GREENING DEVELOPMENT: EXAMINING THE IMPACT OF EUROPEAN UNION ECONOMIC COOPERATION ON VIETNAM'S ENVIRONMENTAL SUSTAINABILITY

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Abstract

In recent years, economic cooperation between the European Union (EU) and Vietnam has played a crucial role in shaping Vietnam's path toward sustainable development, particularly through trade agreements and environmental commitments. However, the environmental impact of this cooperation remains under debate. This paper investigates whether economic ties with the EU lead to greener development in Vietnam. Particular attention is paid to the EU-Vietnam Free Trade Agreement (EVFTA) and recent EU policies like the Carbon Border Adjustment Mechanism and fisheries control system. While the research suggests that EU cooperation has contributed to a greener trajectory for Vietnam's development, challenges are also explored.

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The European Union (EU) and Vietnam have established long-standing diplomatic and trade relations, particularly through the EU-Vietnam Free Trade Agreement (EVFTA). The term "green development" used in this study embodies the balance between economic growth and environmental protection by integrating sustainable practices into international trade, as emphasized in Chapter 13 (Trade and sustainable development) of the EVFTA. This chapter contains key articles on mitigating climate change and greenhouse gas emissions, combatting illegal, unreported and unregulated (IUU) fishing, and preventing illegal deforestation. In addition, new EU policies such as the Carbon Border adjustment mechanism (CBAM) and regulations related to IUU fishing have played a crucial role in promoting green development in Vietnam. However, trade liberalization has posed considerable challenges, particularly in managing scrap imports and ensuring compliance with stringent environmental standards. How does economic cooperation between the EU and Vietnam lead to greener development for Vietnam? What elements in this cooperation might affect Vietnam's sustainable development? This paper will explore these questions.

1. European Union - Vietnam cooperation and legal framework for green development

1.1. European Union - Vietnam Free Trade Agreement

After three years and 14 official negotiation sessions, Vietnam and the EU agreed on the EVFTA in December 2015. Approved by the European Council on 30 March 2020, it took effect five months later. The EVFTA emphasizes green development, balancing economic growth with environmental protection and labor rights. However, the environmental protection provisions in the EVFTA were not created from scratch. First, they reaffirm the obligations prescribed by multilateral environmental agreements of which the EU and Vietnam are members, such as the Paris Agreement on climate change and the United Nations Convention on Biological Diversity. Second, they illustrate other EU environmental protection regulations and laws, such as the European Green Deal and CBAM. Therefore, the environmental requirements in the EVFTA are not innovative and independent. They reflect pre-existing commitments and legal frameworks.[1]

The EVFTA grants the Parties' governments the authority to establish legal standards and regulations to protect the environment and labor rights.[2] However, it explicitly states that the pursuit of attracting investment and promoting trade cannot be used as a reason to diminish or lower these standards.[3] It is essential to note that when creating or executing regulations to protect the environment and working conditions, countries must rely on available scientific evidence and information, and refer to relevant international standards, guidelines, and recommendations.[4] This provision aims to ensure transparency and prevent the measures proposed by the government from becoming a means of discrimination or a disguised trade barrier. Articles 13.5 and 13.12 also prescribe organizing seminars and strengthening cooperation, exchanging information and experiences. Mutual support and development of policy frameworks to promote the best available technologies are also encouraged.[5] Notably, the EVFTA recognizes and promotes corporate social responsibility.[6]

The EVFTA's environmental provisions reflect the EU's global strategy to promote sustainable development through trade policies. The climate commitments, particularly those in the Paris Agreement, were foundational in shaping Chapter 13 of the EVFTA. They constitute, among other things, a crucial step in realizing the EU's commitment to carbon neutrality by 2050. For example, Chapter 13 mandates that both parties commit to greenhouse

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1 Bartels, L. (2013). Human rights and sustainable development obligations in EU free trade agreements. *Legal Issues on Economic Integration, 40*(4), 297–313. https://doi.org/10.54648/leie2013016; Fickling, M., & Hufbauer, G. (2012). Trade and the environment. In Daunton M., Narlikar A., & Stern, R. M. (Eds.). *The Oxford handbook on the world trade organization*, 719–740. https://doi.org/10.1093/oxfordhb/9780199586103.013.0033, pp. 493–516.

