



TOGETHER
for a sustainable future

OCCASION

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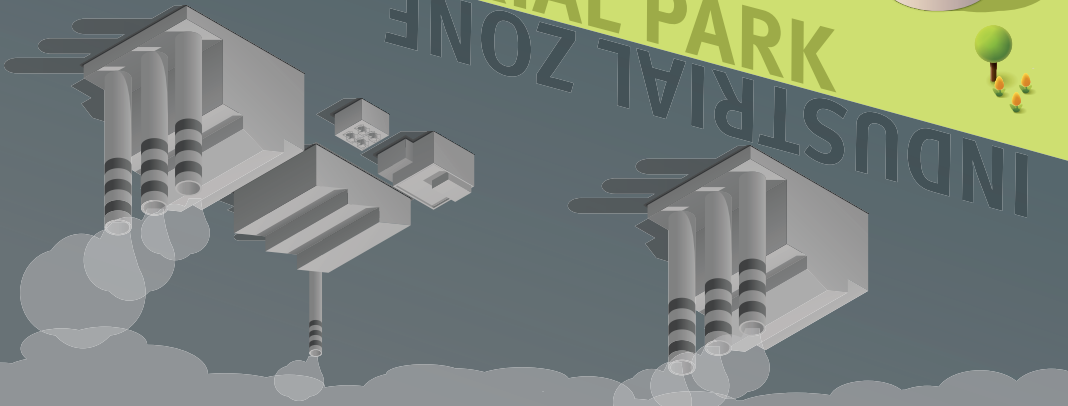
UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Eco-Industrial Park Initiative for Sustainable Industrial Zones in Vietnam

INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT



ECO-INDUSTRIAL PARK
INDUSTRIAL ZONE



Industrial Zones in Vietnam

Over the last ten years, Vietnam has experienced rapid economic growth driven mainly by the processing and manufacturing sectors. To facilitate the establishment of new industries, the government created industrial zones (IZs), which account for 40% of the national industrial output and 49% of the total export value of the country. However, industrial activities have also caused negative impacts on the environment and on human health. Inefficient management of resources has increased greenhouse gas (GHG) emissions and has caused water and soil pollution. Despite efforts made by the Vietnamese government, many barriers have yet to be overcome to address industrial pollution in the country.

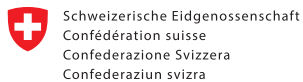
70% of the effluent discharged from industrial zones in Vietnam is untreated

20% of industrial waste is hazardous

In 2014, there were 295 industrial zones in Vietnam



Ministry of Planning and Investment of Vietnam



Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO



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Eco-Industrial Park Initiative

