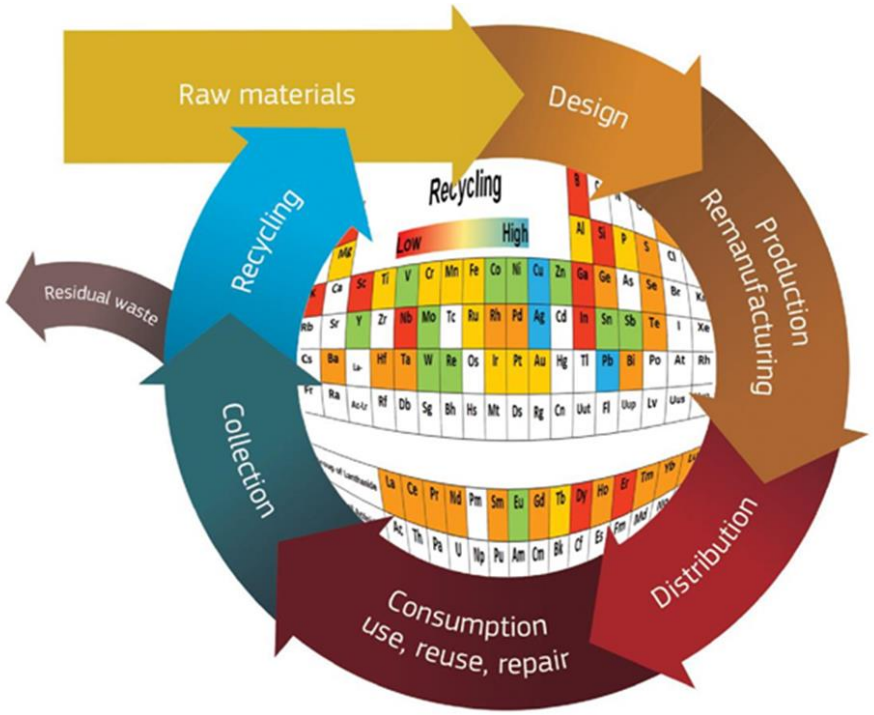
MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT
INSTITUTE OF STRATEGY AND POLICY ON NATURAL RESOURCES AND ENVIRONMENT

CIRCULAR ECONOMY POLICIES IN VIETNAM

Dr. Lại Văn Mạnh
ISPONRE Việt Nam

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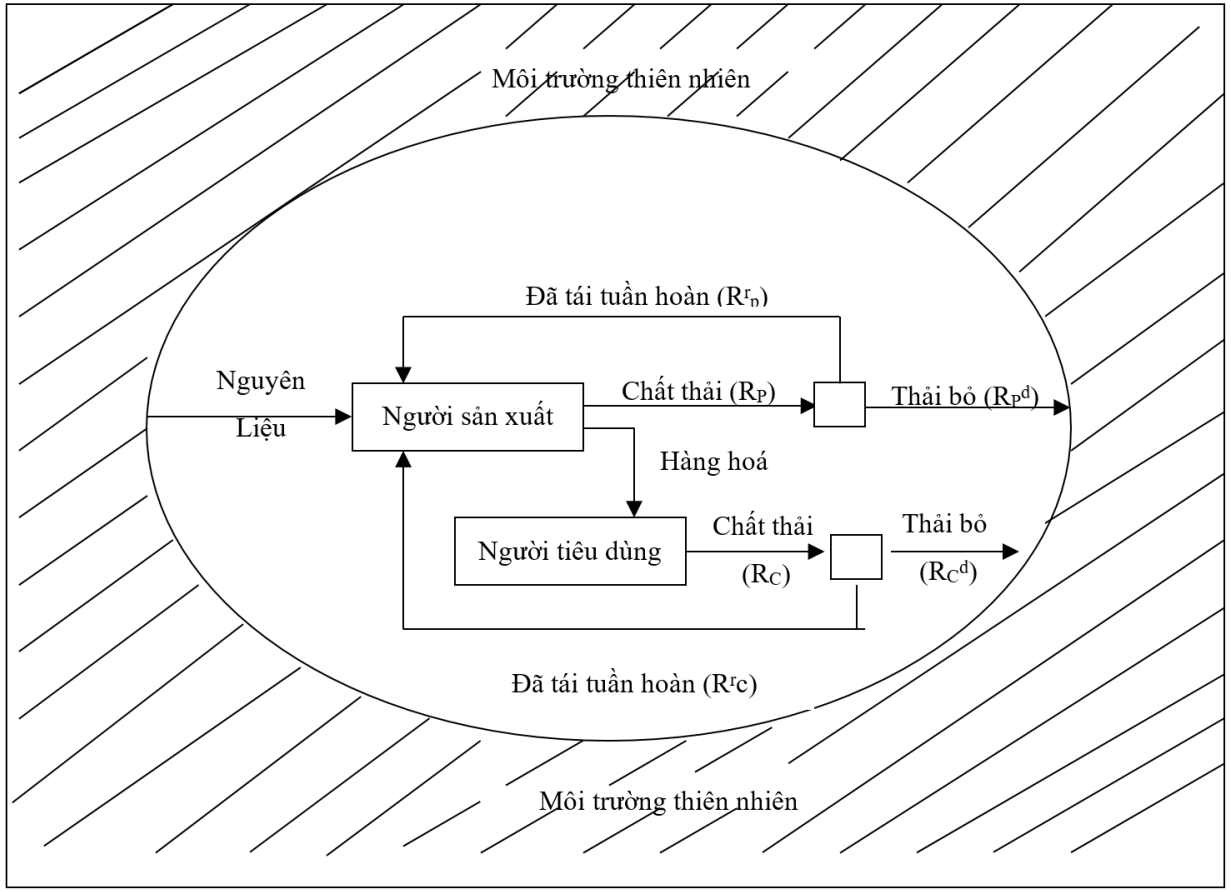
AWARENESS OF CIRCULAR ECONOMY

CURRENT POLICIES OF VIETNAM

ORIENTATION AND THE CONTINUING WORKS

THE ECONOMY

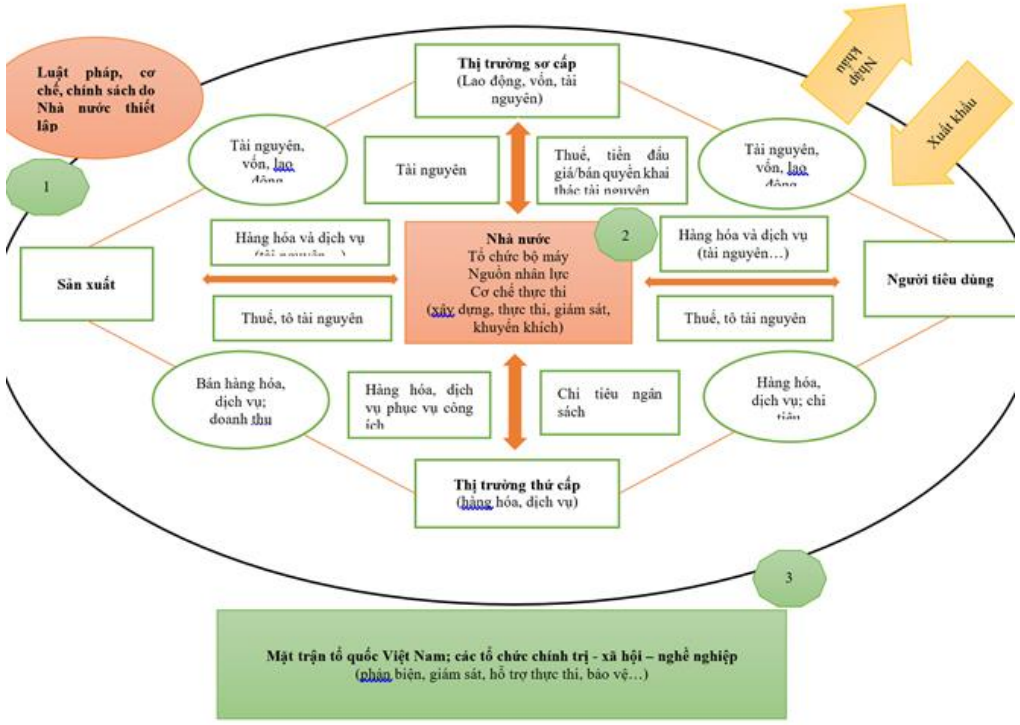
- Producers
- Consumers
- Circulating material flows
- Natural resources
- Recirculating waste from the production areas, from the consumption areas
- Disposal