2 Article 13.2 of the EVFTA.

3 Article 13.3.1 and Article 13.3.2 of the EVFTA.

4 Article 13.11 of the EVFTA.

5 Article 13.10.2(c) of the EVFTA.

6 Article 13.14.1(i) of the EVFTA.

gas reduction measures and biodiversity conservation – core goals of the Paris Agreement to limit global warming to no more than 1.5 degrees Celsius above pre-industrial levels. Therefore, the EU has leveraged the EVFTA to advance global environmental standards.

Nevertheless, the EVFTA's success depends not only on its provisions but also on its implementation. For instance, according to Article 13.6 of the EVFTA, the parties commit to transitioning to a low-emission economy and promoting the use of renewable energy. However, one of the significant challenges that Vietnam faces is the lack of necessary technology and investment in renewable energy infrastructure. Although the 2020 Law on Environmental Protection (Article 139) prescribes establishing and operating a carbon market, the specific mechanism for monitoring carbon emissions remains incomplete and incoherent across sectors. Similarly, Article 13.8 provides for the protection of marine resources and combat against IUU fishing. Although the 2017 Fisheries Law (Article 60) regulates the control and handling of illegal fishing activities, its enforcement in Vietnam faces difficulties due to limited surveillance technology and infrastructure. EU support programs, such as vessel monitoring systems and port control, have facilitated some reforms. However, local resources remain insufficient to effectively implement EVFTA's regulations.

In brief, the EVFTA has established an important legal framework for sustainable development in Vietnam. However, ensuring its feasibility in Vietnam requires improvements in enforcement mechanisms as well as investment in technical infrastructure and management capacity. The challenges related to provisions on climate change, greenhouse gas emissions and IUU fishing may illustrate this argument.

1.2. Article 13.6 of the European Union-Vietnam Free Trade Agreement and the broader context of Carbon Border Adjustment Mechanism

Article 13.6 of the EVFTA focuses on issues related to climate change. Paragraph 2 of this article encourages the Parties to consult and share information and experiences related to "(a) best practices and lessons learned in designing, implementing, and operating mechanisms for pricing carbon; (b) the promotion of domestic and international carbon markets (…); and (c) the promotion of energy efficiency, low-emission technology, and renewable energy".

This provision should be read in its context. In 2019, the European Commission (EC) issued the Green Deal. This project aims to reduce greenhouse gas emissions by 55% compared to 1990 levels by 2030 and achieve climate neutrality by 2050. To achieve this goal, the EU introduced the CBAM, prescribed by Regulation (EU) 2023/956 of the European

Parliament and the Council on 10 May 2023.[7]

CBAM imposes a carbon tax on certain products with high carbon emissions, such as cement, aluminum, iron, steel, fertilizers, hydrogen, and electricity imported to the EU. This tax is based on the carbon emissions incurred during the manufacturing process.[8] CBAM is implemented in two stages: during the transition period (01 October 2023 - 31 December 2025), countries only need to fulfill the obligation to report the emission content of imports before paying taxes.[9] The operation period starts from 01 January 2026.

While positive environmental impacts of CBAM are recognized, concerns may be raised regarding its effectiveness and its compatibility with the WTO law. One may ask, for example, if CBAM constitutes a means of discrimination between countries. According to Article 9.1, if a company has paid a carbon tax in its home country, the cost of the corresponding CBAM certificate can be deducted.[10] Currently, the EU sets the CBAM certificate price as the average closing price of the Emissions Trading System (ETS) quotas in specified auctions.[11] However, carbon prices vary in different countries. For instance, while carbon prices under the EU's ETS reached a record in February 2023, they are much lower in China, South Korea, and Japan.[12] This cost disparity creates an uneven playing field for producers in different countries compared to their EU trading partners. First, producers in countries with lower carbon taxes incur additional costs when exporting to the EU, which consequently diminishes their competitiveness in the EU market. Second, the development level makes it more difficult for developing countries such as Vietnam and Cambodia to comply with the strict regulations of CBAM, as they lack the technology and resources to meet these standards.[13] Therefore, CBAM may entail discrimination against

7 Regulation establishing CBAM.

8 Article 2.1 and Appendix I of the Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism.

9 Article 32 of the Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism: "Scope of the transitional period During the transitional period from 1 October 2023 until 31 December 2025, the obligations of the importer under this Regulation shall be limited to the reporting obligations set out in Articles 33, 34 and 35 of this Regulation. Where the importer is established in a Member State and appoints an indirect customs representative in accordance with Article 18 of the Regulation (EU) No 952/2013, and where the indirect customs representative so agrees, the reporting obligations shall apply to such indirect customs representative. Where the importer is not established in a Member State, the reporting obligations shall apply to the indirect customs representative."

