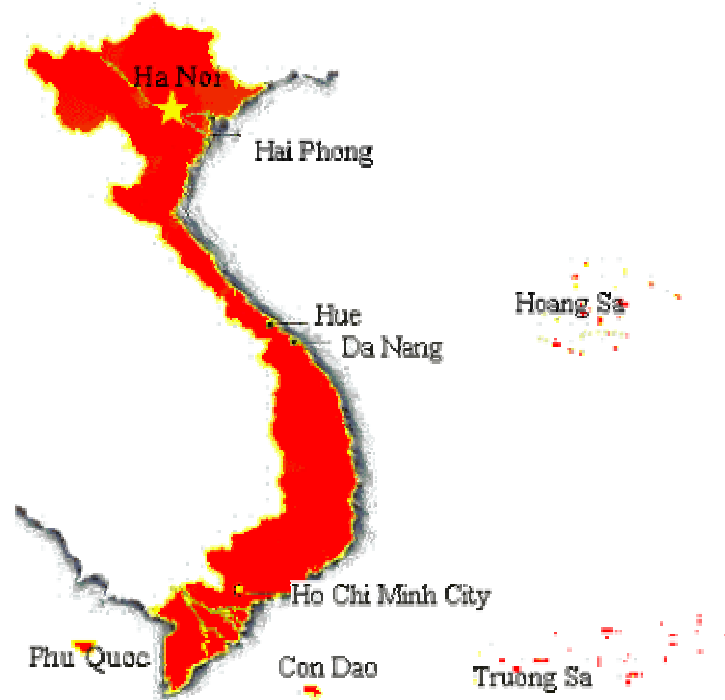




**DRAFT WORKPLAN
FOR VIETNAM
FISCAL YEAR 2003**



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EXECUTIVE SUMMARY

When US-AEP launched operations in Vietnam more than three years ago, we defined our overall goal to become a valued partner of Vietnam to help it manage the environmental challenges inherent in increased urban and industrial growth. Substantial progress has been made. An office of committed professionals has launched a program sensitive to both Vietnamese requirements and the United States' broader objective of increased economic engagement. Highlights of that engagement include:

- Assistance from US-AEP provided a basis for the budding working relationship between the National Environmental Agency (NEA) and the U.S. Environmental Protection Agency (EPA) in environmental law and regulation. In December 2001, US-AEP helped facilitate the signing of a Joint Statement of Intent between EPA and NEA's parent Ministry, the Ministry of Science, Technology and Environment (MOSTE).
- US-AEP and EPA were instrumental in the nationwide phase out of lead in gasoline that occurred in July 1, 2001.
- We launched a resource cities partnership, in collaboration with the World Bank, between Haiphong and Seattle. Early in 2002, Hue and Honolulu entered into a second resource city partnership, supported by US-AEP and funded by USAID's Regional Urban Development Office (RUDO).
- Two successful CSG grant awards to the California Air Resources Board and the Colorado Environmental Business Alliance.

The sum of these and other activities is a set of relationships and initiatives with environmental agencies, governments and the private sector comparable to US-AEP's program in other countries.

US-AEP's 2001-2004 builds and expands on those initiatives. We will present both U.S. private investment and public engagement in Vietnam as a creative long-term relationship with benefits for both Vietnam and the United States. We will engage Vietnam on selected development issues of environmental and urban management. We will support U.S. trade and investment opportunities during Vietnam's transition to a market-driven, industrial economy. In doing this, we will work closely with the country team, the government, other donors, and the U.S. private sector. Broadly, we see engagement in four specific areas:

Engagement on Key Issues Related to the Overall Regulatory Framework: US-AEP has already brokered a collaborative and deepening relationship between the Vietnamese National Environmental Agency and the U.S. Environmental Protection Agency. Under that, EPA will work with improving public participatory practices of NEA and support development of new air and water emissions standards. Our long term goal is to develop the U.S. Environmental Protection Agency as one of the National Environmental Agency's chief international partners for accessing international best practices and testing innovative policy initiatives, particularly as it now will be placed in a new home, the Ministry of Environment and Natural Resources. Additionally, we plan to expand and integrate these efforts into our regional-wide Regulatory Dialogue, focusing on initiatives at the local provincial level.

Urban Engagement: Vietnam faces the same problem as other countries in Asia -- a huge demand for urban services but limited regulatory and oversight capacity. This year US-AEP will continue its engagement of the cities of Seattle and Hai Phong and Hue and Honolulu. In

addition, a new support program will be initiated with the People's Committee of Ho Chi Minh City (HCMC), finding ways to help it implement its new found independence given it by Decision 93 of the Government in December 2001. The first effort in this will be to assist HCMC in managing private operators in municipal solid waste collection and disposal. Lastly, following the completion of a report on clean air issues in Vietnam, further effort will be made in supporting the joint donor/government programs in air quality through the Clean Air Initiative for Asian Cities.

