



TOGETHER
for a sustainable future

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PARTNERSHIP TO SCALE UP INVESTMENT FOR ISID



In light of UNIDO's mandate to promote inclusive and sustainable industrial development (ISID), which was adopted in December 2013 in Lima, UNIDO has organized two ISID Forums in 2014.

The first one, held in June, engaged Member States in a dialogue to formulate strategies and policies that promote inclusive and sustainable industrial development.

The second ISID forum, held in November, brought together around 440 participants from 93 countries, including heads of State and government, ministers, representatives of bilateral and multilateral development partners, the United Nations system, the private sector, non-governmental organizations and academia.

The outcome of the forum is to gain momentum and a better understanding of UNIDO's partnership-based approach in order to define concrete working models of cooperation between Governments, stakeholders and UNIDO that will promote investment in ISID in line with the post-2015 sustainable development goals.

IN VIETNAM

In the context of further international economic integration with the negotiation of Free Trade Agreements (FTAs). Viet Nam is strongly involved in formulating key industrial policies.

Followed by the structuralist approach, industrial policy will be a key factor in the restructuring of the economy, ensuring the improvement of competitiveness and enhancement of local value.

To gain momentum of UNIDO's partnership-based approach and promote sustainable industrial development, the Ministry of Industry and Trade is looking for an even closer cooperation with UNIDO to define and develop a specific joint programme aimed at building national capacity for industrial development policy in Vietnam.

MOIT DEPUTY INDUSTRY MINISTER COMMENDS COOPERATION WITH UNIDO

During his meeting with Mr. Ludovico Alcorta, Director, UNIDO's Development Policy Statistics and Strategic Research Branch on 16 October 2014, the Deputy Minister of Industry and Trade of



Viet Nam, Tran Tuan Anh noted that the activities of UNIDO, specifically referring to the joint projects in the fields of trade capacity and trade competitiveness, green production and trade, and green industry policy advice, have helped increase income opportunities for the poor, and contributed to developing environmental management and industrial policies.

Tran Tuan Anh requested UNIDO to continue support Viet Nam in the area of industrial policy advice. He stressed that the Government of Viet Nam and the Ministry in particular were committed to working closely with UNIDO on the development of this important project.

NEWS FROM PROJECTS

FROM INDUSTRIAL ZONES TO ECO-INDUSTRIAL PARKS

With USD 4.9 million of funding from the Global Environment Facility (GEF), and the Swiss State Secretariat for Economic Affairs (SECO), the three-year project "Implementation of Eco-Industrial Park Initiative for Sustainable Industrial Zones in Vietnam" aims to convert existing industrial zones (IZs) in Viet Nam into eco-industrial parks (EIPs). The project is implemented by the Ministry of Planning and Investment of Vietnam with technical assistance from UNIDO.



(Inception workshop in the project "Implementation of Eco-Industrial Park Initiative for Sustainable Industrial Zones in Vietnam", Hanoi, 17 October 2014)

Over the recent years the system of IZs has positively contributed to socio-economic development of Viet Nam but "has brought about a number of challenges for the environment.

A new development model is needed, one that is sustainable and friendly towards the environment and the local communities", said Jerome Stucki, UNIDO project manager.

In an effort to convert the existing IZs into EIPs to concretize the National Strategy on Green Growth, on 28 August 2014, the Prime Minister approved the project with the aim to promote the transfer, application, and dissemination of technologies and cleaner production methods so as to minimize hazardous waste, green house gas emissions as well as water pollutants and to properly manage chemicals in industrial zones of Viet Nam.

The project will be implemented over a period of 36 months in the cities/provinces of Ha Noi, Ninh Binh, Da Nang, and Can Tho.

The project is expected to help reduce green house gas emissions by about 182,000 tons a year, reduce waste water by six million cubic metres per year, and ensure that the quality of waste water reaches international standards. It is also expected for state management agencies and donors to continue replicating the EIP model throughout the country.