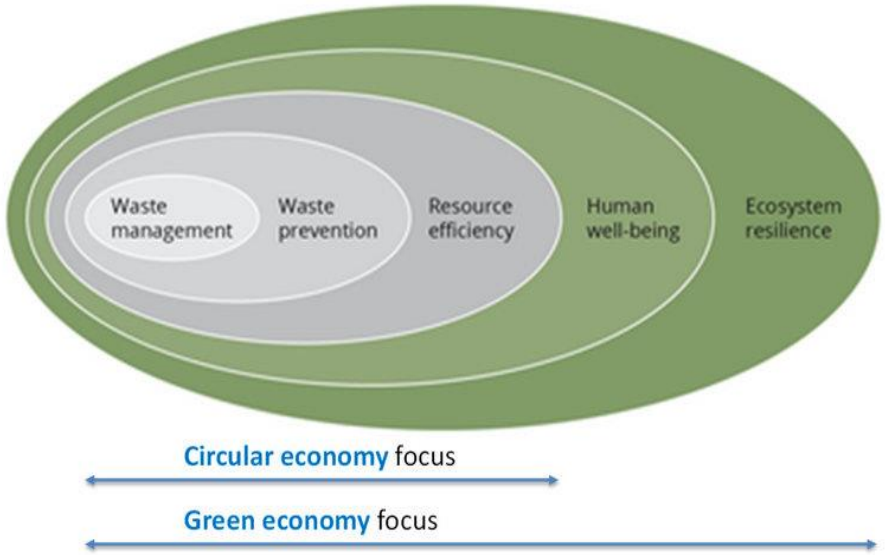
Nguồn: Barry C. Field, 1994

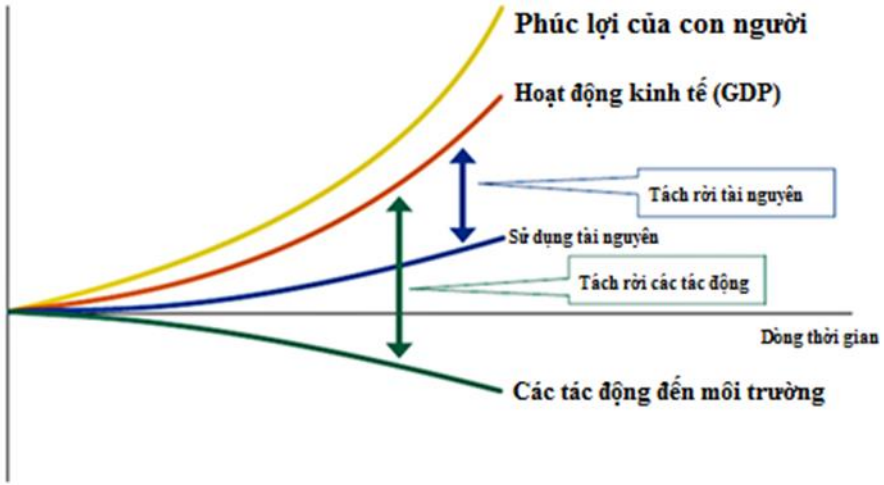
THE STATE'S ROLE IN ENVIRONMENTAL MANAGEMENT

- Formulating, implementing and perfecting the legal system, mechanisms and policies;
- Orientation, creating environment, initiating and creating momentum to form and operate market factors and types of markets;
- Effective allocation of resources, orientation, regulation;
- Mobilizing the participation of the whole society;
- The state is both the subject of state management and also the subject participating in market relations
- The market plays a key role.
- Socio-political organizations.



CIRCULAR ECONOMY

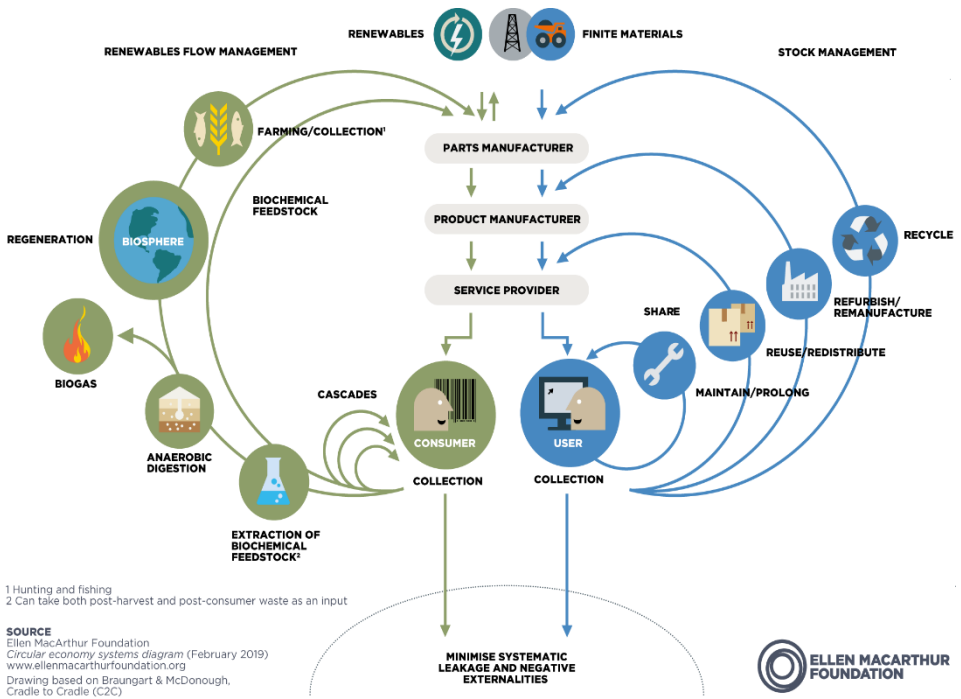




Nguồn: Decoupling Natural Resource Use and Environmental Impacts from Economic Growth
2011 UNEP International Resource Panel Report

- *"An economy in which the value of products, materials and resources is maintained in the economy for as long as possible, and produces minimal waste" (EC, 2018);*
- *An industrial system with revitalization and regeneration through design;*
- *It is an important lever to achieve key policymakers' goals such as generating economic growth, creating jobs and reducing environmental impact (Andrew Morlet, 2015);*
- *Contribute directly to the achievement of 8 out of 17 sustainable development goals and will continue to spread to promote the achievement of other goals (Jinhui Li).*