Industry Program: This fiscal year will mark the programmatic beginning of US-AEP/Vietnam's industry program. At the close of FY 2001, US-AEP Vietnam engaged an expert in pollution prevention to develop a strategy for engagement. US-AEP also worked on two related specific waste management projects in the most industrial area of the country, Ho Chi Minh City: one on scrap leather, the other on hazardous waste. This year will see a more direct strategy in development of more environmentally friendly policies in industrial parks, the chemical industry and the petroleum industry focused on mitigation and response preparedness to oil spills.

Civil Society Partnership Program: This regional program has provided a much-needed facility to support in-country initiatives under direction of the US-AEP office in Vietnam. After the completion of four grants begun in FY 2002, this program will continue to grow in Vietnam.

Trade & Investment: Beyond participating in US-AEP's new Council of State Government (CSG) Grants program, US-AEP will play a strong role in planning and operation of Vietnam's only nationwide environmental exhibition and trade show, Green Week.

Work on U.S. Government's Assistance to Vietnam in the Environment: As it has in the past year, the US-AEP office in Vietnam will continue to support other environmental initiatives funded by other US Government programs. This year presents the US-AEP Vietnam program with a new opportunity to engage in a small number of larger projects by leveraging a portion of \$1m in funds placed with the Cambodia and Regional Bureau for Mainland Southeast Asia. In this workplan, proposals are made for this funding to cover major costs in three projects mentioned in the text and budget below: one which would support the introduction of catalytic converters, another to promote better management of hazardous wastes and persistent organic pollutants (POPs) and a third to support an oil spill mitigation and response plan.

OUTLINE OF US-AEP STRATEGY FOR VIETNAM FOR FY2003

US-AEP's objectives in Vietnam are three-fold: first, to help present both U.S. public and private investment and engagement in Vietnam as a creative long-term relationship with benefits for both Vietnam and the United States; second, to engage Vietnam on selected development issues that support creative overall environmental, industrial, and urban management; and third, to support U.S. selected trade and investment opportunities which will arise during Vietnam's transition to an increasingly urbanized, market-driven, industrial economy.

Background

The movement to a market driven economy in Vietnam continues. Per capita income remains low at \$375; GDP growth after a number of years of high growth is now in the 5% range, and Vietnam's economic development continues to shift from agriculture to industry. This trend presents US-AEP with both special challenges and unique opportunities to deepen our development engagement.

Since embarking on economic reform and opening its doors to international markets, Vietnam has experienced rapid urbanization. In the late-mid 1980s, for example, less than one fifth of Vietnamese lived in cities, now this number is about one fourth. Much like in other rapidly growing and urbanizing countries, growth in Vietnam's 650 urban areas is outpacing the extension and improvement of environmental controls and services. Likewise, growth in industry has led to increased pollution. At present many production facilities do little to limit harmful substances from their water and air emissions.

The effects of this growth in urbanization and industrialization are apparent throughout the economy. Results from water monitoring of West Lake in Hanoi, for example, show a significant deterioration from 1980 to present. At the same time the annual 25% increase in motorcycles to some 8 million and a concurrent increase in other vehicles has eroded air quality in most urban areas.

The relatively lower scale of industrialization compared to other Southeast Asian economies, however, presents opportunities to improve Vietnam's urban and industrial sectors before the situation deteriorates further. Already Vietnam has had notable successes: progress has been made in reducing dust from industrial sources; lead gas has been phased out, and there is increased awareness by the public of environmental issues.

A formal beginning of this progress began in 1993 when the National Assembly passed the Law on Protection of the Environment. The National Environmental Agency (NEA), a subordinate of the Ministry of Science, Technology and the Environment (MOSTE) implements this law. Additionally, approximately twenty other central government ministries and institutions have some role to play in environmental protection. For example, general responsibility for the prevention of marine pollution lies with the National Maritime Bureau while responsibility for dealing with the discharge of pollution from ships falls to the Ministry of Transport. There is also now a nascent movement for all ministries to have their own environmental section. Soon too the Vietnamese Government is expected to establish the Vietnam Environment Fund (VEF) with resources up to VND 500 billion to fund environmental protection activities. In addition, there are the numerous think tanks and citizen groups emerging in the country. How Vietnam deals with its growing pollution problems will be determined by all those stakeholders in Vietnam. This means how they are organized, what policies they adapt and which combination of incentives and command and control eventually are put in place. This dynamic represents the main "driver" for our engagement, both in terms

of organizational and management of specific environmental issues as well as exposing Vietnam to best practices in the region and the United States.

