



Integrated Country Strategy

Vietnam

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1. Chief of Mission Priorities

Since normalization of diplomatic ties in 1995, relations between the United States and Vietnam have expanded dramatically in terms of scope and speed due to the tireless efforts of the United States government and the American people – as well as equally admirable efforts by the Vietnamese government and its citizens. The pace of this progress has varied by year and by issue, and there have been, and remain, numerous challenges. Nonetheless, the transformational changes in the bilateral relationship that have taken place over the last ten, five, and even two years, are impressive and beneficial to both countries and their peoples. The U.S. Mission Vietnam team is committed to continuing to push for progress, across the board.

Leader-level diplomacy plays a key role in advancing our Comprehensive Partnership with Vietnam. In 2017, Prime Minister Phuc visited the United States, and President Trump conducted a successful state visit to Vietnam. These significant visits were preceded by Communist Party of Vietnam General Secretary Trong's visit to the United States in 2015, and former President Obama's visit to Vietnam in 2016. Such high-level engagement highlights the importance of the day-to-day work of our two countries on dozens of important issues, from security and trade to environment and health.

U.S. Mission Vietnam's goal is for the United States to be a vital partner in supporting the development of a strong, prosperous, and independent Vietnam that contributes to international security, engages in free, fair, and reciprocal trade, and respects human rights and the rule of law. To achieve that objective, we will focus on the following priorities:

Security: Years before the United States and Vietnam re-established diplomatic relations, our two nations worked together to repatriate our fallen. Then, as now, security cooperation helps build a foundation of trust between former enemies. For example, the United States lifted the prohibition on lethal arms sales in 2016 and welcomed an historic aircraft carrier port visit in 2018. The United States intends to promote regional peace and stability in part by enhancing Vietnam's capacity to cooperate on a broad range of security and law enforcement activities. We will continue expanding cooperation on shared security interests, including upholding international law and resisting coercion in the South China Sea, and preventing North Korea from threatening the region through its nuclear and missile programs. We have helped Vietnam prepare for natural disasters, and supported Vietnam's planned participation in its first-ever global peacekeeping operation in 2018. We must continue to work closely with Vietnamese partners to establish a reliable, repeatable process to issue travel documents to Vietnamese nationals with final orders of removal from the United States. Our bilateral security relationship is strong, growing stronger, and can serve as a foundation for other areas of our partnership.

Humanitarian and War Legacy Issues: As a foundational element of our security relationship, we must remain honest about the past to continue moving forward in the future. Many senior leaders in both nations fought in the war; many more lost family and friends. We honor their

sacrifice, uphold our principles, build trust, and promote our future work together by cooperating to repatriate the fallen, clean up explosive remnants of war, and remediate dioxin, including by contributing to remediation efforts at Bien Hoa airbase. Our work on these issues – perhaps more than any other – helps explain why more than 90% of the Vietnamese people view Americans favorably.

Trade: Bilateral trade has increased by 12,000% between 1995 (\$451 million) and 2017 (\$54.6 billion) . Despite being one of America’s fastest growing export markets, the United States continues to run a substantial and growing trade deficit with Vietnam. We are committed to achieving free, fair, and reciprocal trade and investment with Vietnam by reducing barriers to trade and advancing market-oriented reforms. The U.S. Mission will have no greater priority than generating commercial opportunities for U.S. companies that want to do business in Vietnam, and encouraging Vietnam to improve its business and regulatory environment – steps that remain crucial to Vietnam’s own growth and development.

People-to-People: Currently, over 31,500 Vietnamese are studying in the United States, making Vietnam the fifth largest source country for foreign students and contributing over \$815 million to the U.S. economy. Additionally, 106,000 Vietnamese visited the United States in 2016 as tourists. These people-to-people ties strengthen the bonds between our nations on a personal, grassroots, and lasting basis, and help boost U.S. exports of education and tourism services. We also welcome and support the increasing number of linkages between the United States and Vietnamese systems of higher education. Our efforts in this area will continue, laying a foundation of mutual understanding and prosperity for decades to come.