PRINCIPLES OF CIRCULAR ECONOMY



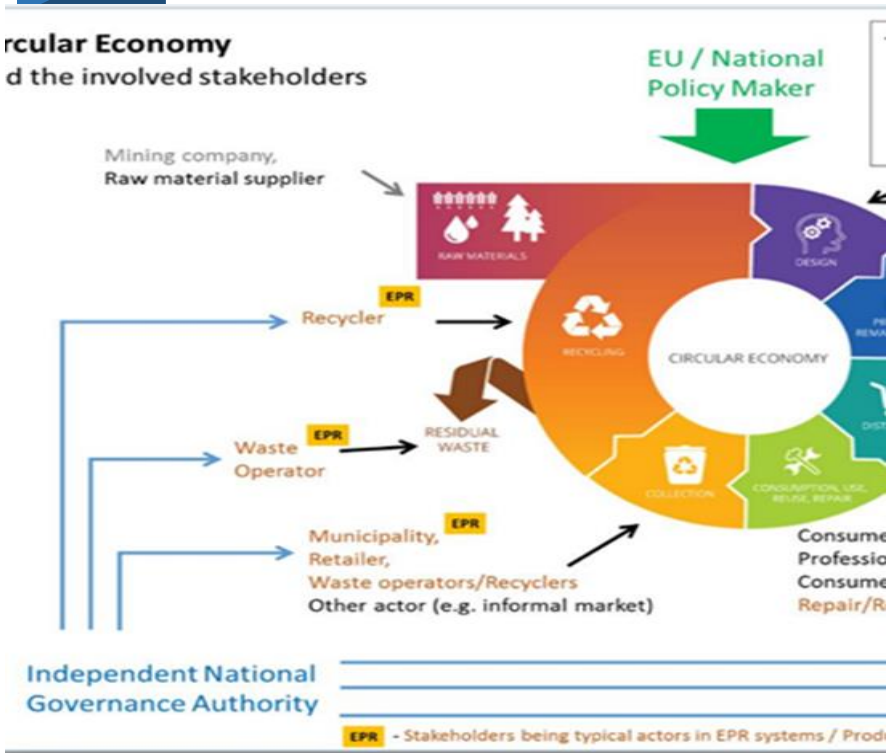
3 main principles are(Andrew Morlet, 2015):

➔Conserving and enhancing natural capital through controlling finite assets and balancing renewable resource flows to leverage regeneration, digitization and exchange;

➔ Optimizing resource productivity through the cycle of products, components and materials in use at the highest benefit at all times in both the engineering and biological cycle;

➔ Promote system-wide efficiency by minimizing and designing to eliminate negative externalities.

Stakeholders in circular economy startup and development



- The European Commission has called on all stakeholders from government agencies, mining and raw materials businesses, processors, manufacturers, distributors, retailers, consumers, garbage collectors ... participate (European Recycling Platform, 2017).
- Organizations and governments play an important role in creating and facilitating a circular economy to emerge and thrive -> They orient and drive innovation and investment.
- The Knowledge-based economy provides a framework that allows the government to realize many economic, environmental and social ambitions (Ellen Macathur Foundation, n.d.).

Institution, governance and society in circular economy

- **Market access to perfect institutions associated with economic restructuring in line with the orientation of the market economy**

➢ Clear institutions and full enforcement of roles and responsibilities;

➢ Promote the role of market-based tools and mechanisms to regulate the behavior of actors in an environmentally friendly way.

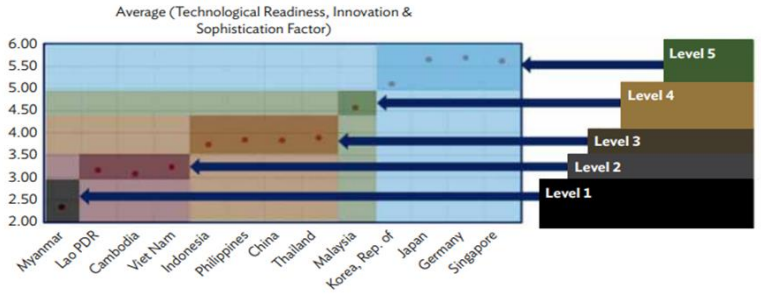
➢ Create market factors, market conditions to form, operate and develop markets for environmental goods and services, recycled and reused products.

- **"Good governance promotes equity, participation, consensus, transparency, accountability and the rule of law, in an effective, efficient, and enduring way."**
- **Socially and culturally responsible for recycling, reusing and using resources efficiently.**



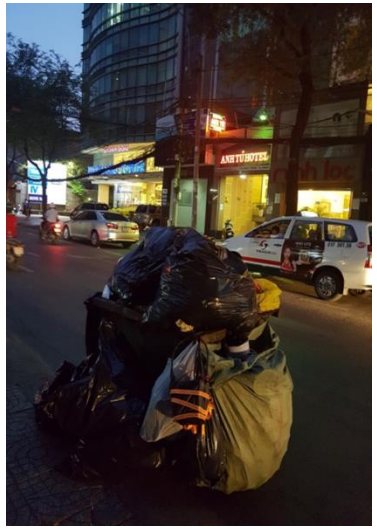
Circular economy policies in Vietnam

Figure 11. ASEAN Potential for Industry 4.0



ASEAN = Association of Southeast Asian Nations, Lao PDR = Lao People's Democratic Republic.
Source: Authors.

ASEAN countries need to progress swiftly to catch up with developed nations in terms of technology and innovation. The research and development sector should be strengthened with suitable policies and strategies.











