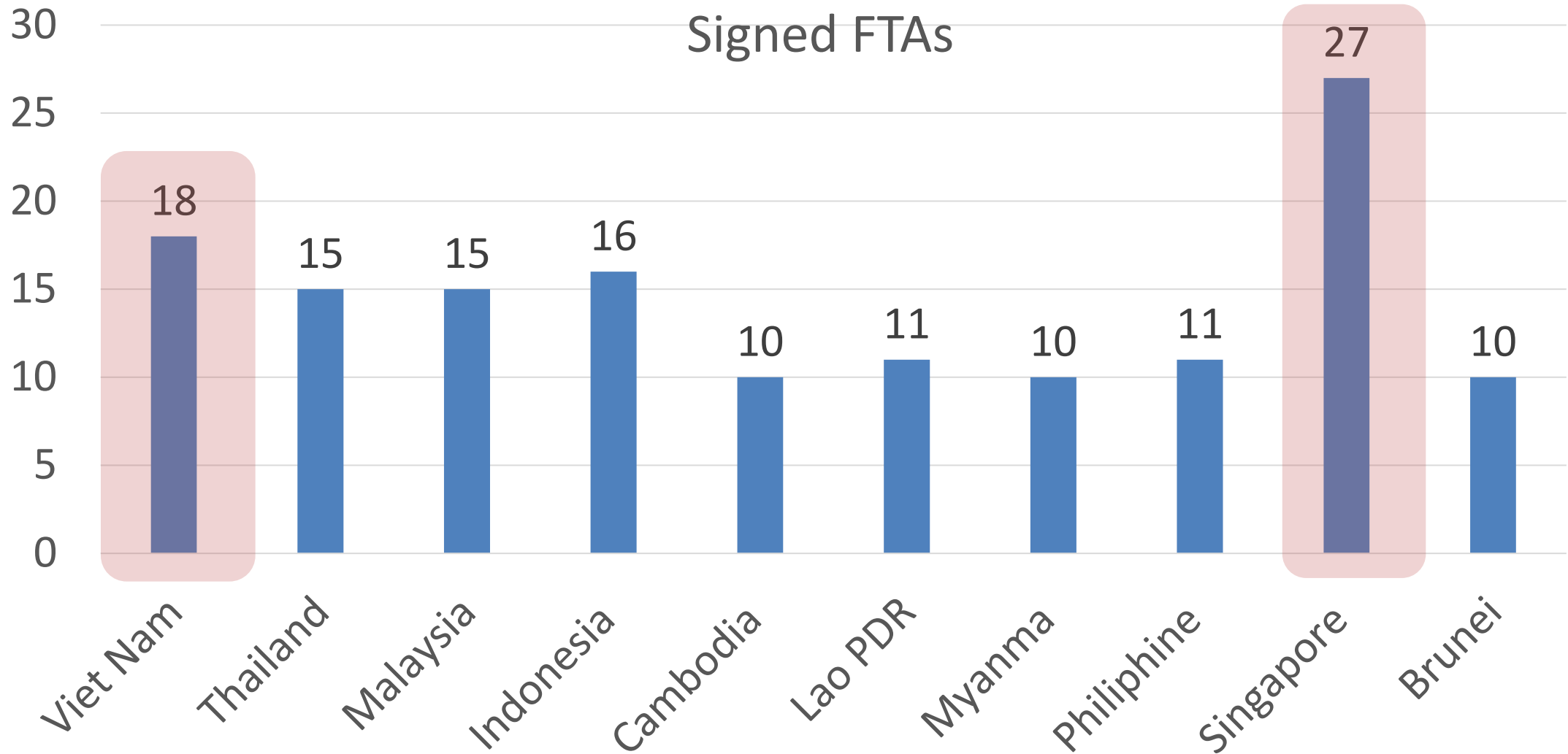
Foreign VA share of gross exports (%)



Domestic VA in foreign exports (%)



