

Approach to Green Growth Strategy:

Top Down & Bottom up



Bangkok, 03 November 2022

Development Issues & Choices



- The world is witnessing mega-trends in geo-politics, globalization & liberalization, technology, climate change... with different scenarios.
- There have been qualitative changes in perceiving development issues
 - From “economic growth” to “sustainable and inclusive development”
 - 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”
- ... and strong political commitments
 - SDGs (17 targets)
 - COP 26 (136 countries – 88% of GGEs and 90% of global GDP – committed to achieve “net zero emissions” by middle of 21st century)
 - Many countries have implemented the Green Growth Strategy (to improve the legal and policy framework together)
 - Coming COP 27(?)



- Not only political commitment, but also market pressure
 - Demands of the new consumption pattern (green, safe, humane,...)
 - New business/investment areas: “green economy”; “circular economy”; “smart city”; “creative economy”...
 - The implementation of international cooperation/integration commitments, especially in high-quality FTAs (TPP/CPTPP, EVFTA,...)
- Market opportunities are minimizing the so-called trade-off between business efficiency and "going green"/social responsibility.

Vietnam's Perspectives of Green Growth



Commitments, Policies

- VN made ambitious commitments for SDGs since 2015, and most recently at COP26 (“net zero emission” by 2050).
- VCCI: Promoting businesses to develop sustainably according to CSI (Corporate Sustainable Development Index CSI) since 2016
- Renew its approach to promote green growth
 - Decision 1658/QD-TTg in 2021 on green growth strategy; Decision 882/QD-TTg in 2022 on Action Plan to implement green growth strategy; New Power Development Master Plan (Electricity Scheme VIII).
 - Circular economy development: Key idea is to promote innovation, labour productivity and value addition via CE projects (not just reducing emissions, reduction of natural resources, etc.)
 - VN’s Individual Action Plan to implement Enhanced APEC Agenda for Structural Reform 2021-2025 also includes an action on Promoting Circular Economy Development in VN



Green Growth (2021)

04 Group targets

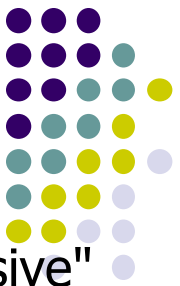
1. The intensity of emissions per GDP compared to 2014 must decrease by at least 15% by 2030 and 30% by 2050
2. Greening economic sectors
3. Greening lifestyles and promoting sustainable consumption
4. Greening the transition on the principles of equality, inclusion, and resilience
5. **Commitment to net zero emissions at COP26**

Action Plan (2022)

09 overall themes:

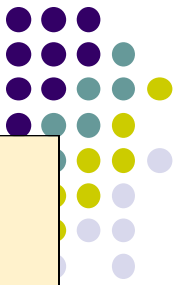
1. Building and perfecting institutions and policies; improve the effectiveness and efficiency of state management in association with green growth goals
2. Communication, education and raising awareness
3. Developing human resources and green jobs
4. Mobilizing financial resources and promoting investment for green growth
5. Science, technology, innovation
6. International integration and cooperation
7. Equality in green transition
8. Waste management
9. Green, sustainable consumption and shopping

10 priority area/sector themes: Energy; Industry; Transportation; Construction; Agriculture & rural areas; Air quality management; Management of water resources, Land resources and biodiversity; Blue sea economy; Medical; Tourism



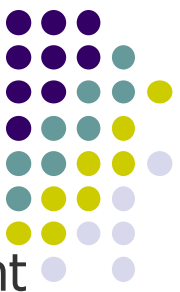
Real proofs

- In Doi Moi (Renovation), enterprises are considered as a "crucial/decisive" factor for sustainable growth and development.
- 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 CSI
 - Pilot building Eco-Industrial Parks (Ministry of Planning and Investment)
 - 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?

- CSI-certified businesses are more resilient, even during the covid-19 pandemic (according to VCCI). Increased business value with "go green" and social responsibility.
- *Nielsen vn, 2019*: brands with commitment to go "green" and "clean" grow faster than the whole market by 2.5% - 11.4%
- Social impact enterprises (SIB): some numbers from the 500 SIB survey sample (UNDP & NEU 2019):
 - 99% recruiting women; 74% recruited from disadvantaged groups; 41% of leaders are female; 15% of startups, 25% of leadership come from disadvantaged groups
 - Optimistic about the future even when facing difficulties



Challenges & Lessons

- VN has paid some price for growth (resource degradation, environment pollution, especially in big cities). Vietnam is also one of the countries most affected by climate change)
- Action plan of the Green Growth Strategy 2011-2020: Only some/12 goals achieved, low spillover impact
- It is a process facing several challenges/problems:
 - Awareness; institutional reform; education; media
 - From "bottom up" (competitiveness, management under new business models, technology, investment) to "top down" (infrastructure, human resources, promotion of creativity).
 - The adjustment cost is not small + How to raise "green finance"
 - 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.

ASEAN Efforts for Green Growth



- ASEAN (one vision, one identity, one community) & AEC 2025: “ASEAN recognises the importance of sustainable economic development as an integral part of the region’s growth strategy... ASEAN would actively promote green development (clean energy + sustainable consumption and production)”
- ASEAN efforts for promoting circular economy (CE)
 - ASEAN Framework for CE (strategic goals; guiding principles; strategic priorities)
 - On going progress for developing Work Programme to Support the Implementation of the Framework for Circular Economy for the AEC
 - Cooperation initiatives of business corporations, esp. in energy sector (e.g VSBF)

ASEAN Framework for CE



STRATEGIC GOALS



GUIDING PRINCIPLES

- Promote ASEAN integration and the development of regional value chains
- Take into consideration the broader impact on the economy and society
- Recognize the unique circumstances of each AMS while supporting long-term growth prospects of the region
- Encourage ASEAN-wide coordination on knowledge and technology sharing
- Evaluation financial and institutional feasibility and sustainability prior to implementation
- Function within the reality of international production linkages

STRATEGIC PRIORITIES

1. Standard Harmonisation and Mutual Recognition of Circular Products and Services	2. Ensure Trade Openness and Trade Facilitation in Goods and Services	3. Enhanced Role of Innovation, Digitalisation and Emerging Technologies	4. Sustainable Finance and Innovative Investments	5. Efficient Use of Energy and Other Resources
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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



Thank You

