



10th International Sustainable Industrial Areas (SIA) Conference

Session 5A: Transition Pathways



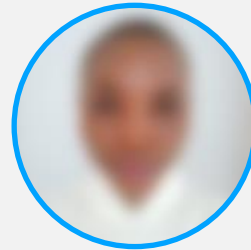
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**Sustainability Increase – Interaction
between Legislation and Reporting – the
case of Vietnam EIP**

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Main content

- Overview on industrial zone development in Vietnam and orientations towards sustainable development;
- Eco-industrial Park – Implementation and Legislation
- EIP targets and roadmap in 2021-2030 period

Overview on Industrial Zone in Vietnam



Industrial Zone definition

Industrial Zone is defined as a zone specialized for manufacturing activities and providing services for the manufacturing, with specified geographical area and established under the regulation of the Government (IZ includes EPZ)

IZ characteristics

- Located in specified geographical area;

Established under the IZ Master Plan approved by the Prime Minister;

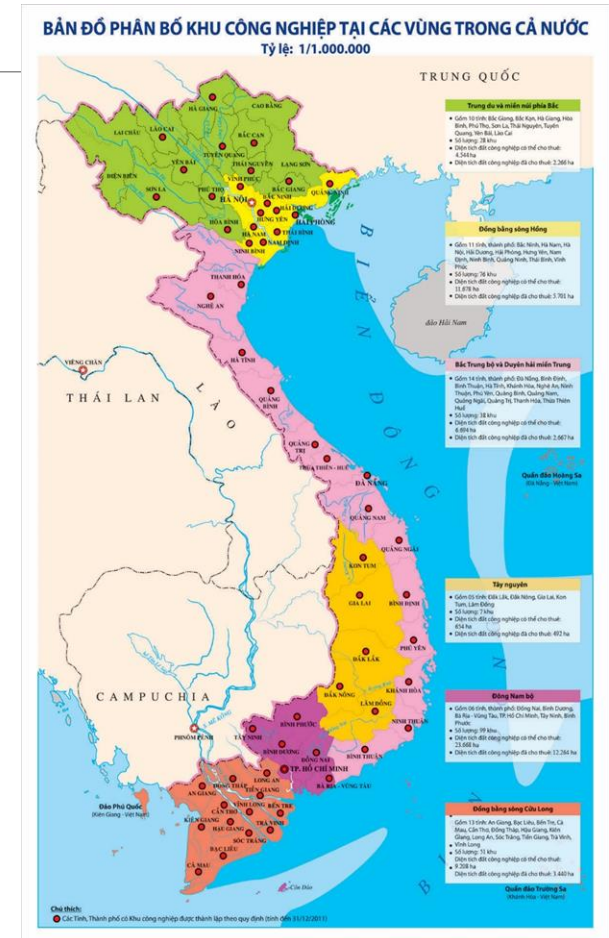
Operate under the Detailed Construction Plan approved by the Provincial Authority;

Development plan is designed in line with the inter-sector and inter-economic area linkages.

Overview on Industrial Zones in Vietnam

By December 2022:

- 412 established IZs with total area of 129,8 thousand hectares;
- 292 operating IZs with the total leasable area of over 92.2 thousand hectares;
- Average occupied rate: 57,7%; occupied rate of operating IZ: 72,2%;
- Economic contribution: FDI: 11,200 projects of 238,2 bil USD; Domestic Investment: 10,400 projects of 2,54 trillion VND; total export revenue of 146.7 bil USD, contributing 94,2 trillion VND to the state budget.



Eco-industrial Park Implementation and Legislation

New model of IZ

New model of industrial zone should combine in harmony three pillars of sustainable development: economy, society and environment