10 Article 9.1 of the Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism.

11 Article 21.1 of the Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism.

12 Martinus, M. (2023, December 15). Carbon Border Adjustment, trade and climate change: Emerging issues at COP28. *Fulcrum*. https://fulcrum.sg/carbon-border-adjustment-trade-and-climate-change-emerging-issues-at-cop28/

13 *Ibid*.

these countries compared to other EU trading partners. Although some countries may view CBAM as an opportunity to enhance environmental standards, effectively applying these standards remains a significant challenge. This explains mixed reactions, especially from Southeast Asian countries like Indonesia and Malaysia faced to the EU's unilateral introduction of CBAM without comprehensive consultation with its trading partners.[14]

1.3. Combating Illegal, Unreported, and Unregulated Fishing: The EU - Vietnam Free Trade Agreement and the European Union's regulation

Since 2001, the Food and Agriculture Organization's (FAO) International Plan of Action to Prevent, Deter, and Eliminate Illegal, Unreported, and Unregulated Fishing has offered a rigorous definition of IUU fishing.[15] Today, IUU fishing is considered as a serious threat to the sustainable exploitation of living aquatic resources.[16]

The EU stands as one of the world's largest economies. It is also a major importer of fishery products.[17] Furthermore, the EU contributes to the global effort to combat IUU fishing through various measures, including trade agreements with its partners. For instance, the EVFTA addresses this issue in Article 13.9, which focuses on trade and sustainable management of living marine resources and aquaculture products. Notably, section 2.c) of this article emphasizes the obligation of both parties to combat IUU fishing and fishing-related activities.

It is necessary to note that the EU's legal framework to fight IUU fishing was established well before the EVFTA's inception. The European Council Regulation No. 1005/2008, adopted in 2008 and entered into force in 2010, is also known as "the IUU Regulation". It aims to Prevent, Deter, and Eliminate IUU fishing.[18] This regulation may have various impacts on Vietnamese exporters and fishing vessels, particularly the Catch certification scheme (Article 12), the inspection procedure and verification of Catch certificates (Articles 9-11 and 17), as well as conditions for access to ports (Article 4) and prior notification (Article 6) for Vietnamese fishing vessels. Additionally, the IUU Regulation includes trade measures against

14 Huda, M. S. (2022). The implications of EU's CBAM for Southeast Asia. *Fulcrum*. https://fulcrum.sg/the-implications-of-eus-cbam-for-southeast-asia/

15 EC Regulation 1005/2008 to prevent, deter and eliminate IUU fishing, Information note.

16 See United Nations Conference on Trade and Development. (2023). *Trade and environment review 2023: Building a sustainable and resilient ocean economy beyond 2030*. United Nations, Geneva; Andriamahefazafy, M., et al. (2022). Sustainable development goal 14: To what degree have we achieved the 2020 targets for our oceans? *Ocean & Coastal Management, 227*, 106273. https://doi.org/10.1016/j.ocecoaman.2022.106273; Chen, C.-J. (2010). *Fisheries subsidies under international law*. Springer.

17 EC Regulation 1005/2008 to prevent, deter and eliminate IUU fishing, Information note.

18 See Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations (EEC) No 2847/93, (EC) No 1936/2001 and (EC) No 601/2004 and repealing Regulations (EC) No 1093/94 and (EC) No 1447/1999.

non-cooperating third countries (Articles 31-38). It may alert operators and member states about fishery products from third countries that violate EU laws (Articles 23-24). Hence, to ensure continued access to the EU market, Vietnam needs to adhere to the EU's IUU Regulation.

The EU's IUU Regulation is the legal basis for the "yellow card" issued by the EC to Vietnam on 23 October 2017 - a formal warning informing Vietnam about the possibility of being labeled as a non-cooperating third country in combating IUU fishing. The EC pointed out several violations. First, it highlighted the recurring IUU fishing activities of Vietnamese-flagged vessels, such as fishing without valid licenses and obstructing inspections in the waters of some foreign countries, and the failure of Vietnamese authorities to support the prosecution of these cases. Next, it emphasized the ineffective control of the landing of fish and fishery products stemming from IUU fishing and the failure to prevent IUU fish products from entering the Vietnamese market. Third, it underlined Vietnam's failure to cooperate and enforce measures against IUU fishing due to an outdated and incomplete legal framework and deficient monitoring system. Fourth, it underscored Vietnam's failure to ratify necessary international fisheries instruments, including the UN Fish Stock Agreement and the FAO Compliance Agreement, and to implement port control measures for foreign vessels. Besides, the EU stressed Vietnam's weak sanctioning system, which is insufficient to deter IUU activities.[19] The "yellow card" issued by the EU has significant implications, including (i) adverse impacts on Vietnam's reputation and its seafood industry, (ii) a substantial decrease in Vietnam's seafood exports to the EU market,[20] and (iii) 100% of Vietnamese seafood containers exported to the EU being subject to traceability checks, significantly increasing costs due to container fees, inspection fees, and port storage fees. This also raises the risk of containers being rejected by the EU.[21]