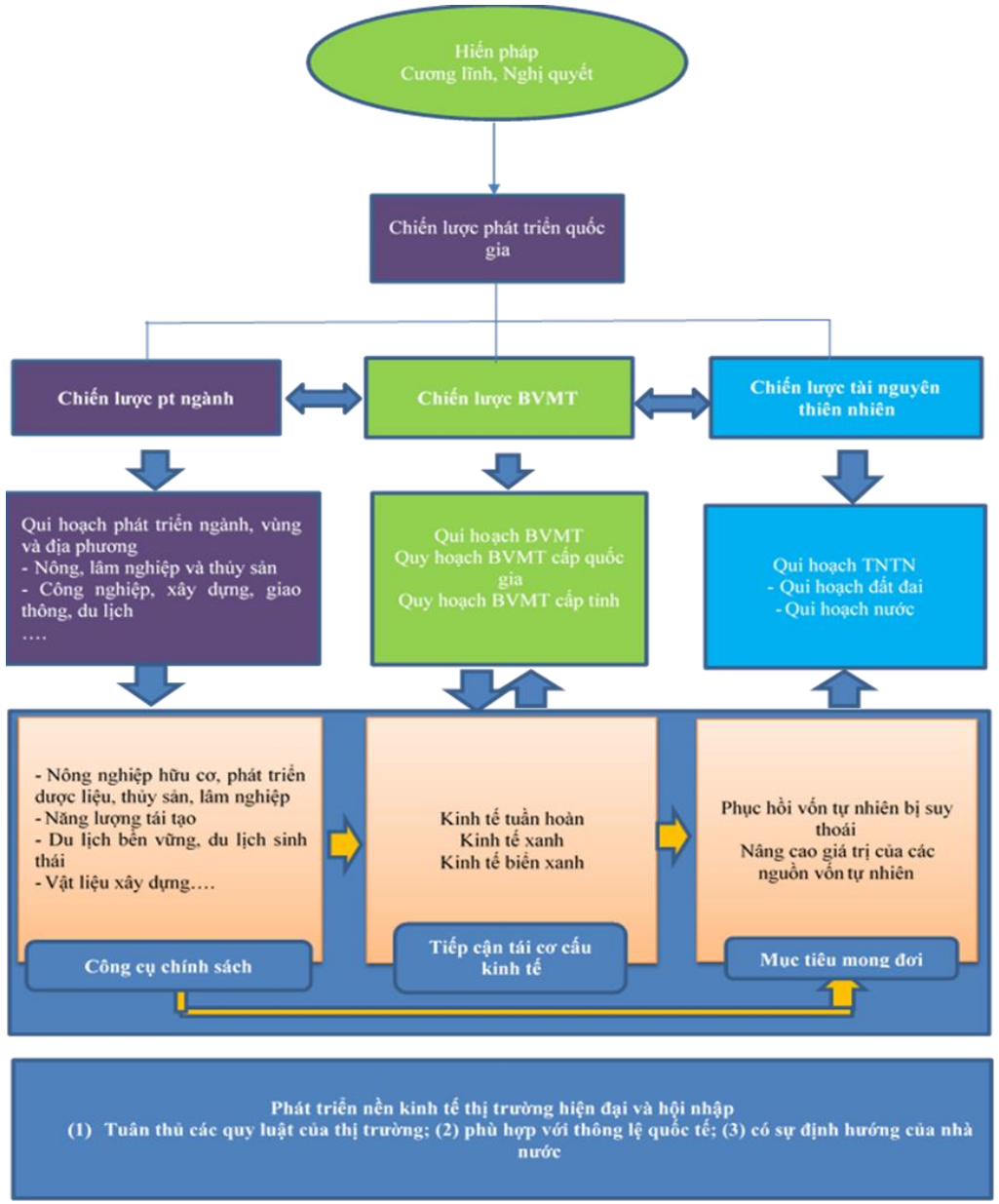
Policies and orientations of the Party





- Directive 36 / CT-TW of June 25, 1998 of the Politburo on strengthening environmental protection in the period of national industrialization and modernization;
- Resolution No. 41-NQ / TW dated November 15, 2004 of the Politburo on environmental protection in the period of accelerating national industrialization and modernization;
- National Construction Platform 2011 (additional, development)
- 10-year socio-economic development strategy;
- Resolution 24 (Conclusion 56)
- Resolution No. 55-NQ / TW on the orientation of the National Energy Development Strategy of Vietnam to 2030, with a vision to 2045
- Other resolutions (collective economy, private economy, collective economy, perfecting the socialist-oriented market economy institutions, culture, sustainable development of the marine economy ...);
- The draft Strategy, Plan for socio-economic development has mentioned KTTH;

3. Current policies on circular economy development



Resolution No. 06 / NQ-CP dated March 7, 2012 of the Government promulgating the Government's Action Program for the term 2011 - 2016

Resolution No. 08 / NQ-CP

Resolution No. 27 / NQ-CP

Environmental Protection law

Investment law

Technology Transfer Law

Mineral Law

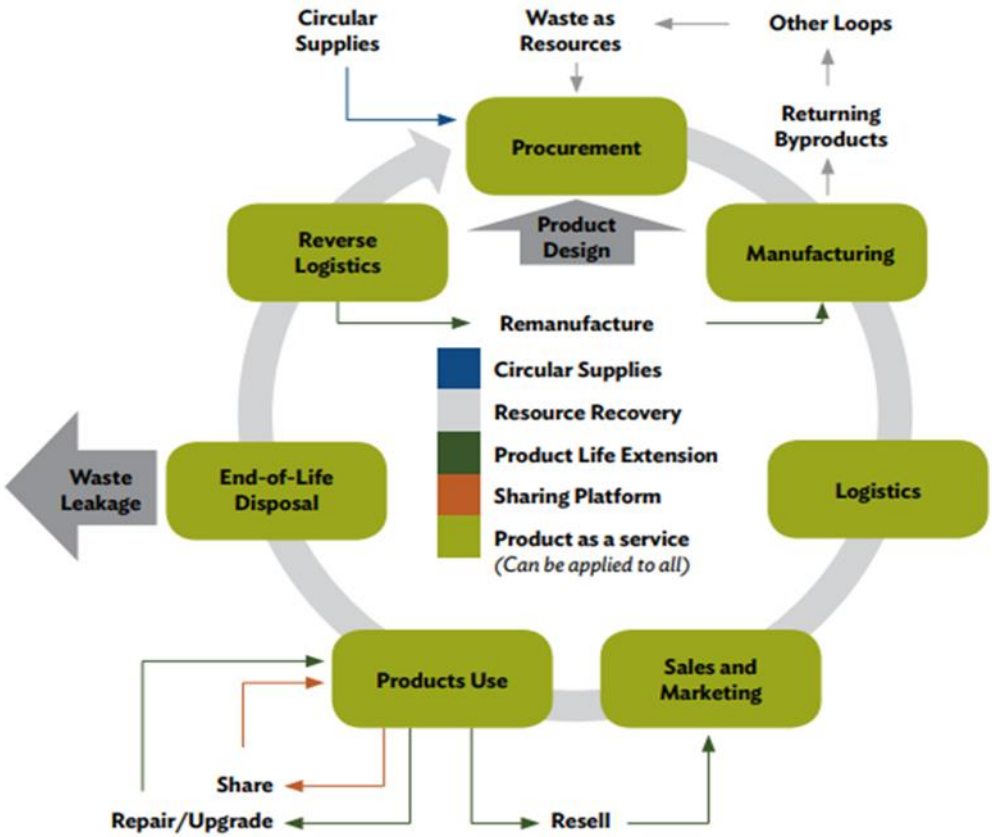
Land Law

Law of the Sea of Vietnam

Decree 82/2018 / ND-CP regulating the management of industrial zones and economic zones with the concept of industrial symbiosis

Circular No. 128/2016 / TT-BTC on exemption and reduction of export tax for environmentally friendly products; products from recycling and treatment of waste

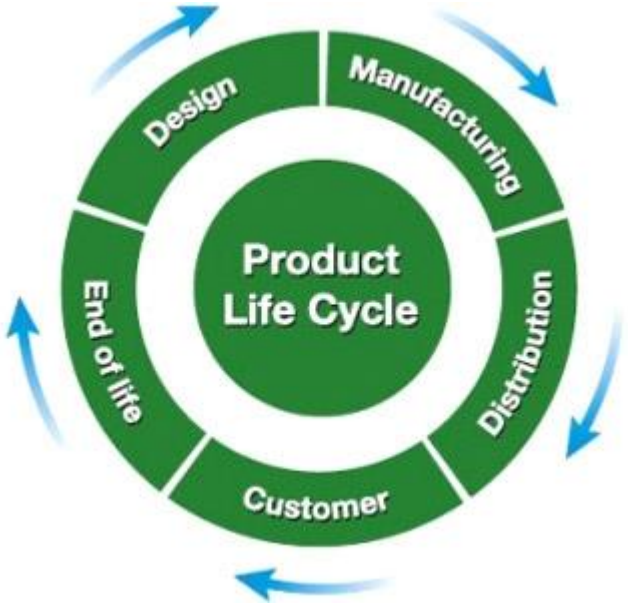
3. Current policies on circular economy development



STRATEGIES, PROGRAMS AND PROJECTS

- *Socio-economic development strategy*
- *Green growth strategy*
- *National strategy for integrated management of solid waste*
- *Industrial development strategy*
- *Cleaner production strategy*
- *Clean technology using strategy*
- *Development programs of a number of high-tech industries*
- *Environmental industry development scheme*
- *Strategy for livestock development 2020 - 2030, vision to 2045*

Approach according to the product life cycle



Design:

- Decree No: 08 / VBHN-BTNMT
- Circular No. 41/2013 / TT-BTNMT
- Circular No. 07/2012 / TT-BTNMT
- Circular No. 25/2019 / TT-BTNMT

Manufacturing

- Decision No. 76 / QD-TTg dated 11/01/2016
- Decision No. 889 / QD-TTg
- Decision No. 1393 / QD-TTg dated September 25, 2012
- National strategy for environmental protection to 2020, vision to 2030
- Socio-economic development strategy of Vietnam for the period 2011 - 2020
- Strategy for Sustainable Development 2011 - 2020

Consumption

- Decision No. 76 / QD-TTg dated 11/01/2016
- Decision No. 889 / QD-TTg

Service

- Decision No. 249 / QD-TTg dated February 10, 2010

Approach under the operation of circuclar economy

Circular Supplies: Provide renewable energy, bio based or fully recyclable input material to replace single-lifecycle inputs.