Eco-Industrial Park Vietnam

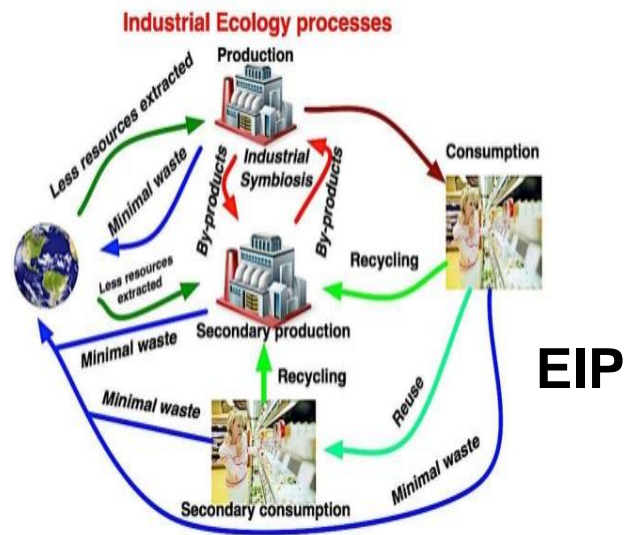


Industrial Park



Eco-industrial park for sustainable development

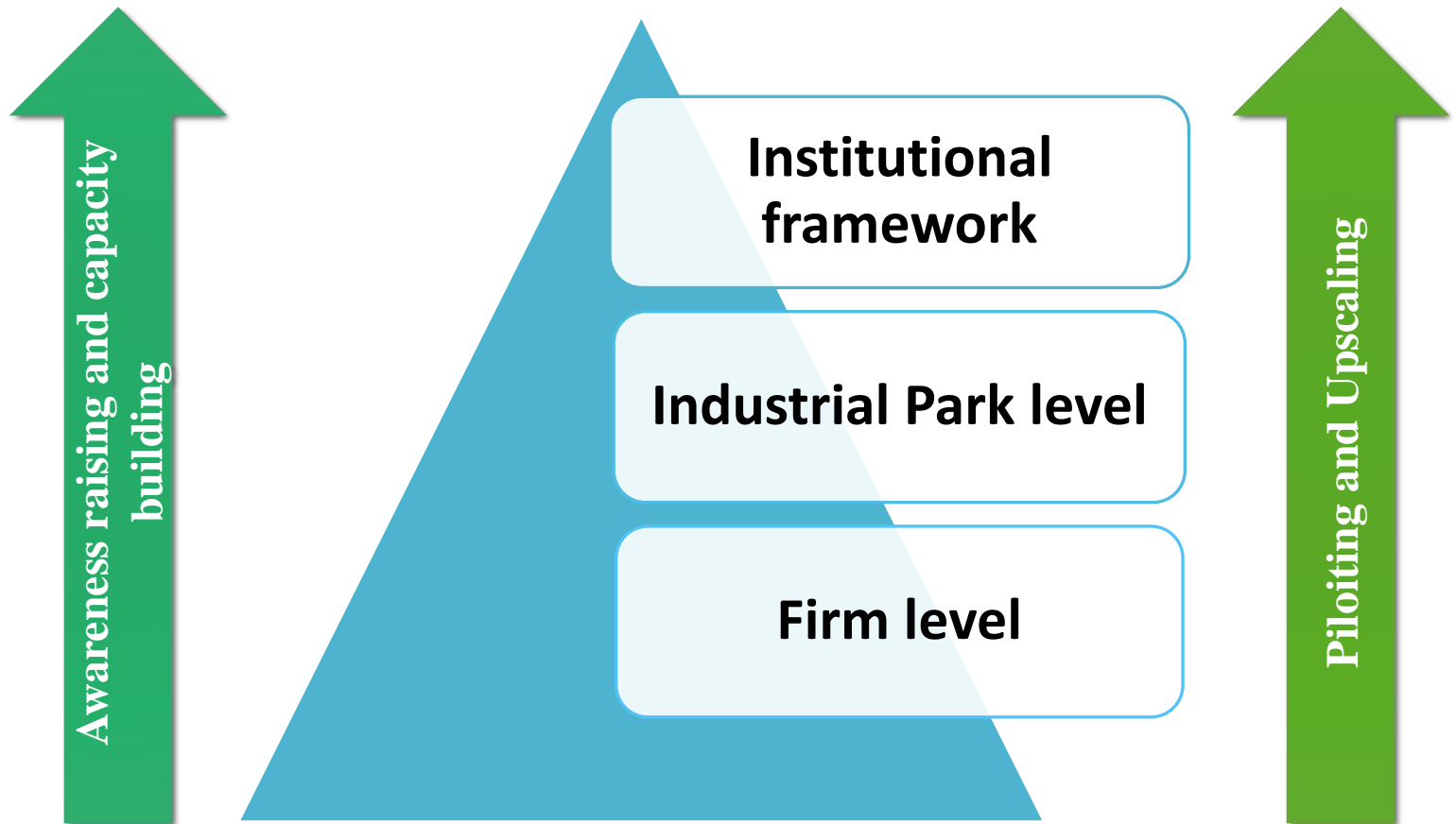
2 phases in EIP development



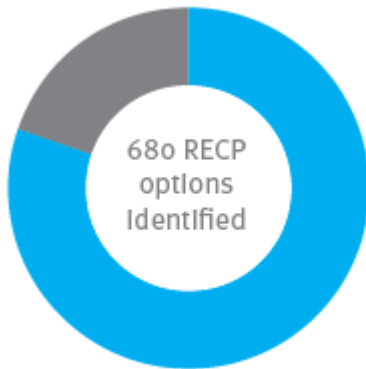
Piloting EIP (2014 - 2019) with the support of GEF and SECO