Human Rights and Rule of Law: Progress over the long-term remains evident, but the human rights situation in Vietnam deteriorated in 2016 and 2017, and continues to worsen in 2018, and the number of persons arrested or convicted for peacefully expressing their political views increased markedly. The United States respects Vietnam’s system of government, but we will continue to speak out in defense of human rights and religious freedom and urge Vietnam to fully embrace the rule of law. Both the U.S.-Vietnam partnership, and Vietnam itself, can only achieve their greatest potential when Vietnamese workers and civil society can peacefully organize, freely express and exchange views in person and online, and participate in policymaking. To that end, we will continue to support Vietnam’s efforts to reform its judicial, economic governance, and education systems. We will continue to express our opposition, both in public and in private, regarding an increase in censorship and content blocking, and to a controversial cybersecurity law that is not aligned with international norms. Finally, as Vietnam is one of the top demand and transit nations for the illegal wildlife trade, we will assist Vietnam’s implementation of its international commitments and prosecution of wildlife crimes.

Environment: Since the 1970’s, the United States has tripled the size of its economy and reduced air pollution dramatically. This path is possible in Vietnam, too. Over 80% of Vietnamese list air and water quality and food safety as top issues of concern. By promoting clean air and water, we can improve health outcomes and provide export and investment opportunities for U.S. businesses. Vietnam is one of the most biodiverse nations on earth. As

electricity demand greatly increases, the United States is promoting large-scale renewable energy and energy efficiency as a green solution to Vietnam's needs.

Health: In our interconnected world, infectious diseases respect no boundaries, and Southeast Asia is a frequent source of new pathogens that threaten the entire world. Vietnam's health system remains challenged in the early detection and response to these global diseases that threaten Vietnamese and U.S. interests. Continued collaboration on the science and practice of detection and management of infectious disease will not only ensure better health for the people of Vietnam, but will also help promote a world that is safe and secure by containing threats where they arise.

Management: The current chancery's deficiencies limit our Mission's capacity to advance U.S. policy objectives in Vietnam. If we continue to build on the current positive momentum and implement the November 2017 agreement between our two Presidents regarding the "D30" site for a New Embassy Compound, we should break ground by 2020, and then build an Embassy capable of supporting our current Mission objectives and befitting the modern U.S.-Vietnam partnership. While specific resource requests are included in annual Mission Resource Requests, it is critical that we maintain or even increase staffing to promote the U.S. interests and values outlined in this strategy, including conducting robust outreach and expanding military and civilian assistance programs.

Five decades ago, our two nations were locked in a brutal war. A little more than just two short decades ago, we normalized our diplomatic ties, amid feelings of both hope and suspicion. The steady and dramatic progress made in our cooperation since then is exhilarating, but it is not guaranteed. To keep moving forward, both nations need to continue being honest about the past. We need to be candid about our expectations of each other and remain focused on our most important mutual strategic interests. We need to remain hopeful and have faith in the future and in one another. If we do these things, and achieve the objectives outlined in this Integrated Country Strategy, the United States and Vietnam can become true partners for peace and prosperity, for the benefit of the United States, Vietnam, the region, and the world.

2. Mission Strategic Framework

Mission Goal 1: *Vietnam becomes a more responsive and effective partner on regional security.*

Mission Objective 1.1: Promote regional peace and stability by building Vietnam's capacity to cooperate on a broad range of security and law enforcement activities.

Mission Objective 1.2: Remove war legacies as an impediment to advancing the U.S. – Vietnam partnership. (Incorporates CDCS SO 1)

Mission Goal 2: *Vietnam becomes more globally integrated, market-oriented, and committed to good governance, improved education systems, and environmental sustainability, including increased use of renewable energy.*

Mission Objective 2.1: Enhanced economic governance to improve business and trade climate and create mutual prosperity. (Incorporates CDCS DO 1)

Mission Objective 2.2: Promote academic excellence and innovation within Vietnam's education system to facilitate broad-based, sustainable economic growth. (Incorporates CDCS DO 1)

Mission Objective 2.3: Strengthen respect for fundamental freedoms, social inclusion, and the rule of law. (Incorporates CDCS DO 1 and 2)

Mission Objective 2.4: Increase environmental sustainability, including renewable energy, and biodiversity conservation. (Incorporates CDCS DO 2)

Mission Goal 3: *Vietnam increases its capabilities to address epidemic and endemic diseases and other public health threats.*

Mission Objective 3.1: Strengthen capacity to address epidemic and endemic diseases, as well as other public health issues, to protect and improve health and well-being. (Incorporates CDCS DO 2)

Management Objective 1: *Strengthen the Mission's capacity to advance U.S. policy objectives in Vietnam by improving physical infrastructure and better aligning staffing to support mission priorities.*

3. Mission Goals and Objectives

Mission Goal 1: Vietnam becomes a more responsive and effective partner on regional security.