Number of FTAs in ASEAN by 2024



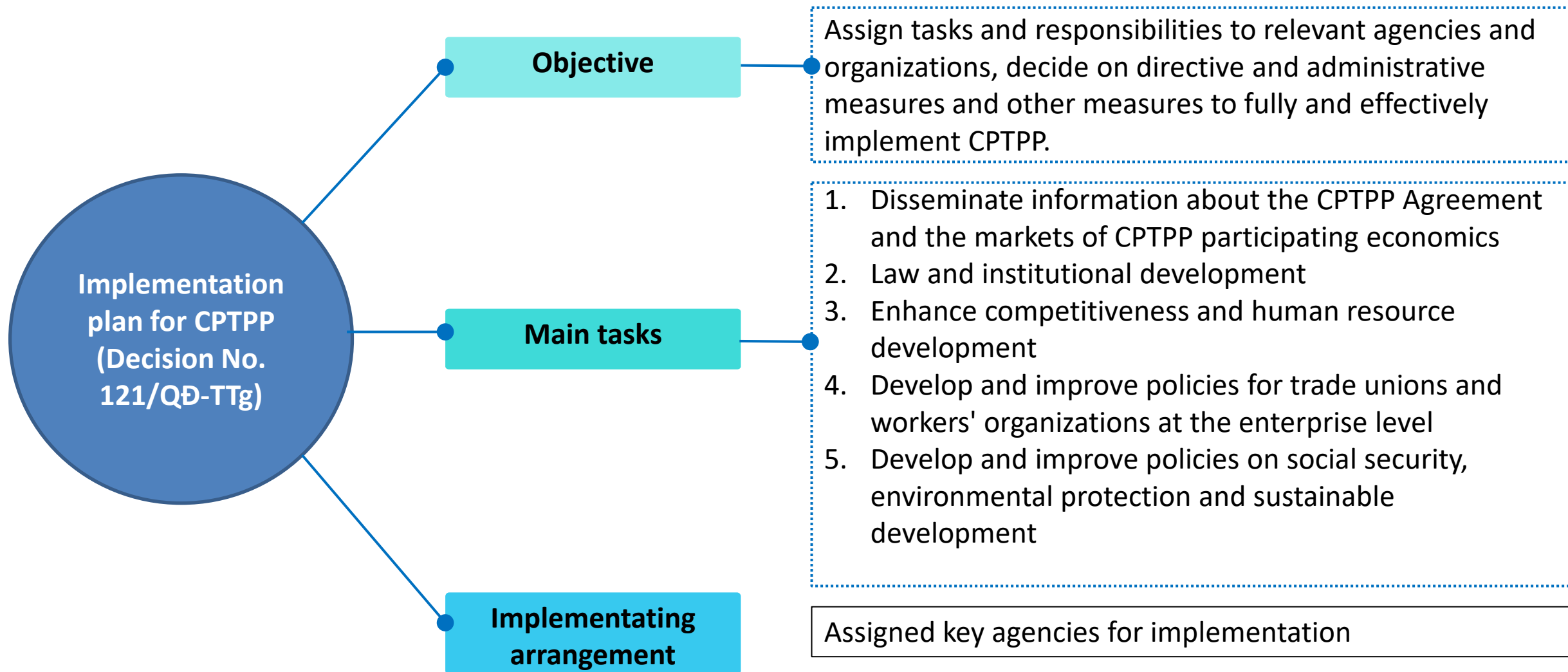
Commitments in FTAs

| | | EVFTA | CPTPP | AFTA | ACFTA | AJCEP | AIFTA |
|----|--|-------|-------|------|-------|-------|-------|
| 1 | Tariff | X | X | X | X | X | X |
| 2 | RoO | X | X | X | X | X | X |
| 3 | Textile | X | X | | | | |
| 4 | Trade facilitation | X | X | X | X | X | X |
| 5 | Trade protection | X | X | | X | X | X |
| 6 | SPS, TBT | X | X | X | | X | |
| 7 | Trade in Services | X | X | X | X | X | X |
| 8 | Finance services | X | X | X | | X | |
| 9 | Investment | X | X | X | X | X | X |
| 10 | ISDS (Investor-state dispute settlement) | X | X | X | X | | X |
| 11 | Temporarily entry | X | X | X | | | |
| 12 | E-commerce, telecom. | X | X | | | | |
| 14 | Public Purchase | X | X | | | | |
| 15 | Competition, SOE | X | X | | | | |
| 17 | Intellectual property right | X | X | | | | |
| 18 | Labor, environments | X | X | | | | |
| 20 | Capacity building | X | X | X | X | X | |
| 21 | Dispute arrangement | X | X | X | X | X | X |

II. Overall implementation of some FTAs in Viet Nam



2.1. Implementation plan for CPTPP (Decision No. 121/QĐ-TTg dated 24/01/2019 by PM)



Main tasks

Task group 1

1. Strengthening the dissemination of CPTPP to relevant stakeholders.
2. Providing in-depth training for state management officials on specific commitments.
3. Establishing a CPTPP Information Center at the Ministry of Industry and Trade.
4. Strengthening the network of information provision and market forecasting for businesses.

Task group 2

1. Fully implement CPTPP commitments.
2. Directly apply commitments in Appendix 2 of Resolution 72.
3. Amend and supplement legal documents according to the CPTPP roadmap.