Replicating EIP (GEIPP 2020 - 2023) with the support of SECO

3 level intervention



Key figures 2014-2019



546 RECP options implemented in 57 companies



Financial savings: 2.85 million EUR /year

Company investment triggered: EUR 9 Mio



Electricity
19,274 MWh/yr



Fossil fuels
142 Tj/year



Greenhouse gas emissions
30.6 Kt CO₂eq/year



Water
606,816 m³/year



Raw materials and chemicals
4,225 t/year

Initial results 2020-2023

Assessment on RECP and industrial symbiosis at enterprise

51 enterprises registered to participate in the project.

of which, **41** enterprises have been assessed RECP.

Total number of RECP solutions recommended:

396;

Total savings potential: 151.44 billion VND

Reduce consumption

- Electricity: **64,195.5** MWh/year.
- Water: **77,896.4** m³/year
- Fuel:
 - DO Oil: **33,6** tons/year.
 - LPG: **132,1** tons/ year

Emission reduction:

GHG: **55,211.95** tons of CO₂ eq/year.

Park level

- Capacity improvement of Waste Water Treatment Plan
- Suggested measures to reuse solid waste
- Industrial symbiosis suggestions and implementation in 6 industrial parks under EIP projects.

Current policies for Eco-industrial park



Eco-Industrial Park Vietnam

Integrate the policies for EIP in various important legal documents (Decree 82 and Decree 35 on IP and EZ, Decree guiding the Law of Environment Protection, Sustainable Production and Consumption Strategy, National Green Growth Strategy and action plan, Circular Economy action plan, ...)

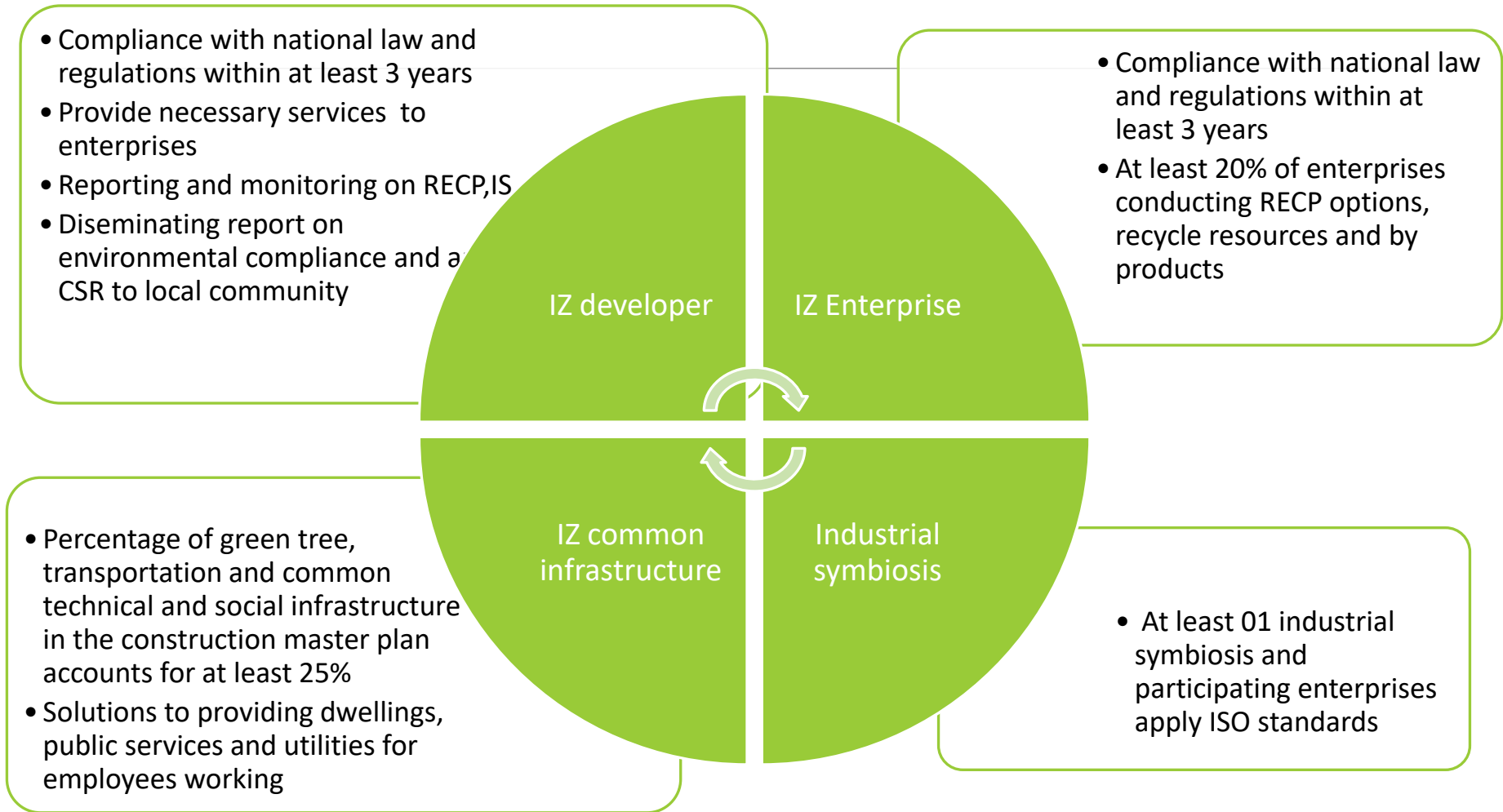
Encouragement mechanism for retrofitting existing IZs into EIPs (brown field) and develop new EIPs (green field)

