

DEVCO Environment and Climate week

Transition towards green, circular and climate-neutral economies
20/02/2020



Delegation of the European Union to Vietnam

Vietnam



- Vietnam is a lower middle-income country and market-oriented socialist economy. ASEAN Member, ARF, EAS, WTO member, MRC,
- GDP USD 2560/capita (2018)
- Population estimated at 96 million, projected to rise to around 106 million by 2030.
- GDP growth +6%/year. FDI have an important role (EU in 6th position)
- From country assessment, while VN has performed very well in term of poverty reduction, the economic development seems to have operated at a high environmental cost (SDG 14 life below water, SDG 15 live on land) are red on the SDGs dashboard

1. What are the different EU actions in place to support the green / circular economy in Vietnam?

Mix of various instruments:

- Political framework
- Policy dialogues
- Specific cooperation projects, including
 - advisory services at policy level (revision of regulatory framework) and capacity building support
 - concrete implementation of pilot actions
- Support to investments

1. What are the different EU actions in place to support the green / circular economy in Vietnam?

A solid political framework, significant for Vietnam

- PCA signed 27/06/2012
- FLEGT VPA signed in 2018, entered in force in June 2019
- EV-FTA signed, with a chapter on Sustainable development (signed in June 2019)+ EVIPA

Regular high level policy dialogues

Bilateral level	Regional level
DG ENV	DG ENV-DG CLIMA
EU Outreach on circular economy (2020)	EU-ASEAN Policy dialogue on Climate and Environment
Circular Economy mission (2021)	EU ASEAN Dialogue on Sustainable Development (10/02/2020 Brussels)

1. What are the different EU actions in place to support the green / circular economy in Vietnam?

Cooperation projects/policy support

DCI				PI
Bilateral coop.	Regional Cooperation		Thematic	
	EU-ASEAN	SWITCH	FOOD	
Energy (transition toward green) RE-RR	E-READI <ul style="list-style-type: none">Regional studyDialogue on GreenTech& Innovation Mapping Targeting Waste management (plastics) & Sustainable manufacturing – ‘From Research and Innovation to business e-ready Solutions’	<ul style="list-style-type: none">- policy support (Small scale funding agreement)- several projects + Sustainable and equitable shrimp production + Scaling up of ethical bio trade initiative within phyto-pharmaceutical sector	Inclusive and sustainable clam and bamboo value chains development in Vietnam	Re-Thinking plastic PCA facility – revision of LEP / visit for policy dialogue (VEA/NA/ISPONRE-DG ENV)
Economic coop.				

+ EU Circular Economy Action Plan should be adopted in early March (TBC) including also an external dimension

+ EU and the ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) will enhance policy dialogue on sustainable consumption and production

+ Investments

-ASEAN Catalytic Green Finance Facility in line with the European Green Deal and in close coordination with the Asian Development Bank (ADB) and European Financial Institutions.

-AIF in Vietnam (water management, urban infrastructure, transport)

2. How much is Vietnam interested in / committed to the green / circular economy?

There is a momentum

- Vietnam heavily impacted by Climate Change, and facing high environment degradation
- Conducive environment (International events, Dialogue Partners, Civil Society Organisations, private sector)
- Political willingness at top level
- Pre-existing building blocks (see following page)

Favourable Context that raises awareness and invites to action

ASEAN: ASEAN Framework of Action on Marine debris (EPR introduced)

Vietnam External partners ' big and small actions

EU Circular Economy Action Plan should be adopted in early March (TBC) including also an external dimension
OECD Multi-dimensional Review of Viet Nam / Suggestions for an integrated, transparent and sustainable economy "Viet Nam 4.0" (2019), including a number of recommendation for a sustainable economy
Development Partners Group (DPG) working group on Sustainable Development ,sub-group circular economy;
Code of Conduct (CoC) on plastic among DPs organizations and outreach in national administrations (ministries)

On-going initiatives

Private sector

- Private sector initiative (PRO-Vietnam on plastic), EUROCHAM working on green growth
- The alliance to end plastic waste (international alliance of 40 big companies i.e Proctor & Gamble, Suez, LyondellBassell, etc...) with one project in Vietnam: A zero-waste model project in two communes
- VCCI committed on SDGs
- 10th annual Sustainable Development Symposium titled "Circular Economy: The Collaboration for Action", organised by SCG(*)

CSO

Many initiatives on plastic (awareness raising, collective actions)
Sustainable forests

(*): The Siam Cement Group (SCG), established in 1913, is publicly listed on the Stock Exchange of Thailand. SCG is Thailand's largest industrial conglomerate with leading market positions in each of its core businesses of chemicals, cement, paper, building materials, and distribution

Existing building blocks

- Strategy on Cleaner Industrial Production until 2020 (2009)
- Law of Energy Conservation and efficient use (2010)
- Support mechanisms for the development of wind power projects in Vietnam (2011)
- National Strategy for Sustainable Development in 2011-2020 (2012)
- Green growth strategy, climate change strategy (2011-2020)
- Support mechanism for the development of biomass power projects in Vietnam 2014)
- Support mechanisms for the Development of Solar Power Projects in Vietnam (2017)
- National Action Plan to implement the Agenda 2030 for sustainable development (10/05/2017)
- Vietnam's Renewable Energy Development Strategy until 2030, vision to 2050 (2015)
- National Action Plan on energy conservation and efficient use 2019 – 2030 (2019)
- Plan for the implementation of Paris Agreement (climate change) 2016-2030

Under development - opportunities

- SEDS 2021-2030 -SEDP 2021-2025 (DPG Working group on SD/subWG on CE – Recommendation on 06/12/2019 to MPI)
- Law on environmental protection 2014, being revised (support provided by EU-VN PCA Facility on pollution source control)
- EPR regulatory framework (inputs provided by the PI Re-thinking plastic)
- The under review "Vietnam's National Action Plan (NAP) on Sustainable Production and Consumption until 2020 and Vision to 2030" (The SWITCH support MOIT during the review and consultation in 2019)

3/ What should be our priority actions to encourage more ambition and support implementation?

Opportunities

“Vietnam wants to further promote partnership with EU: Deputy FM. Leaders of the Vietnamese Party and State always treasure and want to further promote the comprehensive cooperative partnership with the European Union, Deputy Minister of Foreign Affairs Bui Thanh Son told President of the European Parliament David Sassoli. Son also appreciated Sassoli’s support as well as close cooperation of the EP’s agencies in the process of approving the EU-Vietnam Free Trade Agreement (EVFTA) and the EU-Vietnam Investment Protection Agreement (EVIPA). The Vietnamese National Assembly will soon ratify the two agreements, Son said, affirming that Vietnam’s relevant agencies have been stepping up the preparations for the effective implementation of commitments, especially those on sustainable development, labour, and environment.(VNA)”12/02/2020

Challenges:

- Gap between vision and implementation / Lack of capacities
- Difficult institutional context / intra-sector coordination / national – regional level
- Need for finance and conducive regulatory framework to promote behavioural change (support must be transformation, not only in the MONRE, but in all other key ministries & in the way of doing business, private sector: i.e CE is not only about managing waste at products’ end life. **CE has to be mainstreamed into economic activities.**
- Risk of reform facing vested interests

Thank you

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