

Vietnam's Green Growth: Commitments, Reality & Challenges



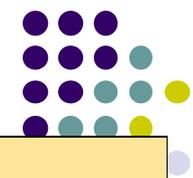
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Commitments

- Qualitative changes in perceiving dev't issues
 - From "economic growth" to "sustainable and inclusive dev't"
 - From "brown economy" to "green economy";
 - From "linear economy" to "circular economy"
 - From "real economy" to "real-digital economy/"real economy"
 - From "market" to "market with a state/a society that promotes innovation"
- Ambitious commitments for SDGs since 2015, and most recently at COP26 ("net zero emission" by 2050).
- Renew approach to promote green growth
 - New Green Growth Strategy (2021); Action Plan to implement Green Growth Strategy (2022); New Power Dev't Master Plan (Electricity Scheme VIII).
 - The implementation of international commitments, especially in high-quality FTAs (CPTPP, EVFTA,...)
 - Individual Action Plan to implement Enhanced APEC Agenda for Structural Reform 2021-2025 also includes an action on promoting CE dev't in VN (and in the ASEAN Framework for CE)







Real proofs

- Not only political commitment, but also market pressure: New consumption pattern (green, safe, humane,...) + New business areas: "circular economy"; "smart city"; "creative economy"...
- Agriculture
 - VAC (garden-pond-stall model) → VACB (+ biogas model), VACR (+ forest model), VAH (+ rice & shrimp...)
 - Vinamilk: "Green Circle" in dairy farms
- Industrial production
 - Businesses that develop sustainably according to Corporate Sustainable Index (CSI)
 - Pilot building Eco-Industrial Parks (MPI)
 - Private initiative to build Nam Cau Kien Eco-Industrial Park and DEEP C Industrial Park, both in Hai Phong
 - Heineken: Circular economy model RESOLVE (REgenerate, Share, Optimize, Loop, Virtualize, Exchange)
- Services: Wellness tourism

What studies show?

- *VCCI (2021)*: CSI-certified businesses are more resilient, even during the covid-19 pandemic (according to VCCI).
- *Nielsen vn, 2019*: Brands with commitment to go "green" and "clean" grow faster than the whole market by 2.5% - 11.4%
- UNDP & NEU (2019): Social impact enterprises (SIB) have very positive performance in recruiting/supporting female and disadvantaged people



Challenges & Key Issues

- VN has paid quite significant price for growth (resource degradation, environment pollution, especially in big cities).
- Action Plan of the Green Growth Strategy 2011-2020: Only 3/12 goals achieved, low spillover impact
- It is *a process* facing several challenges/problems:
 - Awareness; institutional reform; education; media
 - Need to have both "bottom up" and "top down" approaches. The adjustment cost for firms and the whole economy is not small
 - Raising "green finance" and its effective realization? WB (2022): VN need an additional capital of USD 368 bill.
 - National efforts and international cooperation. Prime Minister of VN (May 2022): To achieve the development goals, we cannot go alone. To go far, we must have friends.

Some Thoughts for APEC



- APEC PUTRAJAYA VISION 2040: “Our Vision is an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations”. 3 driving forces: Trade and investment; Innovation and digital transformation; Strong, balanced, sustainable, and inclusive growth
- What APEC can do?
 - Foster cooperation, including dialogues and development of green taxonomy, for sustainable/low-carbon value chains.
 - Take forward work in areas, such as SMEs and food security to support the decarbonization of supply chains
 - Watch out for the discussion of Clean Economy pillar of IPEF
 - Facilitate multi-stakeholder collaboration to facilitate implementation of CE in the region.
 - Support technical cooperation and capacity building for green transition and CE in particular
 - Funding to support initiatives towards green transition
 - Harmonize ESG standards to enable green financing