Description and Linkages: To protect America's security at home and abroad, Mission Goal 1 will build Vietnamese capacity to partner with us to advance a variety of shared interests. Work on a broad range of security and law enforcement activities will counter transnational crime and violence that threaten U.S. interests. It will contribute to the Joint Regional Strategy objective to "increase security capabilities of regional partners to support and promote a free, open, and rules-based order in the region, including in the maritime and cyber domains." Additionally, under this Mission Goal, work will address war legacies that continue to impede our partnership. Building a stronger U.S.-Vietnam partnership will contribute to a stronger security relationship and help offset Chinese influence.

Mission Objective 1.1 Promote regional peace and stability by building Vietnam's capacity to cooperate on a broad range of security and law enforcement activities.

Justification: In order to maintain peace and stability in the Asia-Pacific region, the United States must build relationships with key partners such as Vietnam. U.S.-Vietnam security and law enforcement cooperation, including on maritime security (MARSEC), humanitarian assistance and disaster relief (HADR) operations, and transnational crimes, strengthens regional peace and stability. Vietnam's extensive coastline and territorial waters necessitate that Vietnam increase its MARSEC capabilities in order to become an effective U.S. partner in ensuring regional stability. Vietnam intends to contribute to global peacekeeping and the United States is its partner of choice for building needed capabilities. Vietnam's vulnerability to natural disasters and climate change, coupled with a developing economy and infrastructure, also mean insufficient HADR capability can have destabilizing effects on the country and region if not strengthened. In order to prevent cyber threats and transnational crime from undercutting U.S. interests, more robust defense, detection, and law enforcement mechanisms that also respect the rule of law and human rights are required.

Mission Objective 1.2 Remove war legacies as an impediment to advancing the U.S. – Vietnam partnership.

Justification: After more than four decades since the cessation of combat operations in Vietnam, humanitarian/war legacy – Unexploded Ordnance (UXO), Agent Orange (dioxin), and recovery of missing and unaccounted-for U.S. personnel – remain central to the overall U.S.-Vietnam bilateral relationship. They are the foundation on which the establishment of diplomatic relations was built and remain critical to moving the relationship forward – particularly in the defense and security areas – and closing a painful chapter in both countries' collective past.

Remediating Agent Orange, and its by-product, dioxin contamination, remains a focal point of the bilateral relationship, serving as a litmus test of U.S. commitment to deal with the past. U.S. efforts to remediate dioxin “hot spots” have helped advance the broader bilateral relationship and underscored our intent to continue addressing war legacy issues.

Another legacy issue that affects the development of Vietnam and the daily life of its citizens is Explosive Remnants of War (ERW), which predominantly consists of U.S.-origin UXO. Large areas of Vietnam’s countryside remain contaminated with UXO, hindering economic development and endangering local civilians. For over three decades the USG has invested in a wide array of programs to locate, remove, and destroy UXO and also to address the health and economic development challenges Vietnamese face living in affected areas.

As the effort to provide the fullest possible accounting for American missing and unaccounted-for continues, it remains critical that this mission receives adequate funding to be completed with honor, dignity and as quickly as possible. The duty to recover and return our fallen soldiers is a sacred one, humanitarian in nature, and independent from our efforts to clean up UXO and dioxin. The relentless march of time continues to decrease the number of surviving witnesses, and degrades recovery sites, hampering recovery efforts in the long-term. In addition to U.S. efforts to locate, identify, and repatriate missing Americans, the U.S. government has previously committed resources to help locate and identify the remains of Vietnamese personnel who were lost during the war. Further efforts to help locate and identify Vietnam’s fallen personnel would engender additional goodwill.