4. Review and amend documents to ensure compliance with CPTPP.
5. Ensure consultation when drafting laws.
6. Coordinate the development of implementation institutions.
7. Designate focal agencies to participate in CPTPP institutions.
8. Perfect CPTPP implementation agencies at all levels

Task group 3

1. Vocational training connecting businesses, applying science and technology.
2. Perfecting technical measures to support businesses/consumers.
3. Strengthening early warning and trade defense measures.
4. Restructuring industry and agriculture towards modernization, applying science and technology.
5. Applying science and technology, improving productivity.
6. Encouraging FDI - domestic enterprise connections.
7. Developing high-quality human resources
8. Assessing the impact of CPTPP, proposing to improve competitiveness.

Task group 4

1. Perfecting labor laws according to international standards.
2. Cooperating with the Vietnam General Confederation of Labor to strengthen trade unions.
3. Strengthening the management of labor organizations in enterprises (protecting rights, stabilizing business, complying with the law/ILO, not political).
4. Perfecting the management apparatus of labor organizations..

Task group 5

1. Support workers who lose their jobs due to competition.
2. Assess the impact of CPTPP on labor/society.
3. Implement environmental commitments, conserve biodiversity, strengthen inspection.
4. Combat illegal fishing and wildlife trafficking.
5. Eliminate harmful fishing subsidies.

**Implementating
arrangement**

Ministries, branches and localities develop implementation plans and send them to the Ministry of Industry and Trade before March 1, 2019 for synthesis and reporting to the Prime Minister.