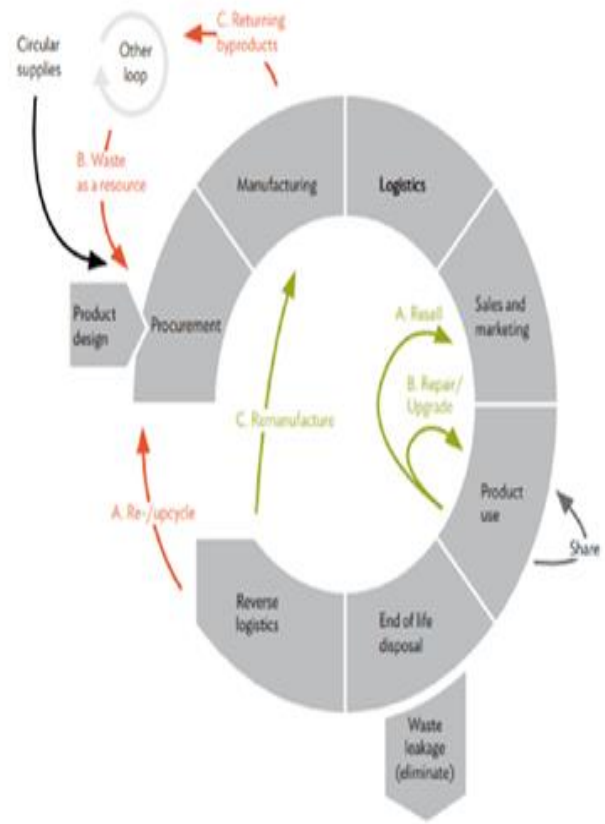
Resource Recovery: Recover useful resources/ energy out of disposed products

Product Life Extension: Extend working lifecycle of products and components by repairing, upgrading and reselling

Sharing Platform: Enable increased utilization rate of products by making possible sgared use/ access/ownership

Product as a Service: Offer product access and retain ownership to internalize benefits of circular resource productivity

**Can be applied to product flows in any part of the value chain*



Source: Accenture, 2014.

Sharing
- Decision No. 999 / QD-TTg dated August 12, 2019

Leasing

Repairing

Reusing
- Decree No. 09 / VBHN-BTNMT dated 25 October 2019
- Circular 08/2017 / TT-BXD
- Directive 33 / CT-TTg

Refurbishing and recycling
- Decree No. 09 / VBHN-BTNMT dated 25 October 2019
- Circular 08/2017 / TT-BXD
- Directive 33 / CT-TTg

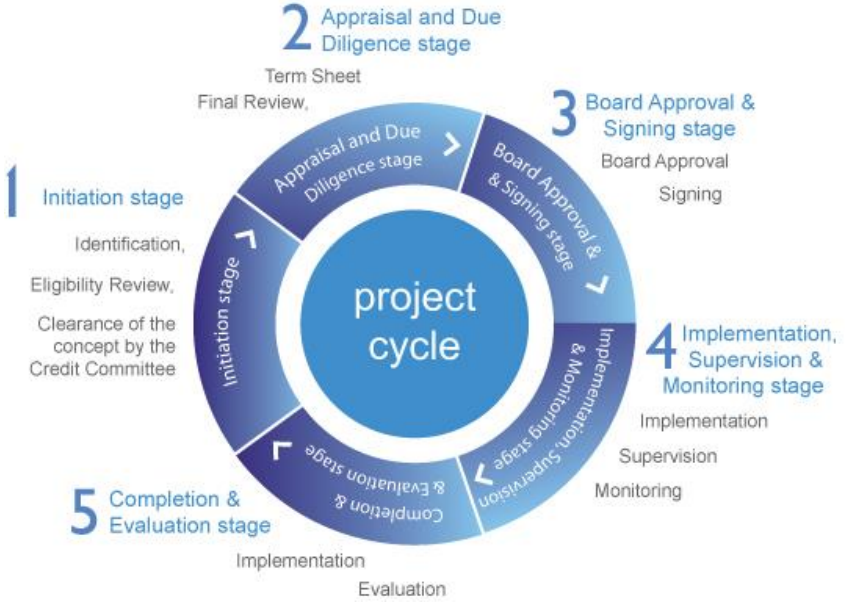
APPROACH ACCORDING THE LIFE CYCLE OF THE PROJECT

Project launch

- Law on Environmental Protection 2014
- Decree 18/2015 / ND-CP
- Circular 27/2015 / TT-BTNMT
- Circular 18/2016 / TT-BNNPTNT
- Decree No. 40/2019 / ND-CP
- Circular No. 25/2019 / TT-BTNMT

Deploy and operate the project

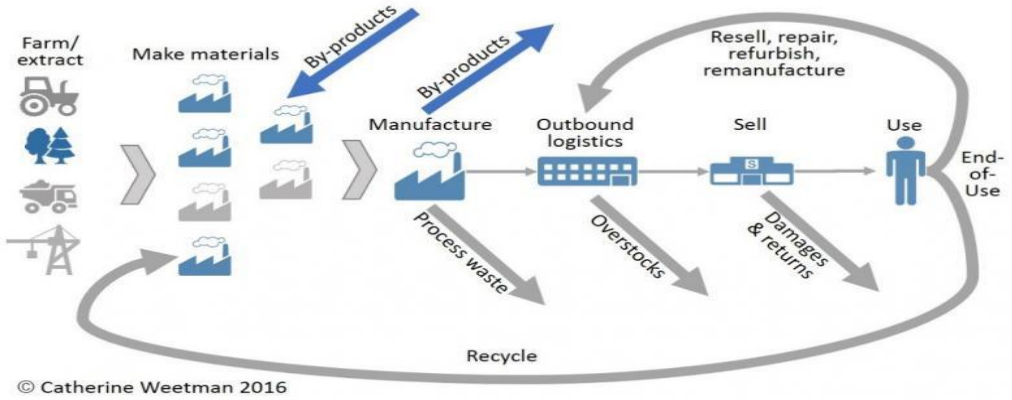
- Waste circulation; Waste management; environmental audit; economic instruments (taxes / fees, ...)
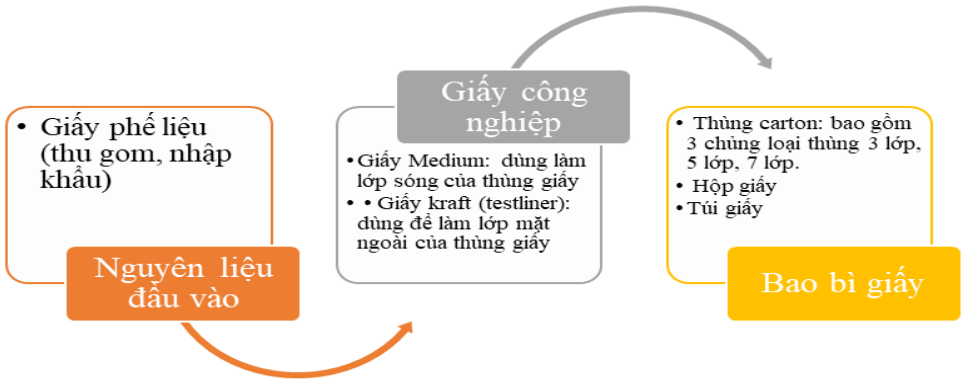