With an eye to the future and continued reconciliation between our two peoples, remediating dioxin hot spots, decreasing the amount of UXO, and helping to locate and identify lost personnel – including by assisting the Vietnamese government’s efforts -- can continue to shape the new narrative for the U.S.-Vietnam relationship. To build this new narrative, both the United States and Vietnam must continue working together to achieve closure on their painful past to build a forward-looking relationship based on mutual reconciliation. Deepening people-to-people ties and leveraging the power of USG alumni returning to the United States will not only help to paint a more accurate picture of modern Vietnam, but also highlight the potential of an increasingly vibrant U.S.-Vietnam relationship.

Mission Goal 2: Vietnam becomes more globally integrated, market-oriented, and committed to good governance, improved education systems, and environmental sustainability, including increased use of renewable energy.

Description and Linkages: In order to renew America’s competitive advantage for sustained economic growth and job creation, a wide variety of work will be undertaken under this Mission Goal. Much work will focus on increasing economic connectivity and leveling the playing field for all businesses through trade capacity building, customs, and supplier relationships, resulting in free, fair, and reciprocal trade. This work will include generating commercial opportunities for U.S. businesses as they see Vietnam as an attractive export market and investment opportunity. Work will also promote educated populations through

higher education reforms and develop systems that conserve natural resources, such as through biodiversity conservation and increased use of renewable energy. Finally, work will support an informed population served by a vibrant civil society and respect for fundamental freedoms. These activities contribute to the State-USAID Joint Strategic Plan Goal 2: Renew America's competitive advantage for sustained economic growth and job creation.

Mission Objective 2.1 Enhanced economic governance to improve business and trade climate and create mutual prosperity.

Justification: Few countries in Asia match Vietnam's potential for becoming a major export destination for U.S. products. Over the past 20 years, nothing has advanced our relationship as much as trade and investment in Vietnam. When we normalized relations in 1995, bilateral trade hovered around \$451 million. In 2017, it was \$54.6 billion, representing an 12,000% increase in bilateral trade since 1995. The value of U.S. exports to Vietnam in 2017 was only \$8.2 billion, however, and the U.S. export market share was only 4.7%, remaining relatively flat over the past five years. The imperative remains strong to continue to find ways to increase our access and export market share. Vietnam is the 14th most populous country with a population of 93 million (and a median age of 30 and over 40% of the population under 25), but per capita income is less than \$2,000. Vietnam's population is generally pro free-market, entrepreneurial, and rapidly moving into the middle class. In a 2013 study, the Boston Consulting Group predicted that Vietnam's middle class will grow from 12 million to 33 million by 2020, and found that 90 % of Vietnamese consumers expect their lives to be better than their parents' lives, and their children's lives to be better than their own. These young consumers also often favor American brands, products, and technologies. As the country becomes more prosperous, American companies are poised to benefit because Vietnamese consumers consider U.S. products to be reliable and safe. Due to all of the aforementioned conditions, the 2017 ASEAN Business Outlook guide stated that 72% of respondents from American Chambers of Commerce across the region reported that they planned to expand their businesses in Vietnam, second only to Indonesia (73%). This economic expansion has strained Vietnam's electricity system. As a result, Post and the Bureau of Energy Resources (ENR) organized the first U.S.-Vietnam Energy Security Dialogue, which was held in Hanoi on March 30, 2018, to enhance energy cooperation.

Vietnam's legal and regulatory framework remains weak and non-transparent. Several USG programs and activities will strengthen this framework over the coming years. Vietnam continues to adopt new laws each year and conduct periodic reviews of existing laws with USG assistance. Vietnam also is starting to adopt laws and procedures that require greater public feedback and contribute to greater transparency and accountability. The Mission is supporting other laws and regulations that encourage greater gender equity for broad-based growth and transparent public debt management.

Mission Objective 2.2 Promote academic excellence and innovation within Vietnam's education system to facilitate broad-based, sustainable economic growth.