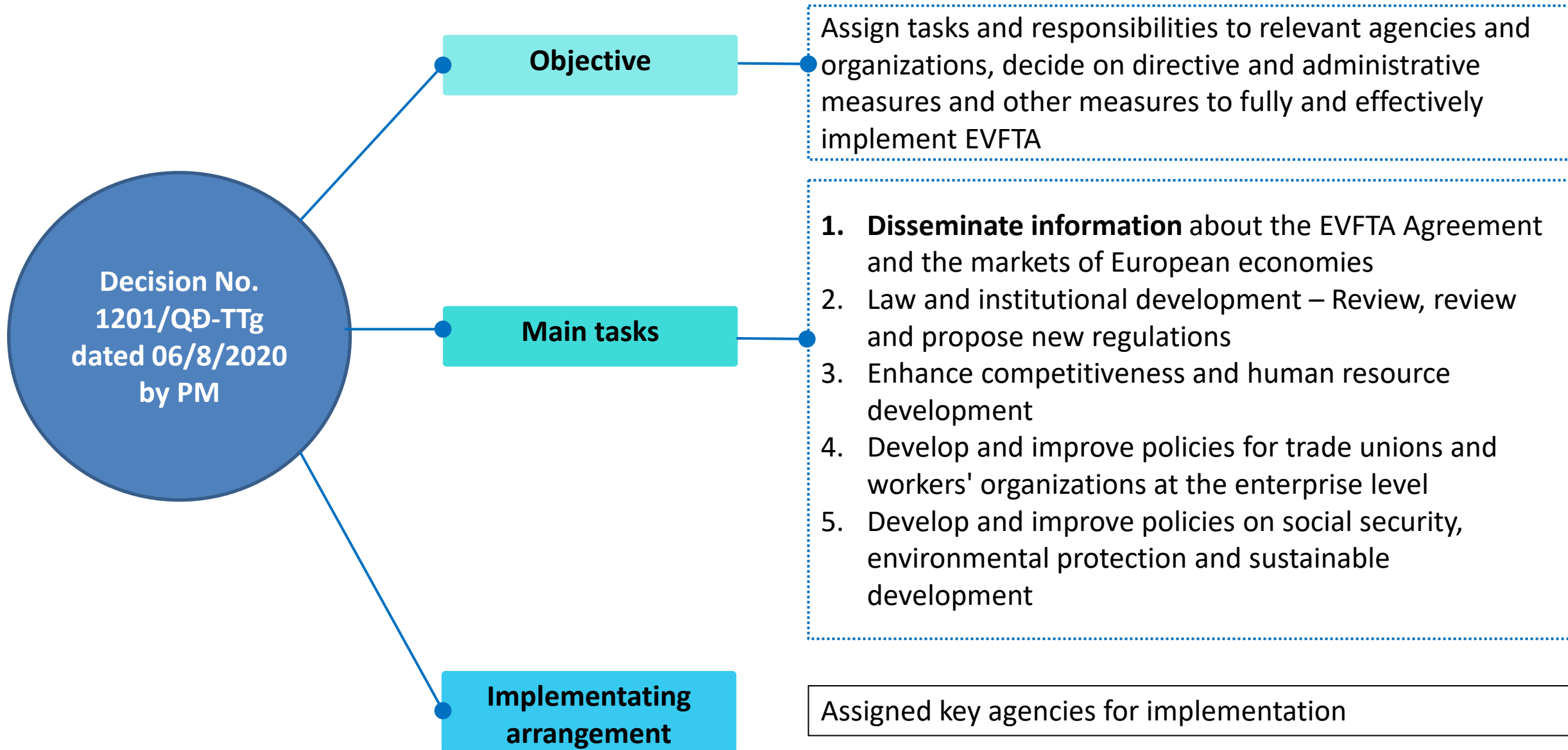
Ministries, branches and localities direct, inspect, urge implementation and periodically (before November 30 every year) report to the Ministry of Industry and Trade.

The Ministry of Industry and Trade is responsible for monitoring and urging the implementation of the Plan.

Funding from the budget, sponsorship and other legal sources; Ministry of Finance arranges budget

Ministries, branches and localities shall report to the Prime Minister (through the Ministry of Industry and Trade) if it is necessary to amend the Plan.

2.2. Overall implementation plan for EVFTA (Decision No. 1201/QĐ-TTg dated 06/8/2020 by PM)



Implementing arrangement

Based on the content of the plan, Leader of ministries and localities develop detail action plan for implementing the agreement .