Project ending

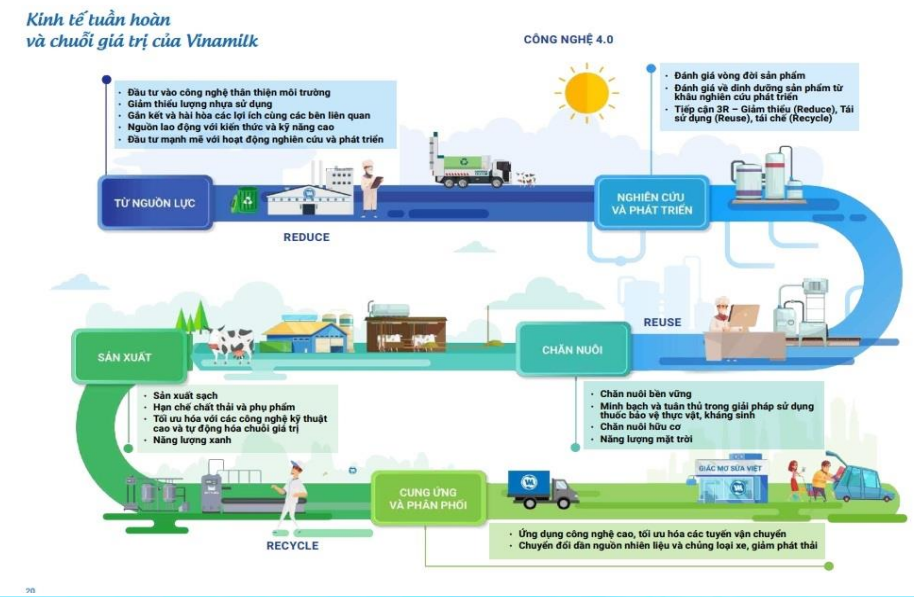
- Law on Environmental Protection 2014
- Mineral Law No. 60/2010 / QH12
- Mineral Law No. 60/2010 / QH12
- Circular No. 38/2015 / TT-BTNMT
- Circular No. 38/2015 / TT-BTNMT Decree No. 40/2019 / ND-CP
- Circular No. 25/2019 / TT-BTNMT
- Decree No. 15/2012 / ND-CP

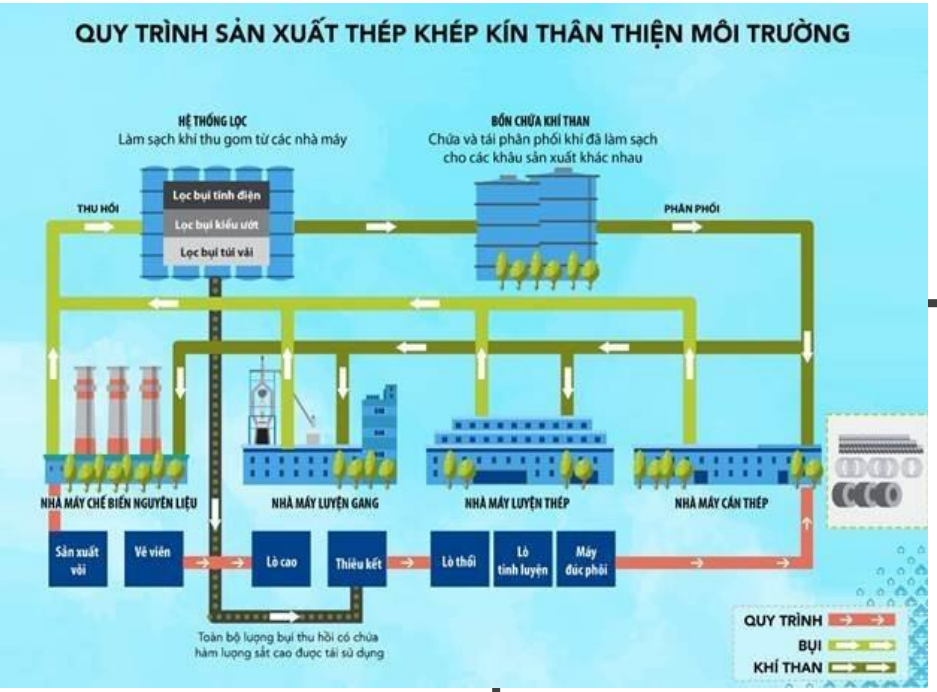
CIRCULAR ECONOMY POLICIES BY ECONOMIC SECTOR





Mã ngành phân loại theo chữ cái	Tên ngành
A	Nông nghiệp, lâm nghiệp và thủy sản
B	Khai khoáng
C	Công nghiệp chế biến, chế tạo
D	Sản xuất và phân phối điện, khí đốt, nước nóng, hơi nước và điều hòa không khí
E	**Cung cấp nước, hoạt động quản lý và xử lý rác thải, nước thải**
F	Xây dựng
G	Bán buôn và bán lẻ; sửa chữa ô tô, mô tô, xe máy và xe có động cơ khác
H	Vận tải kho bãi
I	Dịch vụ lưu trú và ăn uống
J	Thông tin và truyền thông
K	Hoạt động tài chính, ngân hàng và bảo hiểm
H	Hoạt động kinh doanh bất động sản
M	Hoạt động chuyên môn, khoa học và công nghệ
N	Hoạt động hành chính và dịch vụ hỗ trợ





Approach by industry or field

Agriculture, forestry and fishery

- Chapter VI of Decree 109/2018 / ND-CP
- Decision No. 885 / QD-TTg
- Livestock Law 2018
- Strategy for livestock development to 2020

Industry

- Article 4 of Decision 16/2015 / QD-TTg
- Circular No. 34/2017 / TT-BTNMT dated October 4, 2017
- Decision No. 16/2015 / QD-TTg
- Article 31 of Decree 155/2016 / ND-CP

Construction

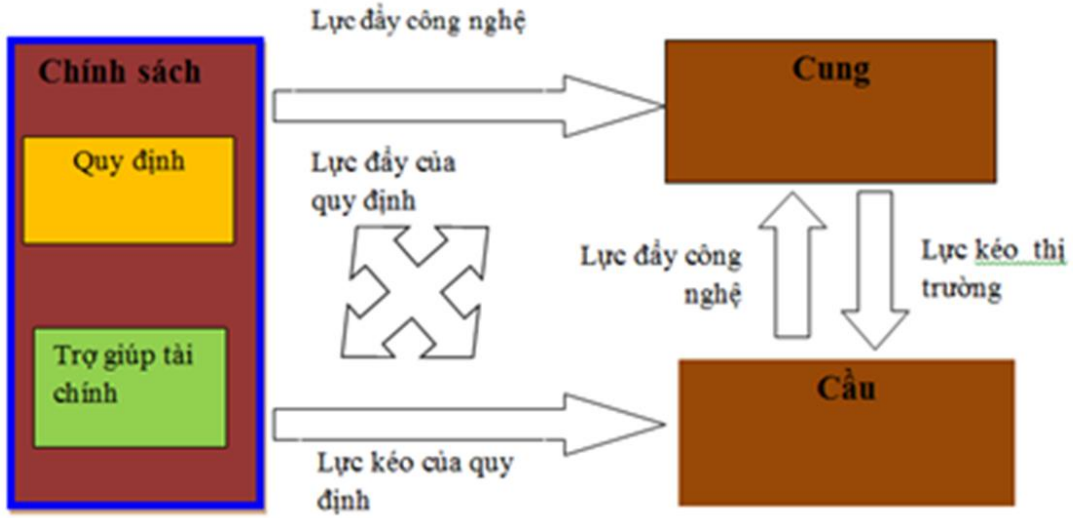
- Decree No. 24a / 2016 / ND-CP dated April 5, 2016
- Planning for building materials development

