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### Provincial Green Index: Research in Hanoi City, 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. Based on a scale of 40 points, 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 Hanoi City and offers some solutions to improve the Provincial Green Index to promote sustainable development in the City. Hanoi in particular and 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. It 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 author

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.



Source: Compiled by the author

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 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.

**Current status of the Green Index (PGI) in Hanoi**



Source: VCCI (2023)

Fig 3: PGI score of Hanoi City

Hanoi scored 12.52 points, ranked 63/63 Provinces and Cities (Fig 4). In the Red River Delta Region, Hanoi ranked 11/11 (Fig 6), leading the region is Bac Ninh province with 17.21 points.

No.	Province/City	Year	PGI score
1	Bac Ninh	2022	17.21
2	Quang Ninh	2022	17.12
3	Hai Duong	2022	16.53
4	Vinh Phuc	2022	16.35
5	peaceful	2022	15.95
6	hung Yen	2022	15.77
7	Hai Phong	2022	15.69
8	Nam Dinh	2022	15.35
9	Ha Nam	2022	13.90
10	Ninh Binh	2022	13.43
11	Hanoi	2022	12.52

Source: VCCI (2023)

Fig 4: PGI ranking of Hanoi City in the Red River Delta region

Regarding component indexes, the Provincial Government's Leadership Role in Promoting Green Practices Index reached 3.65 points, ranked 49/63 and is the index with the highest ranking among the component indexes (chart number 3).



Source: VCCI (2023)

Fig 5: PGI component scores of Hanoi City

Province/City	Provincial Green Index scores are not yet weighted	Policy 1. Minimize environmental pollution and negative impacts of climate change (for businesses)	CSTP 2. Ensure compliance with minimum environmental standards	CSTP 3. The leadership role of the provincial government in promoting Green practices	CSTP 4. Policies and services to support businesses in environmental protection
Bac Ninh	17.21	6.85	5.23	3.59	1.58
Ha Nam	13.90	3.35	5.12	3.53	1.83
Hanoi	12.52	3.15	4.27	3.65	1.46
Hai Duong	16.53	4.61	4.61	5.15	2.13
Hai Phong	15.69	3.08	4.97	5.35	2.30
hung Yen	15.77	4.25	5.79	4.28	1.46
Nam Dinh	15.35	3.14	5.78	4.25	2.20
Ninh Binh	13.43	3.42	4.94	3.60	1.49
Quang Ninh	17.12	5.12	5.26	4.74	2.01
Peaceful	15.95	3.61	5.68	4.31	2.34
Vinh Phuc	16.35	4.35	5.51	4.48	2.02

Source: VCCI (2023)

Fig 6: PGI component scores of Hanoi City and provinces in the Red River Delta region

Clearly improve the investment and business environment; improving the ranking of the Provincial Competitiveness Index (PCI) in the group with high rankings compared to provinces and cities nationwide and clearly improving the Provincial Green Index (PGI) are the contents mentioned in the Plan. Plan No. 167/KH-UBND of Hanoi People's Committee on improving the PCI Index and PGI Index in 2023.

In 2022, VCCI announced the PGI Index for the first time, Hanoi reached 12.52 points, ranked 63/63 provinces and cities. The PGI component indexes ranked quite low, including: "Promoting green practices" reached 3.15 points, ranked 49/63; "Reducing environmental pollution and impacts of climate change" scored 4.27 points, ranked 59/63; "Ensuring compliance with minimum environmental standards" scored 3.65 points, ranked 59/63; "Policies and services to support businesses in environmental protection" scored 1.46 points, ranked 62/63.

The city also strives to increase 10 levels or more for 4 PGI component indicators, including: "Promoting green practices", "Reducing environmental pollution and the

impact of climate change", "Ensuring compliance with compliance with minimum environmental standards", "Policies and services to support businesses in environmental protection"; At the same time, complete the Competitiveness Assessment Index at department, industry and local levels in the city (DDCI).

To complete the targets, the Chairman of the City People's Committee assigned the heads of departments and branches; Chairman of the People's Committees of districts, towns and districts, based on assigned tasks, is responsible for organizing the good implementation of this plan; Closely coordinate with the unit assigned to preside over improving the PCI component index and PGI to complete its tasks; proactively and actively communicate and create social consensus in carrying out the tasks of improving the investment and business environment and enhancing competitiveness under their responsibilities; Building the image of the unit and the city in "Building a service government - Taking people and businesses as the objects to serve"...

Hanoi capital is the national political and administrative nerve center, a major center of culture, science, education, economics and international transactions. Hanoi, more than a thousand years old, is known to the world as the "Capital of conscience and human dignity". Therefore, Hanoi needs to further promote the spirit of self-reliance, self-reliance, innovation, and build and develop the Capital into a model of socio-economic development of the whole country. With 30 administrative units, a total area of nearly 3,400km<sup>2</sup>, Hanoi ranks 2nd in population and GRDP size, ranks 8th in GRDP per capita, and ranks 30th in GRDP growth rate in 2022. Hanoi The province currently contributes nearly 13% of the country's GDP; contributing 43% of GRDP and 43.8% of budget revenue of the Red River Delta.

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.

The PGI Index of Hanoi City was announced for the first time, ranking 63/63 provinces and cities nationwide, thereby requiring additional efforts to improve the Party's business environment and environmental governance quality. Ministries and local authorities.

**Solutions  
Towards Hanoi City**

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 City Business Association:* Continue to enhance and promote the role of the Provincial Business Association to connect, share and improve 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.

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*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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