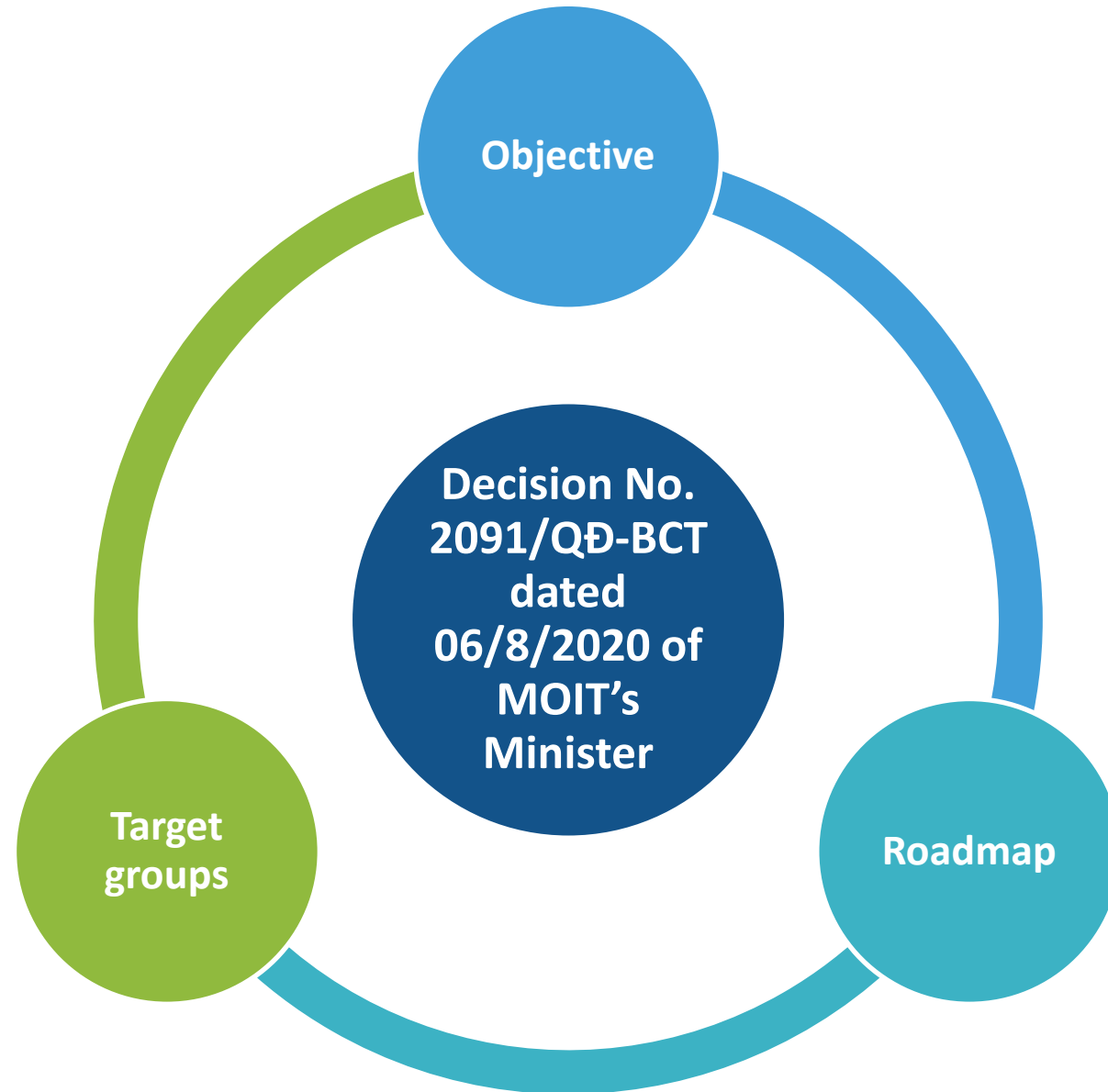
Ministries, branches and localities direct, inspect, urge implementation and periodically report to the Ministry of Industry and Trade before 15 December in every year to synthesize the report submit to PM .

The MOIT assigned to lead in collaboration with the Government Offices to oversight, monitor ministries, localities and business representatives in implementing the plan.