TOWARDS LOW GLOBAL WARMING POTENTIAL REFRIGERANTS

The objective of the project is to change the country's industrial refrigeration scene, which heavily depends on hydrochlorofluorocarbon (HCFC-22), a refrigerant gas that depletes the ozone layer and contributes to climate change.

UNIDO will help Viet Nam's cold storage industry to convert away from refrigerant gases such as HCFCs towards low global warming potential (GWP) refrigerants.



(Inception workshop in the project "Reducing greenhouse gas and ozone-depleting substance emissions through technology transfer in industrial refrigeration", Hanoi, 21 October 2014)

The project, titled "Reducing greenhouse gas and ozone-depleting substance emissions through technology transfer in industrial refrigeration" was officially approved by the Ministry of Natural Resources and Environment (MONRE) of Viet Nam and launched on 21 October 2014 in Hanoi.

The project is funded by the Global Environment Facility (GEF), international partners such as Zanotti and Shecco, as well as the Vietnamese Environmental Protection Fund (VEPF), which will provide soft loans for companies undertaking technological conversion.

STRENGTHEN THE SUPPLY CAPACITY OF THE FRUIT AND VEGETABLE SECTOR

According to Vietnam Ministry of Agriculture and Rural Development, every year the post harvest losses of the country are 16% of grain and 22% of fruit & vegetable, higher than ASEAN average (10%).

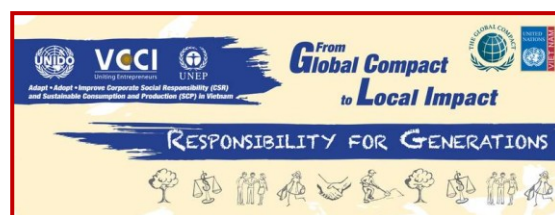


Under the framework of the project “Strengthen the supply capacity of the fruit and vegetable sector by applying proper technologies along the value chain”, UNIDO collaborates with the Institute of Vietnam, Institute of Agricultural Engineering and Post-harvest Technology (VIAEP) to organize a Training of Trainers (ToT) and ten Training of Entrepreneurs (TOEs) courses on Post-harvest Technology in the Value Chain of Vegetables in September and October, 2014.

The training course aims at providing knowledge on post harvest technology for participants who are directly involved in vegetable value chain in Hanoi. Twentytwo representatives of plant protection sub-department, farmer associations, and leaders of vegetable cooperatives attended the ToT and threehundred farmers and retailers from ten cooperatives attended the TOEs.

The participants received lessons on post-harvest technology; good practice in harvest, handling, storage and consumption for safe vegetable; management in vegetable production chain; and skill for discussion on imperative needs. In addition, they obtained on-the-job practices in the laboratories and they have been to field trips to two vegetable growing & pre-processing units in Hanoi city.

CSR CALENDAR FORUM



The Calendar Forum is under framework of the project “From Global Compact to Local Impact! - Promotion of Corporate Social Responsibility (CSR) among Vietnamese Business Community for Sustainable Consumption and Production (SCP)”.

The CSR Calendar Forum gathers the Office for Business Sustainable Development (SDforB) at the Vietnam Chamber of Commerce and Industry (VCCI), UNIDO and UNEP. It also involves the Association of Vietnam Retailers (AVR) and Vietnam Environmental Administration (VEA).

Serial workshops have been organized within the topic. The question on how to win consumers' trust and boosting enterprises' credibility for sustainable domestic market was discussed during CSR Calendar Forum on Consumer Issues on September 17th in Hanoi and on 19th in Ho Chi Minh city.

One hundred and thirty representatives of private companies, associations, and organizations have attended the workshop on “Responsible and Sustainable Business” on the 22nd of October 2014 in Vinh city, Nghe An province, in order to discuss how can enterprises achieve their goals of long-term development with social responsibility?

After the workshop, Chief Technical Adviser on CSR, Mr. Florian Beranek, together with CSR consultants, visited five companies in Nghe An province on the 23rd and 24th of October 2014 and received many ideas and comments on labour, environment, community and fair-operating, among other issues.

