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Sustainable Development from the Provincial Green Index (PGI) - in Nghe An Province, Vietnam

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Abstract

Year 2022 is the first time VCCI Introducing and announcing the Provincial Green Index (PGI) in Vietnam. This is a set of indicators to evaluate and rank environmentally friendly localities from the perspective of business practices such as the level of application of environmentally friendly technology by local businesses, level of management and application. Environmental treatment of businesses, the level of concern and willingness to invest in environmental issues of local governments and many other important environmental issues. Nghe An

province ranked 37/63 provinces and cities nationwide with 14.66 points (calculated on a 40-point scale). Tra Vinh province ranked first with 17.67 points and Hanoi ranked last with 12.52 points. The article points out issues related to the Provincial Green Index (PGI), the current status of PGI in Nghe An and offers some solutions to improve the Provincial Green Index to promote sustainable development in Nghe An Province. in particular and in Vietnam in general.

Keywords: Provincial Green Index (PGI), Green Economy, Sustainable Development

Introduction

The issue of proactively responding to climate change, strengthening resource management and environmental protection has pointed out the important issues Vietnam is facing. The ability to adapt to climate change and prevent and control natural disasters is still low, the economy is vulnerable and suffers great damage when natural disasters occur. Natural resource management still has many weaknesses and ineffective use, especially land resources and water resources. Some types of resources are abused and over-exploited, leading to degradation and depletion. Environmental pollution continues to increase, especially in urban areas and large cities, greatly affecting people's lives and activities, becoming a pressing social problem. is not clear, labor productivity increases mainly due to increased capital intensity, the process of restructuring economic sectors still has many limitations; The difference in living standards and the level of people's enjoyment of social services between regions and between localities in the region is still large; science and technology have not yet become the core driving force of sustainable development, there is still a lack of supporting mechanisms and policies for businesses to innovate and apply technology...; environmental pollution is still complicated in some localities, especially in areas with high density of industrial development. Environmental pollution in some places is still complicated, handling violations there are still many shortcomings regarding the environment; climate change and natural disasters greatly affect regions..."

The PGI index gathers business sentiment and conveys the "voice" of the entire business community about the quality of environmental management to governments at all levels. A locality is considered to have good environmental governance quality when it makes efforts to prevent and minimize environmental pollution and negative impacts of climate change; Develop and enforce reasonable regulations and measures to ensure compliance with environmental laws without creating excessive burdens for businesses; fully guide and disseminate green practices and focus on green procurement; and finally, encourage the "greening" of production and business models through specific policies and support programs.

This toolkit will provide the Government and the Ministry of Natural Resources and Environment with useful information about the current environmental situation at the enterprise level. This index is also expected to create direction and pressure for businesses to invest more widely in environmental issues.

Overview of the Provincial Green Index (PGI)

Provincial Green Index, English name Provincial Green Index (PGI) is a set of indicators that evaluate and rank the quality of local environmental governance from the perspective of business practices such as the level of

application of environmentally friendly technology. School of businesses; the level of management and environmental behavior of businesses, the level of interest and willingness to invest in environmental issues of local governments and many other important environmental issues.



Source: Compiled by the authors

Fig 1: PGI index

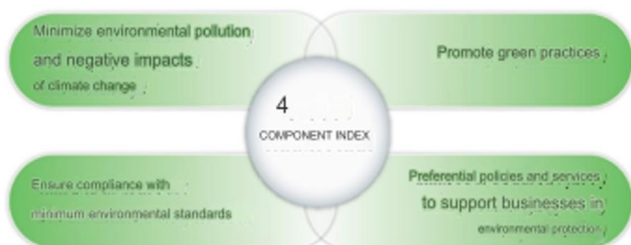
The Provincial Green Index is a set of indexes that evaluate and rank environmentally friendly localities from the perspective of business practices such as the level of application of environmentally friendly technology by local businesses, the level of environmental management and behavior of businesses, the level of concern and willingness to invest in environmental issues of local governments and many other important environmental issues. The goal of the green index is to promote provinces and cities in Vietnam to pay more attention to economic development associated with environmental protection, providing timely information to support provincial and city governments in political planning. Policies, promoting the building of an environmentally friendly business ecosystem, contributing to attracting investors with a sense of environmental protection and "green" and quality projects for Vietnam.

protection and sustainable development in recent times. Localities are the main subjects implementing policies related to investment and the environment, selecting environmentally friendly investment projects. Accordingly, localities also play an extremely important role in building an environmentally friendly business ecosystem. These policies also contribute to orienting investors and businesses to be conscious of protecting and promoting more green and environmentally friendly projects. These are the groups of activities and assessment content that the PGI index targets.