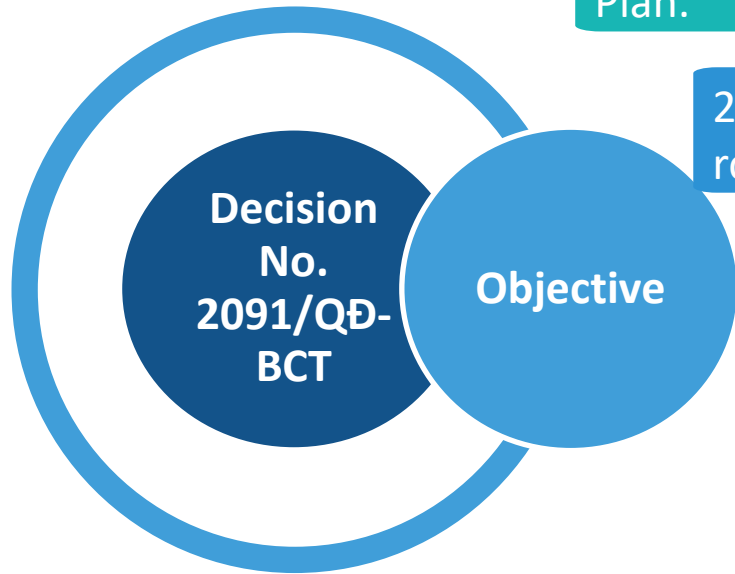
Funding from the budget, sponsorship and other legal sources; Ministry of Finance arranges budget

During the implementation process, ministries and localities shall actively report to the Prime Minister and cc MOIT to consolidate if it is necessary to amend the Plan.

Detail implementation plan for EVFTA (of Ministry of Industry and Trade)



EVFTA's Implementation Plan of the MoIT



1. Support ministries, sectors and localities in developing and implementing the EVFTA Action Plan.

2. Ministry of Industry and Trade effectively implements EVFTA focal point task, enhances role in economic integration.

3. Support to grasp content and implement EVFTA commitments (connecting press and media)

4. Taking advantage of incentives, minimizing EVFTA challenges for businesses, promoting integration and socio-economic development.

5. Develop a plan to receive EU technical assistance and effectively use the budget to implement EVFTA.

- Ministries, sectors, localities;
- Associations, organizations representing enterprises and enterprises domestically;
- Central and local television and press agencies, reporters and editors of television and press agencies in charge of the field of international economic integration belonging to these agencies;
- State management officials of central ministries, sectors and relevant departments of provinces and cities domestically;
- Scholars, researchers and lecturers on international economic integration belonging to institutes and universities domestically

Road map for implementation of EVFTA



1. Complete legal documents to implement EVFTA.
2. Prepare to implement obligations on the EVFTA Sustainable Development Advisory Group.
3. Issue the Prime Minister's Decision on the focal point for implementing EVFTA
4. Develop and implement a propaganda plan on EVFTA.
5. Develop and operate the Electronic Information Portal on new generation FTAs (with EVFTA).
6. Enhance the role of associations, support businesses to improve quality according to EU standards.
7. Develop and operate focal points for implementing EVFTA at the Ministry of Industry and Trade.
8. Enhance the capacity to provide EVFTA information of units of the Ministry of Industry and Trade.
9. Develop a program to support improving competitiveness and participating in the value chain.
10. Develop a program to develop the EU market for potential exports.
11. Develop and complete technical measures according to international commitments.
12. Focus on industrial restructuring.
13. Coordinate and participate in activities of the Trade Committee and EVFTA specialized committees.
14. Coordinate to improve labor management capacity, support dialogue at enterprises

1. Continue to complete **necessary legal documents** to implement EVFTA.
2. Propagate and train officials and businesses on EVFTA.
3. Enhance the role of **associations, support businesses** to improve quality according to EU standards.
4. Enhance the capacity of the Ministry of Industry and Trade to provide EVFTA information.
5. Continue to develop and complete **technical measures according to international commitments**.
6. Continue to develop scenarios for developing the EU market for advantageous goods.
7. Continue to promote Vietnamese brands in the EU market.
8. **Support trade promotion in the EU** (direct, online, traceability).
9. **Continue to restructure industry**.
10. Continue to participate in and coordinate activities within the framework of EVFTA.
11. Continue to operate the **Advisory Group on Trade and Sustainable Development**.
12. Continue to improve **labor management capacity, support dialogue** at enterprises.
13. Perform other tasks