Minimum requirements/standards for Eco Industrial Park

Preferential policies for Eco Industrial Park

Responsibilities of related Ministries and Provincial Authority to develop Eco Industrial Park

Minimum requirements/standards for Eco Industrial Park



Current encouragement mechanism for EIP

Brownfield EIP

- Encourage IZ developers enhance the quality of infrastructure and service
- Encourage IZ enterprises conduct RECP activities
- Encourage IZ enterprises cooperate with each other or third parties to conduct industrial symbiosis

Greenfield EIP

- Encourage the design, construction, operation and attract investment in greenfield EIP

Preferential policies for EIP

Certified to be EIP enterprise by responsible authority

Being support in RECP activities

Access to soft loans from Green Financial Institutions and international funds

Access to exemption or reduction of land duties

Access to nationwide database on energy consumption, resources, by products of IZ enterprises

Invited to join training courses and capacity building activities, technical supports and investment promotion into EIP

Forming EIP Development Fund to develop the common facilities and infrastructure for symbiosis activities

EIP transition toward international commitments

- EIP is considered as one of the key solutions to implement National Sustainable Production and Consumption 2021-2030; National Green Growth strategy 2021-2030 and vision 2050; Circular Economy Development Plan, National Plan to implement Vietnam's commitments in COP26.
- By 2030, 40-50% of provinces will have plans to convert existing IP into EIPs and 8% to 10% of provinces have orientation to build new EIPs from the stage of construction planning

Roadmap to upscale EIP in Vietnam

1. Support to policy formulation on EIP

- EIP policies regulated by Decree 35/2022/ND-CP dated 22/5/2022 for Economic Zones and Industrial park management with encouragement for both brownfield and greenfield EIP.
- Detailed guidance for EIP transition (draft Circular guiding Decree 35/2022/NĐ-CP).
- EIP indicators and EIP index for Vietnam
- Accelerate industrial symbiosis within industrial park and EIP transition to implement Circular Economy
- Regulations or guidance on reusing treated wastewater and solid waste.

Roadmap to upscale EIP in Vietnam

2. Implement EIP interventions in Viet Nam

- Enhanced capacity of industrial parks and tenant companies to meet international and national standards and requirements for EIP
- RECP assessment for companies to aim at increasing resource efficiency by assessing whether RECP opportunities are technically sound, financially attractive and inline with regulations.
- Identification, implementation of industrial synergies, urban- industrial synergies and EIP improvement opportunities in selected IPs
- Support to assess green finance of the most promising industrial synergy

THANK YOU FOR YOUR ATTENTION!



Eco-Industrial Park Vietnam

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