Project Overview

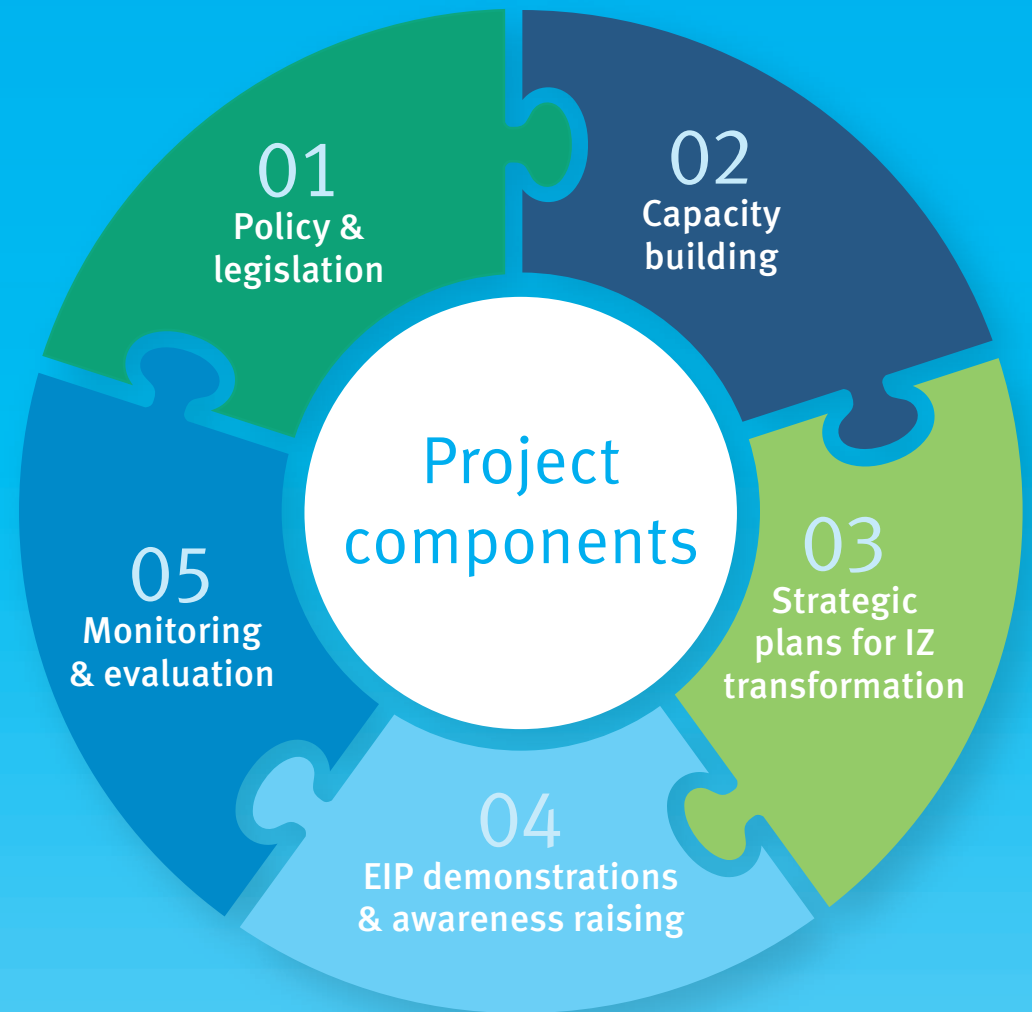
Budget: USD 4.5 million

Donors: Global Environment Facility (GEF), Swiss State Secretariat for Economic Affairs SECO and United Nations Industrial Development Organization (UNIDO)

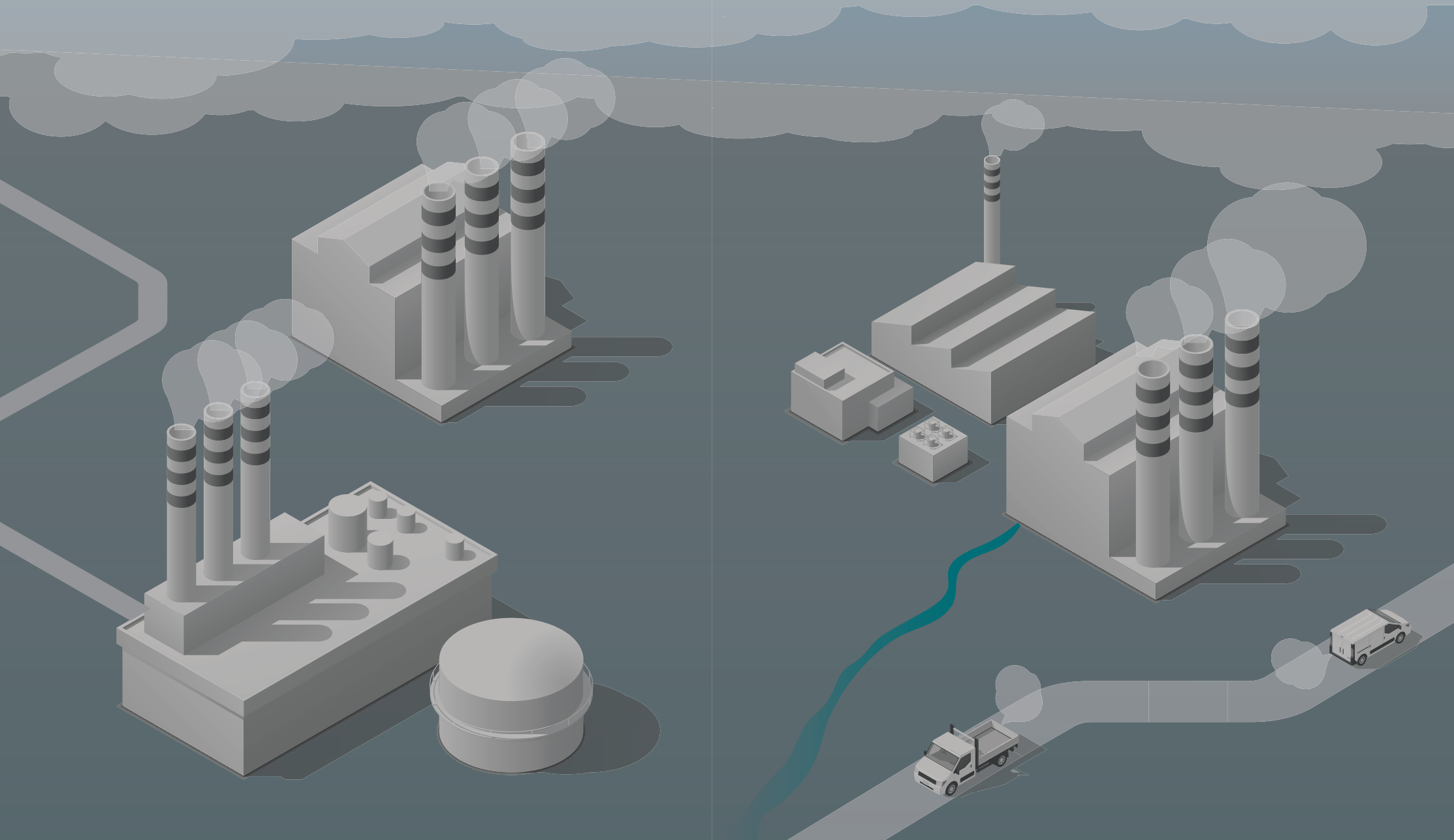
Main partners: Ministry of Planning and Investment (MPI) of Vietnam, relevant Ministries and provincial authorities of Ninh Binh, Da Nang, Can Tho