8/2020

2021

2025

Plan to implement the Free Trade Agreement between Vietnam and the EU (EVFTA)

III. Implementation of FTAs' environment commitments in Viet Nam



CPTPP

- It is the **first multilateral free trade agreement to include environmental content** as a chapter in the commitment (**Chapter 20 with 11 related provisions**).
- For the first time, there are commitments on:
 - (i) Environmental goods and services,
 - (ii) Transition to a low-carbon economy,
 - (iii) Ocean pollution and depletion of aquatic resources,
 - (iv) Establishment of an environmental committee - a communication channel to resolve issues between economies.



Overall Implementation plan

- The government of Viet Nam (GoVN) has approved the action plan on the implementation of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) → for overall implementation of the agreement
- Ministry of Natural resources and Environment (MONRE) → based on the overall plan approved by GoVN released the action plan to implement environment-related commitment accordingly.

EVFTA

Signed by EU and GoVN on 30/6/2019, approved by EU Parliament on 12 February 2020 and by Vietnam's Domestic Assembly on 8 June 2020. The Agreement include 17 chapters, of which Chapter 13 - Sustainable Development is related to environmental commitments and obligations:

- **Commit to strictly implementing multilateral environmental agreements (MEAs)** such as: Convention on Biological Diversity, CITES, UNFCCC.
- **Maintain a high level of environmental protection**, without reducing the effectiveness to attract commercial investment
- **Enhance the voluntary and corporate social responsibility (CSR)** in production and business.
- **Strengthen conservation**, resource management, **combat illegal deforestation**, combat illegal exploitation and fishing,....

Ministry of Natural Resources and Environment (MONRE) – the state agency assigned to develop the action plan to implement the environmental commitments of CPTPP and EVFTA

Main tasks

Decision
No.1813/2020/Q
D-BTNMT dated
18/8/2020 by
MONRE's
Minister)

- » Propagation and dissemination of CPTPP and EVFTA
- » Improving policies and laws (in regard to environment)
- » Strengthening compliance with the law on environmental protection
- » Building institutions to organize implementation and capacity building

Implementation arrangements

- Units under the Ministry **review CPTPP and EVFTA commitments on natural resources and environment**, internalize or have implementation solutions.
- The **General Department of Environment completes the** (amended), the Biodiversity Law, and the system of environmental regulations and standards as required by 2 agreements. → in 2020 LEP reviewed and approved by NA
- The ISPONRE proposes policies and laws to promote trade and environmental investment.**
- The **Legal Department assesses** the impact and proposes to improve the natural resources law according to 2 agreements.
- Units implement environmental protection commitments** in multilateral agreements.
- The Environment Administration promulgates regulations on settlement of complaints and denunciations about environmental protection** and commitments to CPTPP and EVFTA; coordinate in inspecting and handling violations.
- 2025: Survey and assess the impacts of the CPTPP Environment Chapter and the EVFTA Trade and Sustainable Development Chapter**, and **propose effective implementation solutions.**

IV. Conclusion



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Viet Nam **has opened up its economy with** an indications of increasing number of FTAs with other economic around the world, particularly with **trading partners that request higher** environmental commitments



Implementation of **FTAs commitments is a process of understanding and improving legal framework** that can meet the expectations of **parties.**



Main of objective of FTAs is **to promote trade exchanged,** therefore **only new generation of FTAs (normally the multi-parties agreement) included environmental concerns/commitments**



Role of domestic government in implementing FTAs environment commitments is critical (as it can change the legal frameworks) but business sector, **particularly direct trading agencies can provide** feedback effectively (to improve the implementation of commitment).



Expanding trade but also **contribute improving environmental quality and nature is** the ultimate goals of all trading partners in the modern world.

Thank you very
much for your
attention!

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