“Corporate Social Responsibility (CSR), as an element of international standard, is an important key to strengthen inclusive and sustainable industrial development (ISID) for Viet Nam”, as stated by Mr. Patrick Gilibert, Representative of UNIDO to Viet Nam.

At the Calendar Forum, Mrs. Nguyen Thi Thien Phuong, Deputy Director, ISD, Vietnam Environmental Administration (VEA) added:

“Draft national action plans on SCP and environmental policy to support SCP have been carried out, which concentrated on structuring, and released national action plan on SCP to 2020, relevant to the forthcoming ten-year framework of UN”.



(Calendar Forum, CSR Project, Hanoi and Ho Chi Minh City, September 2014)

INTELLECTUAL PROPERTY, PUBLIC HEALTH AND LOCAL PHARMACEUTICAL PRODUCTION



(Workshop on Intellectual Property, Public Health and Local Pharmaceutical Production in Hanoi, June 2014)

UNIDO in collaboration with UN Conference on Trade and Development (UNCTAD), and the Vietnam Pharmaceutical Companies Association (VNCPA) organized three workshops on Intellectual Property, Public Health and Local Pharmaceutical Production in Ho-Chi-Minh City (16-17 June 2014), in Can Tho city (19-20 June 2014), and in Ha Noi city (26-27 June 2014) respectively.

The workshops were designed for local pharmaceutical manufacturers and other stakeholders interested in the impact of enforcement of intellectual property (IP) rights on producers of generic medicines.

Preliminary results from a survey, showed a significant improvement on IP knowledge and its implications for local pharmaceutical production among participants from onehundred sixteen local pharmaceutical manufacturers after attending the workshops.

“One issue of concern is the potential impact of intellectual property (IP) provisions on access to medicines, and the domestic pharmaceutical industry. The scope of the IP chapter in a Free Trade Agreement (FTA) is important for countries that have generic pharmaceutical industry. Certain IP provisions in FTAs may limit the ‘flexibilities’ contained in the so-called TRIPS Agreement”, continued the representative of UNIDO.

FISCAL INVESTMENT INCENTIVES ARE NOT THE DECISIVE FACTOR

Brian Portelli, UNIDO Technical Advisor, claimed: “Although there was consensus that fiscal incentives tended to enhance investor competitiveness, in the longer term incentives should never substitute for competitiveness since such policy stance had a high opportunity cost for host country governments and could ultimately undermine the objectives of inclusive and sustainable industrial development”.



(Workshop on fiscal investment incentives, Hanoi, 26 June 2014)

On 26 June 2014, UNIDO and the Foreign Investment Agency under Viet Nam’s Ministry of Planning and Investment together, held a workshop in Hanoi where key findings of their joint empirical research on the link between enterprise performance and fiscal investment incentives were presented. The analysis was based on the enterprise level data collected in the ambit of the 2011 Viet Nam Industrial Investor Survey.

According to Patrick Gilibert, UNIDO Representative to Viet Nam, nearly 1500 firms that responded to the survey have expressed their hope to receive tax incentives, financial support and opportunities to access loans. However, “fiscal incentives were important factors for investors in medium and low-tech projects, whereas human capital remained the decisive factor for investment in high-tech projects which account for only five to six per cent of foreign-invested projects”.

INTERVIEW OF

MR. MIROSLAV DELAPORTE

COUNTRY DIRECTOR

**SWISS STATE SECRETARIAT FOR
ECONOMIC AFFAIRS (SECO) IN VIETNAM**



UNIDO and SECO have a long-term global and strategic partnership agreement in which Viet Nam is a key. We are working together in seven projects on important subjects such as business registration reform, resource efficiency and cleaner production (at a global and national level) and trade capacity building for export. With an additional budget of 1 M USD to the recently launched eco- industrial park project, SECO indicates its commitment to continue supporting cleaner production in Viet Nam.