Justification: There is widespread consensus in Vietnam that education plays a critical role in

producing a workforce with the knowledge, skills, and attitudes needed to succeed in the 21st century knowledge economy. U.S. Mission Vietnam will promote academic excellence within Vietnam's higher education system: by supporting alliances to encourage greater dynamism and economic opportunities as companies in Vietnam become more knowledge-intensive; by supporting educational reforms to modernize Vietnam's education system and teaching methodology within international standards; by improving English language teaching and access to English learning at all levels; and by promoting educational exchange opportunities in the United States.

A critical partnership the U.S. Mission supports is the establishment of Fulbright University Vietnam (FUV) in Ho Chi Minh City, which will be the first private, non-profit Vietnamese university offering a curriculum comparable to standards of accreditation in the United States. It will also offer a broad range of graduate and undergraduate level programs, and embrace the latest advancements in teaching, learning, and technology in partnership with leading U.S. universities. FUV will open the door to modern, internationalized education in Vietnam for existing institutions and new ones to follow.

The Mission will also work with the Government of Vietnam, universities, and the private sector to help reform the higher education system, including education management and curriculum reform, to produce trained, job-ready graduates that have the skills necessary to compete in an increasingly global market. By leveraging buy-in and funding from the private sector, programs in higher education have been recognized as having far-reaching impact with a demand-driven focus.

Vietnam is seeking to make English a second language by 2025. While English proficiency levels in Vietnam have improved since the Ministry of Education and Training introduced the National Foreign Language project in 2008, Vietnam still lags behind countries in the region. The Mission will continue to work with the Ministry of Education and Training, as well as with vocational and independent educational institutions, to support reform efforts in teacher training and curriculum design. Our English programs, which will be expanded with the future launch of Peace Corps Vietnam, will help ensure that educators and students have the skills to succeed on U.S. campuses and in the global economy.

One of our greatest areas of opportunity is that the U.S. system of education remains the gold standard in the minds of most Vietnamese. According to Student and Exchange Visitor Information System (SEVIS) data from March 2018, 31,613 Vietnamese study at U.S. institutions, ranking 5th worldwide and 1st in Southeast Asia. Public Affairs Vietnam's EducationUSA student advising services work to expand this number. Given that Vietnamese society relies on face-to-face interaction to build relationships, our academic and cultural exchange programs have particular long-term impact. Drawing on these relationships and their ties to U.S. educational institutions, on return to Vietnam participants often take up leadership positions and support future educational and economic reforms.

Mission Objective 2.3 Strengthen respect for fundamental freedoms, social inclusion, and the rule of law.

Justification: Vietnam's human rights record remains a significant impediment to realizing the potential of a mutually beneficial U.S.-Vietnam Comprehensive Partnership. Lack of a free and independent press, restrictions on Internet freedom, systemic and political obstacles to due process, and endemic corruption not only deter foreign direct investment and stymie growth in critical areas such as infrastructure, but also suppress the political participation of its citizens. Reducing restrictions on civil society and religious organizations will help Vietnam fulfill its constitutional and international commitments on freedoms of association, assembly, and religion and help ensure that vulnerable groups such as ethnic minorities, disabled persons, women, and LGBTI individuals are full participants in society.

Despite government control of the press, Vietnam's young population is increasingly active online. Mission Vietnam will continue to leverage social media to expand discourse on a range of topics. Expanded opportunities for cross-cultural exchange and promotion of online rights advance freedom of expression, spur critical thinking, and foster innovation, advancing the full-range of Mission policy priorities.

Mission Objective 2.4 Increase environmental sustainability, including renewable energy, and biodiversity conservation.

Justification: Vietnam is among the five countries most vulnerable to a changing climate, and is at risk of greater incidence of extreme weather, and sea-level rise, especially in the Mekong and Red River Deltas, and central highlands. Air-pollutant emissions are an increasing concern as urban air quality has deteriorated and is regularly measured at hazardous levels. Unless measures to promote green development are implemented, projected future greenhouse gas and air-pollutant emissions from energy production, agriculture, transportation and industry will threaten public health and the environment. Vietnam is also one of the world's ten most biologically diverse countries, with 10 % of the world's mammal, bird and fish species. It is estimated that 40 % of local plant species exist only in Vietnam, making biodiversity conservation especially important. The illegal trade in and illegal consumption of wildlife and wildlife products are threatening the world's irreplaceable biodiversity. Illegal logging threatens Vietnamese and neighboring forests, while rampant pollution and illegal, unreported and unregulated (IUU) fishing threatens the marine environment. Addressing these challenges with an integrated approach will be a priority for the United States in Vietnam over the next five years and beyond.