Duration: 3 years

The project aims to transform existing IZs into eco-industrial parks (EIP), in which companies cooperate with each other and with the local community to reduce environmental impacts and production costs. In addition, clean and low-carbon technologies and practices will be demonstrated within the industries to minimize GHG emissions, the release of persistent organic pollutants (POPs) and land based water pollution.



Shifting from Industrial Zones...



Shared resources

- Material
- Energy
- Waste
- Water

... to eco-industrial parks

an inclusive and sustainable industrial development concept

Resource Efficient and Cleaner Production

Reduction of energy, water and material use.



Potential shared services

- » Transportation
- » Cleaning and maintenance
- » Monitoring and control of emissions
- » Occupational health

Potential shared infrastructure

- » Recycling
- » Biogas plant
- » Wastewater treatment
- » Power generation

Location of project activities

The industrial zones (IZs) are located within the catchment areas of the two largest rivers in Vietnam, namely the Mekong River and Red River, representing a threat to their rich biodiversity and to the subsistence of riparian communities.

Hanoi

Ninh Binh

(Khanh Phu industrial zone)

Danang

(Hoa Khanh industrial zone)

Can Tho

(Tra Noc 1&2 industrial zone)



Beneficiaries

- Companies and industries
- Workers and employees
- Local communities
- Environment
- National and local government

Benefits of the project



Improved resource efficiency through the reduction of the use of raw materials, water and energy

Reduced **production costs**



Improved **competitiveness** and **profitability**

Minimized GHG emissions, release of **POPs** and use of toxic **chemicals**



Reduced waste through the promotion of **Cleaner Production** and the **3 R's** (Reduce, Reuse and Recycle)



New and more **employment** opportunities



Improved **workers' health** and **safety** as well as **quality of life** of communities



Better access to **new technologies** and **financial instruments**

Financial mechanisms

Participating companies are supported in accessing financial resources when implementing clean & low carbon technologies. The project has partnered with four institutions that offer preferential access to financial resources, such as investment aid and loans:



GREEN CREDIT TRUST FUND

Green Credit Trust Fund:

Promoting long-term investments in cleaner technology



Vietnam Environment Protection Fund:

Mobilizing financial resources for environmental protection



Vietnam Development Bank:

Providing financial services for small- medium sized enterprises



National Technology Innovation Fund:

Providing preferential loans for technology innovation

Available Financial Models	
	Form of Assistance
Green Credit Trust Fund	<ul style="list-style-type: none"> • Partial refund if environmental targets achieved • Collateral guarantor
Vietnam Environment Protection Fund	Loan (soft loan, investment credit) <ul style="list-style-type: none"> • Low interest rate • Long payment terms • Low own capital
Vietnam Development Bank	
National Technology Innovation Fund	



Companies are additionally encouraged to consider other available government funding or local bank technology investment schemes. The project also aims for a close partnership with the International Finance Cooperation (IFC), so that companies and IZ developers can benefit from the IFC funding mechanism.

For more information about the four financial mechanisms:

Green Credit Trust Fund:

<http://gctf.vn/en/>

Vietnam Environment Protection Fund:

<http://www.vepf.vn/?lang=vi-VN>

Vietnam Development Bank:

<http://vdb.gov.vn/Trangchu.aspx>

National Technology Innovation Fund:

<http://www.most.gov.vn/Desktop.aspx/Home-EN>

Eco-Industrial Park Initiative for Sustainable Industrial Zones in Vietnam

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