UNIDO Country Office:

How do you see the cooperation between SECO and UNIDO in Vietnam and how the cooperation brings positive impacts to Vietnam’s national development priorities?

Mr. Delaporte:

I can confirm that UNIDO and SECO have built up a fruitful cooperation since 1990s based on a shared mission in supporting Vietnam to strive for and benefit from sustainable and inclusive development through better integration into the global economy.

SECO and UNIDO have worked together in different areas such as cleaner production and resource efficiency, green industry, trade capacity building and business registration reform. It is obvious that the cooperation has contributed to a number of positive developments in Vietnam, namely the improvement of its business environment, promotion of sustainable production and consumption, increased compliance capacity of SMEs with international trade system and a reduction of environment pollution. However, with increasing global environmental degradation and resource depletion, the achievement of sustainable economic growth remains a challenge.

UNIDO Country Office:

What will be the continued direction of SECO's support to Vietnam and how SECO and UNIDO could strengthen our support to the national needs?

Mr. Delaporte:

It is clearly defined in our Country Strategy for Vietnam 2013 – 2016 that we are (1) supporting sound framework conditions for inclusive and sustainable growth, (2) enhancing productivity and increase competitiveness of SMEs and (3) promoting environmentally friendly policies. We will continue our cooperation with UNIDO in the areas where UNIDO has its own competence, particularly in the development of a green economy in Vietnam. It means that we will explore more opportunities with UNIDO to address the challenges Vietnam is facing.

The recent launch of the SECO supported project on "Implementation of Eco-Industrial Park Initiative for Sustainable Industrial Zones in Vietnam" affirms our commitment in Vietnam and cooperation with UNIDO.

SPECIAL FOCUS ON INDUSTRIAL ENERGY EFFICIENCY

PROMOTING INDUSTRIAL SYSTEM OPTIMIZATION AND ENERGY MANAGEMENT STANDARDS

On the 12th of May 2014, the 2nd Steering Committee meeting of the MOIT-UNIDO project "Promoting Industrial Energy Efficiency through System Optimization and Energy Management Standards (EnMS) in Vietnam" was conducted at the Ministry of Industry and Trade (MOIT) in Hanoi.

The project's progresses until April 2014 were reported. Accordingly, eight out of twelve project outputs were completed.



In 2014, thirty four new enterprises adopted energy management standards (EnMS) (compared to thirty-two in 2013), while one hundred twenty seven new enterprises began implementing system optimization projects (increased by 700% from just sixteen in 2013).

An assessment report on implementation of EnMS and system optimization projects has shown that achieved annual energy savings and GHG reductions are estimated at 2.233.299 GJ (52,750 TOE) and 196,693 tons of CO2 respectively. Actual investment figures for these projects are estimated at eight million US dollars, originating from various sources such as self-investment of enterprises and bank loan.

CASE STUDY:

EnMS IN SAIGON MILK PLANT, VINAMILK



Since sustainable development through efficient energy management is one of the prioritized activities at Saigon Milk Plant, Vietnam Dairy Products Joint Stock Company (Vinamilk), the factory team applies EnMS with a target of higher energy performance and lower energy consumption and production costs.

The enterprise claimed that the applications of energy management system in the factory serve towards energy efficiency and conservation. As a result, it would reduce production costs and environmental impacts, improve the working environment for employees, and enhance the business image, reputation and competitiveness. For example, the fuel cost for plant's production was saved at VND 1.6 billion each month. Furthermore, Saigon Milk has succeeded in reducing water consumption and waste to the environment.

In 2014, Saigon Milk was among the first ten companies in Vietnam being certified by British Standard Institute (BSI) with ISO 50001:2011 on Energy Management System (EnMS) standard.

GREEN ONE UN HOUSE (GOUNH) WINS GOLD LOTUS AWARD

“We believe that the Green One UN House is helping to set new environmental standards for the building industry here in Viet Nam that we hope others will now follow”, as Mr. Tran Van Thanh, Executive Director of Viet Nam's Green Building Council talked about the first building project in Viet Nam to achieve a provisional gold Lotus rating from the country's Green Building Council.