Promote the application of green, environmentally friendly technology

The Provincial Competitiveness Index (PCI) 2022 report was built based on feedback from 11,872 businesses, including 10,590 private enterprises and 1,282 foreign investment (FDI) enterprises. Operating in Vietnam. Since its inception in 2005, 176,496 businesses have participated in the PCI survey, reflecting diverse aspects of the business environment in Vietnam.

PGI Index survey results in 2022 shows that the environmental quality of localities needs to be paid more attention to improvement. More than half of businesses nationwide rate local environmental quality as good or very good. However, 30% of businesses said the locality where they operate is "not polluted" or only "slightly polluted". 37% of businesses said they were not affected by pollution. Notably, 58% of businesses observed that the phenomenon of businesses polluting the environment is common in their locality. Also, according to the VCCI Report, although in general FDI enterprises appear to be more satisfied with local environmental management, compared to domestic private enterprises, there are still some areas that have not been covered. FDI enterprises evaluated positively, such as preventing environmental pollution and sanctioning polluting enterprises. However, foreign investors have a more positive assessment of the local government's guidance on environmental laws and policies to support businesses in environmental protection.



Source: Compiled by the authors

Fig 2: Components of the PGI Index

The provincial green index is evaluated and ranked based on 4 component indexes: (1) Minimizing environmental pollution and negative impacts of climate change; (2) Ensure compliance with minimum environmental standards; (3) The role of provincial governments in promoting green practices; (4) Policies and services to support businesses in environmental protection. At the same time, PCI contributes to promoting the process of reforming the local business environment in the current difficult economic context and the business community facing many challenges. By building and announcing PGI, VCCI hopes to encourage and encourage provinces and cities in Vietnam to pay more attention to economic development associated with environmental protection. Because reality proves the very important role of provinces and cities in environmental

Current status of Green Index (PGI) in Nghe An Province



Source: VCCI (2023)

Fig 3: PGI score of Nghe An Province

Nghe An achieved 14.46 points, ranked 37.63 Provinces and Cities (Table 1). In the Central Coast Region, Nghe An ranked 8th (Table 2). Regarding component indices, the Standard Maintenance Index reached 6.05 points, ranked 3/63 (after Da Nang and Can Tho). The remaining indicators are evaluated in the average category.

No	Province/City	Year	PGI rating
1	Danang	2022	5
2	Ninh Thuan	2022	18
3	Ha Tinh	2022	23
4	Quang Nam	2022	25
5	TT-Hue	2022	27
6	Quang Ngai	2022	33
7	Khanh Hoa	2022	34
8	Nghe An	2022	37
9	Thanh Hoa	2022	40
10	Quang Binh	2022	43
11	Pacific	2022	45
12	Quang Tri	2022	53
13	Phu Yen	2022	58
14	Binh Thuan	2022	61

Source: VCCI (2023)

Fig 4: PGI ranking of Nghe An Province and Central Coast provinces

Year	Chỉ số & nhân số môi trường và năng lượng xanh (ESG)	Điểm ESG	Trình độ tin cậy của thông tin môi trường (reliability in environmental protection)	Chỉ số ESG	Chỉ số PGI	P-INDEX
Nghe An	3.43	6.05	68%	1.88	14.46	37

Source: VCCI (2023)

Fig 5: PGI component scores of Nghe An Province

Nghe An is the province with the largest natural area in the country with a population of 3.3 million people, the fourth largest in the country. Currently, there are more than 14,000 operating businesses in the province, creating jobs for about 231,000 workers, ranking second in the North Central region, marking rapid development in both quantity and quality. The structure, scale, and fields of operation have

changed in accordance with the economic restructuring, efficiency and competitiveness have been improved. Nghe An province is also in the top 10 localities attracting the largest FDI capital in the country.

However, besides that strong development, the province still has shortcomings such as: The transportation and treatment of household solid waste and plastic waste is still outdated and overloaded; many spontaneous landfills cause environmental pollution. Technical infrastructure for waste collection, management and treatment is lacking, and implementation of projects and waste treatment plants is slow. The work of renovating and restoring the environment and treating environmental pollution for establishments with serious environmental pollution has not been thoroughly handled. Inspection, testing, control and pollution treatment are not timely and the level of deterrence is not high. Environmental infrastructure planning is not synchronized, especially in city and urban areas. The negative environmental impacts caused by businesses are increasingly complex and have not been completely overcome.