2. Will trade cooperation with the European Union make Vietnam greener?

2.1. Trade cooperation with the European Union as a catalyst for sustainable development in Vietnam

The sustainable development opportunities gained from trade cooperation between Vietnam and the EU have been substantial.

19 See Commission Decision of 23 October 2017 notifying the Socialist Republic of Vietnam of the possibility of being identified as a non-cooperating third country in fighting IUU fishing (2017/C 364/03).

20 According to To, V. P., & Pomeroy, R. S. (2020). Unregulated (IUU) fishing and removing yellow card from European Commission (EC): Vietnam's determined actions. *Asian Fisheries Science, 35*(1). https://doi.org/10.33997/j.afs.2022.35.1.002, there has been a continuous reduction of Vietnam's seafood exports to the EU markets: "In 2020, the value of seafood exports to the EU was USD340 million, down 10% compared to 2019 and down 28% compared to 2017".

21 To & Pomeroy (2020), *supra* note 20.

First, trade collaboration with the EU will enable Vietnam to benefit from the EU's technical assistance. Article 13.10(c) of the EVFTA encourages investment in financial support and technology transfer for green development projects in Vietnam, through initiatives such as the European Development Fund (EDF)[22] and the Technical Assistance Program (TAP).[23] The EU has been at the forefront of developing renewable energy with robust supportive policies. Its Horizon 2020 Program[24] funds the research and development of renewable energy technologies. The EU-funded project on renewable energy development and energy efficiency in Vietnam, with a total budget of 108 million euros, of which the EU contributed 30 million euros, has been pivotal in constructing wind and solar farms with a capacity of 300 MW, providing clean energy to millions of Vietnamese citizens. At the end of 2020, Vietnam's total installed capacity for solar power is anticipated to reach approximately 16,500 MW, representing around 25% of the national power system's total capacity.[25] As of the first quarter of 2022, Vietnam has emerged as the leader in Southeast Asia in the adoption of wind and solar energy, with these sources comprising 27% of the nation's total power generation capacity.[26] According to point b, clause 2, Article 1 of the Prime Minister's Decision 500/QD-TTg dated 15 May 2023, which approves the National Electricity Development Plan for the 2021-2030 period with a vision to 2050, Vietnam is anticipated to "vigorously develop renewable energy for electricity production, achieving a rate of 30.9 - 39.2% by 2030". It is reasonable to argue that, collaboration with the EU can assist Vietnam in elaborating and implementing more renewable energy policies.

Second, the trade cooperation with the EU may significantly contribute to Vietnam's social progress and environmental protection. The EVFTA is forecasted to create around 146,000 new positions in export industries by 2025, particularly in construction, processing and manufacturing, financial activities, banking, and insurance.[27] The high labor and environmental

22 EDF is the EU's largest source of funding for developing countries, including Vietnam. The fund focuses on sustainable development projects such as water management, waste management, and renewable energy.

23 The EU provides technical support for green development projects through training programs, technology transfer, and expert support.

24 This is the EU's largest research and innovation program with a budget of up to 80 billion euros in the period 2014-2020. This program supports research and development projects in renewable energy, clean technology, and environmental protection.