Mission Goal 3: Vietnam increases its capabilities to address epidemic and endemic diseases and other public health threats.

Description and Linkages: To protect America's security at home and abroad, Mission Goal 3 will help Vietnam increase their capacity and resilience to address pandemic threats that could quickly spread elsewhere. Health activities are also major contributors to healthy populations through sustainable systems, needed to underpin sustained and inclusive prosperity. Finally,

this Mission Goal will advance America's leadership and values by preventing the spread of disease, in line with the State-USAID Joint Strategic Plan Objective 3.4: Project American values and leadership by preventing the spread of disease and providing humanitarian relief.

Mission Objective 3.1 Strengthen capacity to address epidemic and endemic diseases, as well as other public health issues, to protect and improve health and well-being.

Justification: U.S. health diplomacy in Vietnam has taken many forms through the past decade. In 2004 Vietnam became the 15th focus country under the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). This partnership has greatly reduced the number of new infections reported each year from 23,000 (2004) to 11,500 (2015) and has placed more than 110,000 individuals on lifesaving antiretroviral (ARV) treatment. The PEPFAR partnership has established a strong relationship among the USG health agencies and the Ministry of Health and other actors to build trust and a stronger platform for health diplomacy.

Despite various achievements in disease prevention and control in previous years including rapid success in controlling the SARS outbreak in 2003, Vietnam's health system remains challenged with how to improve early detection and response to emerging infectious disease threats. Ecologically, Vietnam is located in a high-risk region for these threats, which include avian influenza A(H5N1) and (H7N9), SARS and other coronaviruses such as MERS-CoV, rabies, hand-foot and mouth disease, Dengue, Zika and more. Like the rest of the world, Vietnam is working in partnership with regional and global partners to combat the threats posed by tuberculosis, antimicrobial resistance, including hospital acquired infections, weak hospital infection control and the overuse of antibiotics. Collectively, these challenges pose threats to public health, food security, livelihoods, trade, economic development and other dimensions of human security in a new lower-middle-income country with an estimated population of 93 million. Strengthening essential public health functions and the workforce who performs them is core to USG Phase I support for Global Health Security in Vietnam.

Support has often resulted in parallel, but fragmented programs focused on specific diseases rather than overall improvement of the Vietnamese health system. In order to assist Vietnam's development and capacity to respond to health threats it is imperative to build stronger systems funded and managed by the government that allow Vietnam to address a full spectrum of potential health issues. From 2020 strengthening host country ownership will remain a foundation of the US Mission's health diplomacy.

4. Management Objectives

Management Objective 1: Strengthen the Mission’s capacity to advance U.S. policy objectives in Vietnam by improving physical infrastructure and better aligning staffing to support mission priorities.

Justification: The Department of State and the Government of Vietnam’s Ministry of Foreign Affairs, at the highest levels of each organization, continue to seek mutually agreeable options for a site in Hanoi on which the USG will construct a New Embassy Compound (NEC).

Supporting the current expansion of existing programs and adding new dimensions to the portfolios of existing sections or agencies will be increasingly challenging, given the current saturation of office space at the three (3) separate USG office buildings (one USG-owned and two rentals) in Hanoi.

Ultimately, building a NEC is the only acceptable solution. However, recognizing the reality of a typical NEC timeline, even after successfully signing a lease agreement (five to seven years to design and build), mission management must maintain and improve the conditions of current facilities until a site can be acquired and a NEC constructed and commissioned. This effort also includes managing infrastructure challenges at the consulate in Ho Chi Minh City (HCMC), where the current facilities are straining to support substantial growth in both responsibilities and staffing, particularly in the Consular section and for non-State agencies.

Expanded whole-of-government efforts to deepen engagement and bilateral cooperation with Vietnam have created demand for increased capacity across agencies and functions. Current infrastructure limitations will challenge wholesale efforts to increase staffing. Therefore, decisions to increase staffing should be strategic, prioritized, and data-driven.