Service

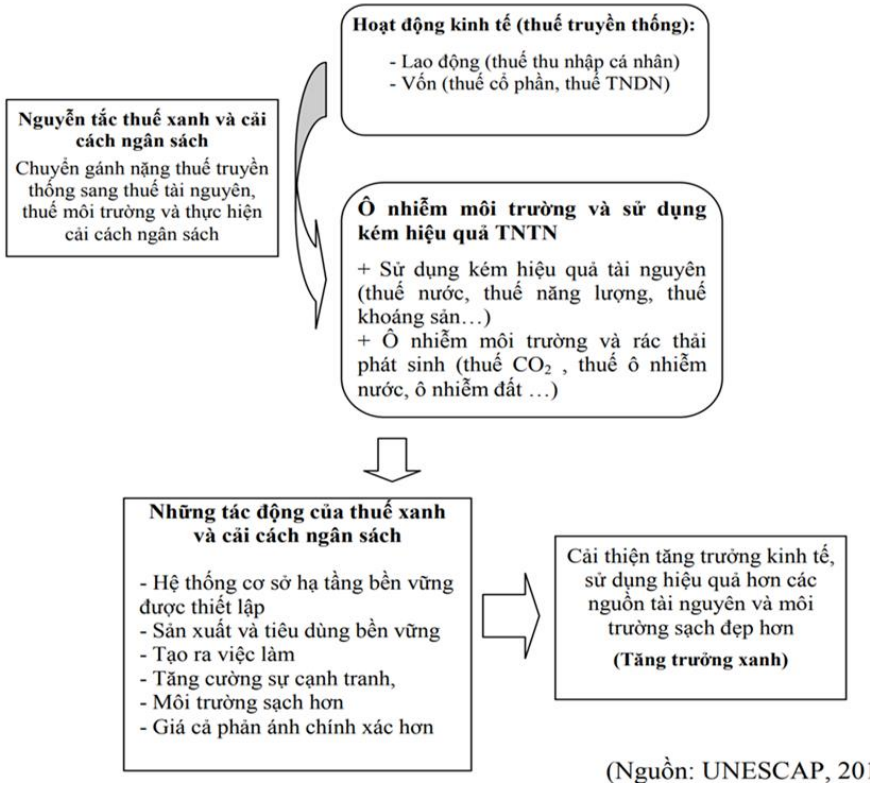
- Project "Development of environmental services to 2020"
- Decision No. 1030 / QD-TTg
- Decision No. 1216 / QD-TTg

Approach according to policy tools & resources for environmental protection

- Environmental protection tax
- Environmental protection fee
- Incentives and supports
- Responsibility of the producer
- Green consumption
- Green credit
- Environment protection fund



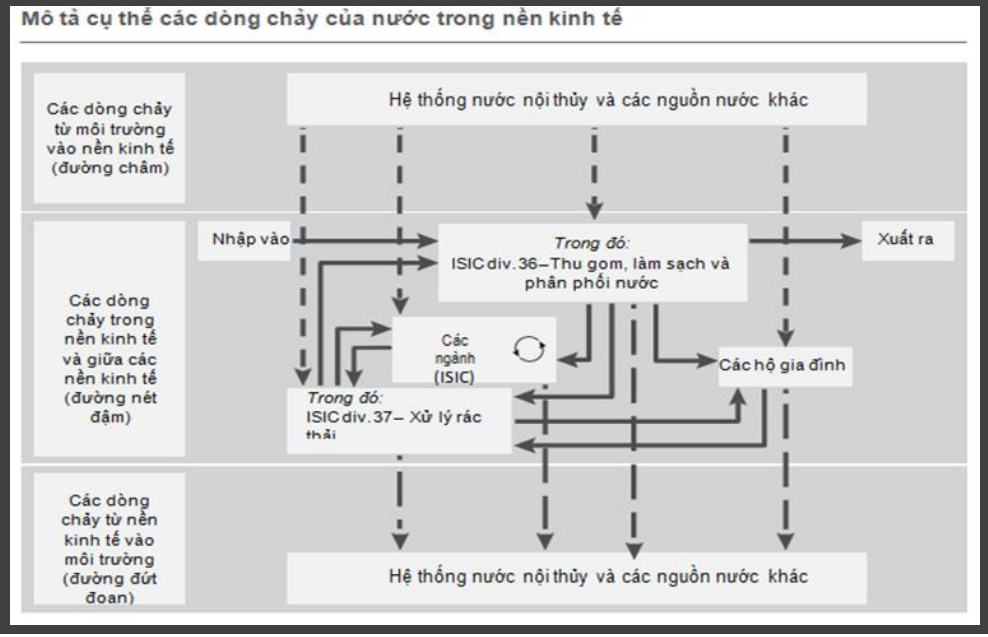
Hình được điều chỉnh dựa trên tài liệu (Horbach, 2008)



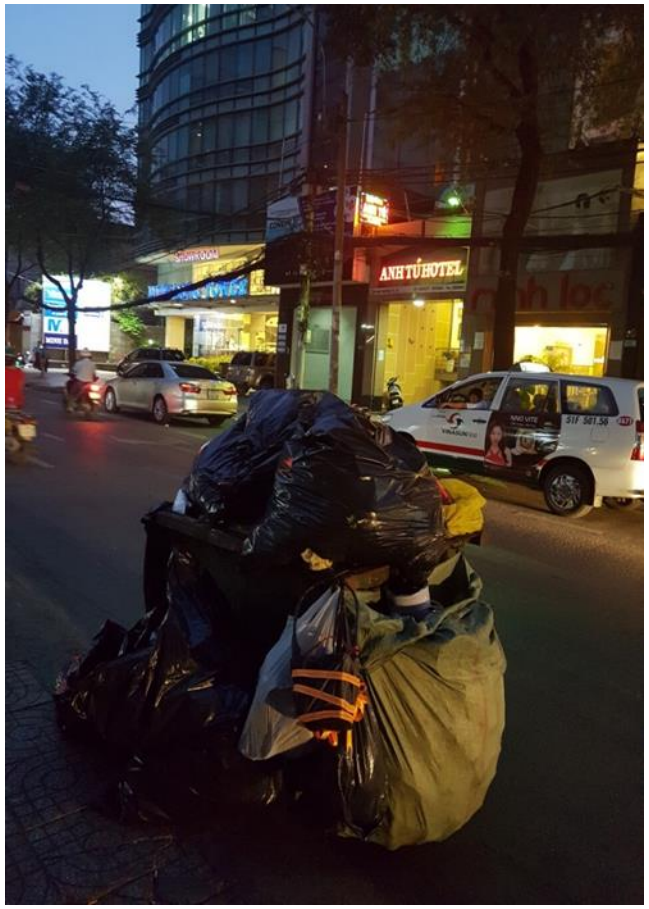
(Nguồn: UNESCAP, 2011)

3. Current policies on circular economy development

- **Approach by type of waste**



A	**Solid waste**	**- National strategy on integrated solid waste management to 2025, vision to 2050** **- Waste collection and treatment service prices according to regulations of each province / city**
B	Wastewater	- Law on water (2012), law on environmental protection (2014) - Decree 80/2014/NĐ-CP on drainage and wastewater treatment - wastewater standards
C	Emissions	Decree No. 38/2015 / ND-CP (Decree 38) on waste and scrap management; - Decree 40/2019 / ND-CP