(Annual Green Building Conference 2014, Ho Chi Minh city, September 2014)

By fully insulating the building, maximizing the efficiency of heating and cooling systems, making the most of natural daylight and using energy-efficient lighting, energy consumption is expected to be reduced by at least twenty five percent compared to a baseline model. Using water more effectively is also expected to reduce consumption by thirty six percent.

Photovoltaic panels on the roof will harness solar energy and are expected to generate ten percent of the building's annual electricity requirements. In a groundbreaking innovation for Viet Nam, the United Nations is working to reach agreement with the national electricity company, EVN, to feed excess power into the national grid to replace power that would have to be generated by other less green means.

Construction is on track to be completed mid-2015. The move into the new building is eagerly awaited by UN staff currently housed in multiple locations across Hanoi. Sixteen UN organizations in Viet Nam are in thirteen different locations in Hanoi.

UNIDO HIGHLIGHT EVENTS

Newly approved projects

- Minamata Convention Initial Assessment in Vietnam, US\$500,000 with Vietnam Chemical Agency (Vinachemia), MOIT.
- Promotion of Energy Efficiency Industrial Boiler Adoption and Operating practices in Vietnam, US\$1,939,245 with General Directorate of Energy, MOIT.

PAGE Academy on Green Economy:

Four officials from MPI, MOIT and MONRE attended the two weeks training programme and the high-level policy forum and knowledge fair organized by International Training Centre in Turin, Italy in October 2014. The training was under the Partnership for Action on Green Economy (PAGE) global joint programme among ILO, UNEP, UNIDO, UNITAR and UNDP.

M&E Regional Training:

An official from Foreign Economic Relations Department (FERD), Ministry of Planning and Investment (MPI) was invited to UNIDO Regional Training on Monitoring and Evaluation held in Bangkok from 28-30 October 2014.

UNIDO presentation at international workshop:

UNIDO Vietnam participated in the Seoul Science and Technology Forum from the 5th to 7th of November 2014 with the presentation entitled "Promoting Adaptation and Adoption of Resource Efficiency & Cleaner Production (RECP) Technologies for Sustainable Development", which brings a case study from RECP project to facilitate the partnership between private-public sectors in reaching, developing and applying technologies of industrial waste minimization for low carbon production.

The 6th Intergovernmental Negotiating Committee on Mercury (INC6):

Two MOIT representatives attended the INC6 organized in Thailand from the 3rd to 7th of November 2014 to prepare for the next steps of the country's Minamata Convention ratification.

Study tour to Norway on Business Registration reform:

A MPI delegation visited various Norwegian institutions from the 1st to 6th of December to learn from Norway's experience in matters such as electronic linkages and exchange of information amongst government agencies; regime for maintaining up-to-date national register databases and handling data discrepancy amongst government agencies; compliance and enforcement in business registration and tax filing; dissolution of enterprise with cooperation between business registration and tax authorities; promotion of online registration service; intellectual property filing and enforcement; and penalty in relation to intellectual property infringement.

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The United Nations Industrial Development Organization (UNIDO) is **the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.**

The Organization draws on four mutually reinforcing categories of services: technical cooperation, analytical and policy advisory services, standard setting and compliance, and a convening function for knowledge transfer and networking.

UNIDO's vision is a world where economic development is sustainable and economic progress is equitable. The Organization focuses on three main thematic areas:

- **Poverty reduction through productive activities**
- **Trade capacity-building**
- **Energy and environment**

UNIDO aims to achieve **Inclusive and Sustainable Industrial Development (ISID)** for its member states, meaning that :

- Every country achieves a higher level of industrialization in their economies, and benefits from the globalization of markets for industrial goods and services.
- No one is left behind in benefiting from industrial growth, and prosperity is shared among women and men in all countries.
- Broader economic and social growth is supported within an environmentally sustainable framework.
- The unique knowledge and resources of all relevant development actors are combined to maximize the development impact of ISID.



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