Aims to raise awareness and responsibility of party committees, Party organizations, authorities, socio-political organizations, business communities and people regarding environmental protection; step by step prevent and overcome pollution and environmental degradation, solve urgent problems, improve environmental quality and biodiversity; To improve the capacity to respond to climate change and ensure environmental security for rapid and sustainable socio-economic development, Nghe An Provincial Party Executive Committee issued Resolution No. 08-NQ/TU, dated February 2. /March 2022 on strengthening the Party's leadership over environmental protection in Nghe An province in the period 2022 - 2030. The resolution has set out many specific goals, including: By 2025, 100% of operating industrial parks have centralized wastewater treatment systems that meet environmental technical standards; 100% of establishments causing serious environmental pollution are thoroughly treated; The rate of industrial parks, production, business and service establishments installing automatic monitoring

systems and transmitting data to the Department of Natural Resources and Environment according to regulations reaches 97% (by 2025), reaching 100% (year 2030).

After the Resolution was issued, awareness and awareness of people and businesses about environmental protection was significantly increased. The quality of people's living environment has been improved, the industrial park wastewater collection and treatment system... has received attention and investment in construction. The province also encourages and selects investors and types of production with advanced and environmentally friendly technology. The PGI Index of Nghe An province was announced for the first time to rank 37/63 provinces and cities nationwide, although it is not high, it partly clearly reflects efforts to improve the business environment and quality. Environmental management of the Party Committee and local authorities.

Some solutions

To get results according to the VCCI 2022 report on PGI, it is necessary to synchronously implement the following specific solutions:

On Nghe An Province side

Firstly, to carry out inspection and supervision of environmental protection activities of production and business establishments, to completely handle environmental pollution, the province needs to plan and build treatment zones. Waste

Second, dialogue and meetings with businesses: Increase meetings and dialogues with businesses at all levels from province to grassroots, to promptly support and resolve difficulties in production, business and investment activities. Investment in the province. Calling on investors to deploy projects with green, environmentally friendly technology, improving the quality of appraisal work when licensing projects

Third, strengthen the role of the Provincial Business Association: Continue to enhance and promote the role of the Provincial Business Association to connect, share and improve the production and business efficiency of enterprises. Represent and enhance the interests of its members, act as a bridge, advocate for policies, and maintain dialogue with leaders of provinces and cities. And coordination with agencies, units and localities in the province on policies that affect the business activities of the local business community. Business Associations need to operate more effectively.

Fourth, put forward many implementation plans, the entire political system focuses on management, use of resources and environmental protection. Specifically: Regularly inspect environmental protection work in economic zones and industrial parks; The point of view is not to trade off the environment for economics simply, and resolutely not put into operation projects and production facilities that do not meet environmental requirements and have not completed construction projects. Treatment of environmental pollution.

On the part of businesses

The first, Businesses and entrepreneurs need to strive to promote the spirit of self-reliance, self-reliance, creativity, and overcome all difficulties; Implement well the guidelines and policies of party committees and authorities at all levels; proactively develop strategies, production plans, build corporate culture, and business ethics. Be proactive,

creative, explore, learn, improve the capacity of your own business, and make efforts to approach development policies according to the orientation set by the province. Actively participate in conferences, meetings, and dialogues organized by the province, thereby voicing their opinions on overcoming difficulties in production and business activities.

The Second, proactively coordinate with provincial and local agencies, industrial park management boards as well as the province's Business Association to do a good job of meetings, meetings, exchanges and discussions in conferences held by the province and localities. Locally organized. Don't hesitate to raise your opinions and problems so that the provincial leaders can promptly grasp and solve problems related to the environment: Resource use, waste treatment.

The third, Enterprises need to determine how to harmoniously develop the three goals of the development triangle: Economy, society and environment. Enterprises develop production and business according to the State's planning and orientation, comply with State laws on environmental protection, contribute resources to environmental protection, and actively demonstrate social responsibility. The social responsibility of businesses is first of all to ensure that the production process limits negative impacts on the environment.

Fourth, Digital Transformation: In current conditions, when the Fourth Industrial Revolution is developing strongly, businesses need to approach and apply its achievements into practice, innovate technology, apply new, environmentally friendly business models for sustainable development.

Fifth, Invest in qualified and high-quality human resources, paying attention to labor income. Have a plan to organize staff and workers to update information, train, improve knowledge and skills at work, apply new technologies in production, save resources, and protect the environment. and towards sustainable development.

Conclusion

In the context of climate change affecting many localities, applying the Provincial Green Index (PGI) in parallel with the Provincial Competitiveness Index (PCI) plays an important role in development. Of Vietnamese businesses and economy. Therefore, localities need to encourage businesses to convert to greener business methods and promote the application of green and environmentally friendly technology. Along with that, for the reception of investment projects, there needs to be multi-dimensional assessments of long-term environmental impacts. Thereby, creating motivation to create high added value and be environmentally friendly. Through the Green Index, we hope that provinces and cities will pay more attention to economic development associated with environmental protection. Providing timely information to support the government in making policies related to investment and the environment, promoting the building of a friendly business ecosystem, promote more green projects, orienting investors who are conscious of environmental protection towards sustainable development.

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