Approach by area, region



Ecological industrial park

- Decree No. 82/2018 / ND-CP



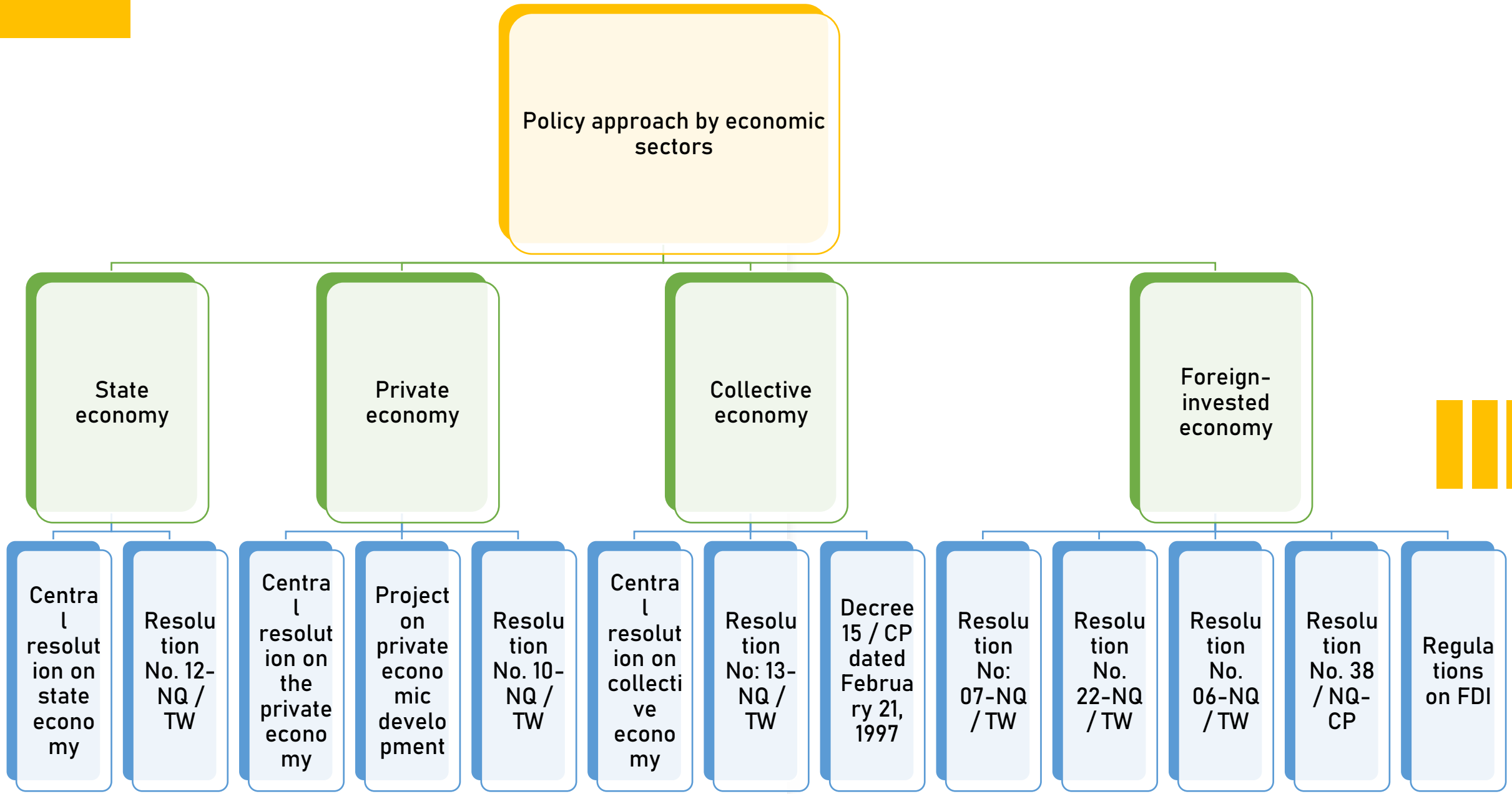
Green city

- Circular No. 01/2018 / TT-BXD



Countryside

- National target program on building NTMs for the period 2000-2020


Policy approach by economic sectors
State economy
Private economy
Collective economy
Foreign-invested economy
Central resolution on state economy
Resolution No. 12-NQ / TW
Central resolution on the private economy
Project on private economic development
Resolution No. 10-NQ / TW
Central resolution on collective economy
Resolution No: 13-NQ / TW
Decree 15 / CP dated February 21, 1997
Resolution No: 07-NQ / TW
Resolution No. 22-NQ / TW
Resolution No. 06-NQ / TW
Resolution No. 38 / NQ-CP
Regulations on FDI

Environmental pressures + fast and sustainable development ➔ CE in Vietnam

- ❑ Urbanization and industrialization.
- ❑ Environmental pollution in urban and rural areas is increasingly serious.
- ❑Waste collection, classification and treatment still have many shortcomings
- ❑The effectiveness of regulations on waste management
- ❑ Policy tools, especially economic tools, have not yet played their role;
- ❑The market for environmental goods and services, eco-friendly products, and recycled products remains poor.
- ❑ The social responsibility of enterprises and people in complying with the law on the environment during production and consumption is limited.

SOME ISSUES RELATED TO CIRCULAR ECONOMY POLICIES IN VIETNAM

- Circular economy is the right approach, getting the response from the business community, policymakers and the public for the said economic, social and environmental benefits.
- However :

➔Not synchronous and unified in policies and practical actions to gather resources and policies towards circular economy;

➔ Some policy instruments have not yet fully played their role, such as environmental taxes / fees; eco-label, waste management, ... Not yet created a strong enough motivation to change the behavior of the whole society towards environmental friendliness;

➔ The effectiveness and efficiency of the policies are still limited;

4. Circular economy in draft policy and legislation in the next period

- A. In the draft Strategy, Socio-Economic Development Plan;
- B. In the draft revised Law on Environmental Protection, there is also a separate regulation on circular economy;
- Integrate the circular economy orientation into specific regulations in the Law on Environmental Protection as in economic instruments (such as environmental taxes / fees, eco-labels, deposit-refund, environmental industry, environmental services, green public spending, green finance…); regulations on solid waste and wastewater management.

5.Continuing works (Strategic and Policy perspective)

- Develop an overall project for circular economy in accordance with the requirements of Resolution No. 55-NQ / TW.
- Research and develop appropriate carbon tax policy for fossil fuel use.
- Complete the policy framework, develop and supplement the system of national standards and regulations on emissions and wastes in the energy sector.
- Develop and implement the project to integrate circular economy models into the strategy of developing energy enterprises.
- Review, adjust and supplement energy sector related contents in the National Strategy on Climate Change, National Strategy on Green Growth, Vietnam Sustainable Development Strategy, Vietnam Marine Strategy and other related strategies.

5.Continuing works (Legal perspective)

- Develop a roadmap, criteria's and policy framework to encourage circular economy application
- Restructuring and completing the policy system to promote transition toward circular economy.
- Completing the law on environmental protection, natural resource management and use should be considered as the first solutions to realize circular economy.
- Increase the use of economic tools, market-based mechanisms in combination with administrative sanctions to adjust the behavior of enterprises and people towards environmental friendliness.
- The focus of circular economy in the coming period must promote sustainable production and consumption;
- Environmental industry and environmental services.

Sincerely thank you!

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