25 Vietnam National Electricity Group. (2021, March 3). Khi điện mặt trời… "bùng nổ" [When solar energy... "booms"]. *Vietnam Electricity*. https://evn.com.vn/d6/news/Khi-dien-mat-troi--no-141-17-27530.aspx

26 Le, P. (2022, August 30). Việt Nam dẫn đầu ASEAN về quy mô, tỉ lệ các nguồn điện gió, điện mặt trời [Vietnam leads ASEAN in scale and share of wind and solar power sources]. *Government News*. https://urlvn.net/e6ajbv

27 Ministry of Industry and Trade. (2022, December 6). Hiệp định EVFTA đang tác động tích cực đến thu nhập của người lao động [The EVFTA is positively impacting worker income]. *Ministry of Industry and Trade*. https://moit.gov.vn/tin-tuc/thi-truong-nuoc-ngoai/hiep-dinh-evfta-dang-tac-dong-tich-cuc-den-thu-nhap-cua-nguoi-lao-dong.html

standards maintained by EU enterprises "set examples" and encourage the enhancement of Vietnam's labor standards.[28]

Third, the trade cooperation with the EU incentivizes Vietnam to reinforce its environmental legal framework. For example, Vietnam has incorporated the provisions of Article 13.6.2(a) regarding the EVFTA's carbon pricing mechanism operation into its 2020 Law on Environmental Protection.[29] The regulation of the fishery sector is another example. The EU "yellow card" provoked several changes in Vietnam's legal system to combat IUU fishing. In 2017, a new Law on Fisheries replaced the old 2003 version with some provisions to combat IUU fishing, including Article 60 on Illegal commercial fishing. For the first time, the term "illegal commercial fishing" has been included in the Law on Fisheries.[30] Moreover, numerous by-law documents have been released to support the fight against IUU fishing. Vietnam's prominent legal database, "thuvienphapluat", contains nearly 500 legal documents related to combating IUU fishing, issued by the central government, ministries, and provinces. These encompass decrees, guiding circulars, directives, official correspondence, action plans, and announcements.

However, assessing whether trade cooperation between the EU and Vietnam has genuinely contributed to environmental protection requires a more nuanced analysis. It is essential to note that Vietnam's significant changes in national legal regulations are not solely due to EU cooperation. The impacts of Vietnam's participation in multilateral and regional initiatives are also significant. The WTO Agreement on Fisheries Subsidy was adopted at the multilateral level. Regionally, the CPTPP, of which Vietnam is a member, includes chapters on Environment. In other words, while EU trade cooperation is significant, other international commitments also motivate Vietnam's pursuit of greener development. Nonetheless, given the EU's market size and influence, it is reasonable to conclude that trade cooperation with the EU effectively advances Vietnam's greener development.

2.2. Trade cooperation with the European Union and challenges to sustainable development in Vietnam

While the EU-Vietnam economic collaboration positively impacts sustainable development in Vietnam, it also presents challenges.

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28 A good example is IKEA Group, a major Swedish furniture retailer, which has invested heavily in Vietnam and applied strict labor standards. Workers at IKEA's furniture factories in Vietnam enjoy better working conditions, including higher wages and a safer working environment than traditional factories.

29 See Article 139 on the establishment and advancement of carbon markets. See also Tin, V. T. (2019). Assessing Vietnam's environmental laws and direction for improvement. *Vietnamese Journal of Legal Sciences, 1*(1), 64–76. https://doi.org/10.2478/vjls-2020-0004

30 However, this article does not define IUU fishing, as outlined in Food and Agriculture Organization. (2001). *International Plan of Action to Prevent, Deter, and Eliminate Illegal, Unreported, and Unregulated Fishing* (pp. 10-20). Food and Agriculture Organization.

One of the primary concerns is the potential risks associated with trade liberalization, including those related to the importation of scrap. The EVFTA promotes trade liberalization by reducing tariff rates and eliminating non-tariff barriers for most goods, including plastic scrap. This obligation facilitates significant trade flows. However, it raises concerns about the potential environmental impact of increased plastic waste imports. According to the EVFTA, Vietnam and the EU will eliminate import taxes on approximately 99% of tariff lines over 7 years for the EU and 10 years for Vietnam. Both parties will offer tariff quotas, partial tariff cuts, or an extended tariff elimination period for remaining tariff lines. Today, the import tax rate imposed by Vietnam on plastic scrap exported from the EU member countries is 2.5% in 2022, considerably lower than the WTO's general level of 10%. Vietnam is committed to gradually phasing out tariffs on scrap code HS 3915.90.00 over six years and the remaining plastic scrap over four years from the effective date of the agreement. After which, these goods will no longer be subject to tariffs.[31] This obligation will hinder the effective use of tariff measures to prevent the uncontrolled flow of plastic waste into Vietnam. Therefore, it may negatively impact social development and environmental protection in Vietnam.

