

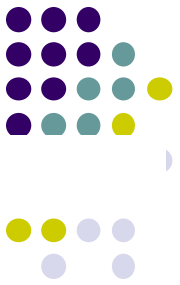


# Vietnam's Green Growth:

## Commitments, Reality & Challenges

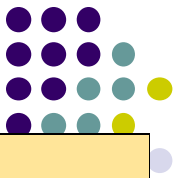


**APF, 01-02 Dec 2022**



## *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)



Green Growth (2021)	Action Plan (2022)
<b>04 Group targets</b> <ul style="list-style-type: none"><li><b>1.</b> The intensity of emissions per GDP compared to 2014 must decrease by at least 15% by 2030 and 30% by 2050</li><li><b>2.</b> Greening economic sectors</li><li><b>3.</b> Greening lifestyles and promoting sustainable consumption</li><li><b>4.</b> Greening the transition on the principles of equality, inclusion, and resilience</li><li><b>5. Commitment to net zero emissions at COP26</b></li></ul>	<b>09 overall themes:</b> <ul style="list-style-type: none"><li><b>1.</b> Building and perfecting institutions and policies; improve the effectiveness and efficiency of state management in association with green growth goals</li><li><b>2.</b> Communication, education and raising awareness</li><li><b>3.</b> Developing human resources and green jobs</li><li><b>4.</b> Mobilizing financial resources and promoting investment for green growth</li><li><b>5.</b> Science, technology, innovation</li><li><b>6.</b> International integration and cooperation</li><li><b>7.</b> Equality in green transition</li><li><b>8.</b> Waste management</li><li><b>9.</b> Green, sustainable consumption and shopping</li></ul> <b>10 priority area/sector themes:</b> Energy; Industry; Transportation; Construction; Agriculture & rural areas; Air quality management; Management of water resources, Land resources and biodiversity; Blue sea economy; Medical; Tourism

## 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