Another challenge that Vietnam faces is its lack of technical capacity. Despite efforts to align its legal system with global trends, Vietnam encounters numerous obstacles. For example, Article 13.8.2 of the EVFTA emphasizes the role of cooperation in preventing illegally harvested timber and timber products from entering trade flows. Vietnamese companies in the agricultural and forestry sectors face significant challenges in complying with the EU's stringent product origin and traceability regulations. These difficulties are exacerbated by fragmented production systems, especially for smallholders, who manage small plots and lack the resources to maintain detailed traceability records.[32] The impact of this regulation, combined with the high cost of compliance, poses a significant hurdle for Vietnam's export industries while navigating the complexities of the European market.[33]

Regarding commitments to renewable energy development, as outlined in Article 1 of the Prime Minister's Decision 500/QD-TTg dated 15 May 2023, approving the National Electricity Development Plan for the 2021-

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31 Appendices 2A, 2A2 of the EVFTA Agreement.

32 Fripp, E., Gorman, J., Schneider, T., Smith, S., Paul, J., Neeff, T., Marietti, F., McGrory, L. V. W., & Zosel-Harper, A. (2023). Traceability and transparency in supply chains for agricultural and forest commodities: A review of success factors and enabling conditions to improve resource use and reduce forest loss. *World Resources Institute*. https://doi.org/10.46830/wrirpt.22.00156

33 Live-EO. (2023, October 30). EUDR and its impact on Vietnam: Navigating new regulations. *Live-EO*. https://www.live-eo.com/article/eudr-and-its-impact-on-vietnam-what-vietnams-needs-to-know

2030 period with a vision to 2050, the Just Energy Transition Partnership (JETP) aims to boost the contribution of renewable energy sources to electricity generation to between 30.9% and 39.2% by 2030, with a future target of 47%. By 2050, renewable energy could account for 67.5% to 71.5% of the energy mix. Furthermore, the JETP aims to reduce greenhouse gas emissions from electricity generation to 204-254 million tons by 2030 and 27-31 million tons by 2050, with a maximum emission level of 170 million tons by 2030, conditional on the full implementation of JETP commitments. Offshore wind energy requires long-term investment for solar infrastructure construction. However, Vietnamese banks primarily offer short-term loans, and the national green classification list still lacks a legal framework. Therefore, banks do not possess a sufficient legal basis for mobilizing capital and providing green credit.[34]

In the fisheries sector, Vietnam faces a significant challenge in reinforcing the coherence of the legal framework for combating IUU fishing and ensuring its enforcement. Weaknesses in the current system include insufficient sanctions, limited stakeholder awareness about IUU fishing, strong incentives for illegal fishing due to high economic returns, and various challenges fishermen have to face (such as family obligations, debts, and limited alternative income sources). Other issues include inadequate governmental resources for implementing measures against IUU fishing, limited technical capabilities (leading to breaches in catch certification and traceability, as well as challenges in monitoring boats at ports, maintaining fishing logbooks, implementing vessel monitoring systems, and fleet monitoring), and insufficient political will and capacity in fisheries governance.[35]

In conclusion, the EVFTA has marked a significant milestone in shaping Vietnam's sustainable development strategy. However, to fully leverage the potential benefits of trade cooperation with the EU, Vietnam must respect its commitments and strengthen its internal capacities. Furthermore, with financial and technical challenges, Vietnam needs a long-term strategy to mobilize international and domestic resources. ●

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34 Anh, N. (2023, November 23). Tiếp cận tài chính xanh, doanh nghiệp vẫn chưa biết bắt đầu từ đâu [Approaching green finance, businesses are still unsure where to begin]. *VnEconomy*. https://vneconomy.vn/tiep-can-tai-chinh-xanh-doanh-nghiep-van-chua-biet-bat-dau-tu-dau.htm

35 To & Pomeroy (2020), *supra* note 20. For more information, see also Teh, L. S. L., Teh, L. C. L., Giron-Nava, A., & Sumaila, U. R. (2024). Poverty line income and fisheries subsidies in developing country fishing communities. *NPJ Ocean Sustainability*. https://doi.org/10.1038/s44183-024-00049-7; Choo, Y. (2018). The concept of "developing countries" in the context of the WTO fisheries subsidies negotiation. *Beijing Law Review, 9*, 137–152; Yu, V. P. B., & Fonseca-Marti, D. (2005). Reflecting sustainable development and special and differential treatment for developing countries in the context of new WTO fisheries subsidies rules. UNEP; Shenti-Gau, M. (2006). Asia perspectives on fishery subsidy issues and linkages with environment. *AJWH, 4*(1), 1-16.

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Author Contribution

All authors contributed to the study conception and design. All authors read and approved the final manuscript.

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