Although few truly non-governmental organizations have developed in Vietnam, over the past few years loosely organized citizen movements have pushed the government to address and resolve local environmental problems. For example, in the past few years, local vegetable farmers near Ho Chi Minh City pushed the Vedan MSG factory to clean up its emissions, while in Thu Duc, fish farmers did the same with the Truong Tho Milk Factory. Most recently, residents of Nam Dinh stopped the city's garbage collection services until the city cleaned up their water supply. This is an areas where the environmental governance grant program that we a doing with The Asia foundation has been extremely useful. A more healthy local environmental NGO movement may not be far from coming. Up to the present most , most environmental NGOs operating in Vietnam are either international (e.g. World Wide Fund for Nature or WWF) or local research/consultant bodies (e.g. the Center for Natural Resources Environment Studies, CRES). The former initiates and supports a wide variety of environmental projects; the latter mostly consists of consulting services for both international and national organizations.

One group that has blossomed in Vietnam, however, are the numerous professional associations. Under the areas loosely tied to the urban management area alone, there are at least 13 associations which include the Vietnam Water Supply and Sewerage Association (VWSA), the Vietnam Construction Environment Association (VCEA), the Vietnam Urban Environment Association (VUREA), and the Vietnam Water Resources Development Association (VIWARDA). By their nature all of these become involved in policy and governance issues. The broad trend to publicly discuss environmental issues and at times to advocate for specific policy changes is another "driver" shaping our strategy.

While many of these new associations bring together business persons involved in environmental issues, the corporate link in environmental protection remains comparatively weak. Up to now, Vietnamese companies and much of the Asian foreign investors have seen little value to good corporate environmental citizenship. Few companies that are on the Hanoi or HCMC black lists have actually been taken off since 1998 when these lists were established. Up to now, only a handful--mostly foreign--companies country-wide have achieved certification in ISO 14000. In some cases, it is indeed the state owned enterprises (SOEs) that are the worst violators. This make perverse sense given many are loss making and can draw on political clout to fend off attempts by the enforcement authorities to make them clean up their act. On a recent trip to a coastal province near HCMC, US-AEP found our partners in the local Department of Science, Technology and Environment (DOSTE) office were unable to get any SOE sea food processor in the province to install wastewater treatment facilities, whereas private ones are busily installing systems to clean up their emissions.

This record of uneven environmental protection implementation throughout the country makes our ambitions in this sector modest. Many of the basic environmental challenges are slowly being met to provide clean water, deal with wastewater and solid wastes and both mobile and stationary source air emissions. In essence, it is the goal or "driver" of US-AEP to assist Vietnam to increase the speed, breath and quality of these improvements both at the industrial policy level and where specific conditions would indicate a reasonable change of success.

Strategy

The US-AEP strategic focus will be to consider the unique political, cultural and economic conditions prevailing in Vietnam and launch activities in those areas which offer the most

opportunity for progress and mutual collaboration Activities will center on looking for creative solutions to environmental problems in a way that introduces new approaches into the thinking of environmental stakeholders. We also plan to work cooperatively with other donors, and the U.S. private sector. The United Nations Environment Programme, the Asian Development Bank, the World Bank, the Canadians, the Japanese as well as the Nordic countries, all of whom have substantial aid programs and long in-country experience in dealing with industrial and urban environmental issues. When there are opportunities for collaboration which a mutually beneficial, we plan to actively collaborate our efforts with theirs. A case in point is the work we have and will continue to do on clean air with the Asian Development Bank and working with the World Bank on an Environmental Loan Fund.

Our office will offer a mix of assistance comparable to that of other AEP officers with engagement in five specific areas:

1. Improved Public Policy and Environmental Regulation;
2. Improved Urban Management;
3. Wider use of cleaner production and improved management of waste in industry;
4. Increased Trade and Investment;
5. Supporting other US Government-funded initiatives in the environment in Vietnam;

Most of the proposed and on-going activities under these areas are listed in the attached summary imposed on an image of Vietnam.

Improved Public Policy and Environmental Regulations

As noted, while there are a wide variety of stakeholders, each with an important role to play in Vietnam's overall environmental management, the key counterpart is the National Environmental Administration of the Ministry of Science, Technology and the Environment who is responsible for overall environmental policy in Vietnam. Over the three years of its operations in Vietnam, US-AEP has developed a close, collegial working relationship with this agency both by the work that has been done by the U.S. Environmental Protection Agency and the work of the Regulatory Dialogue, but most importantly by the comfortable working relations that have been established by the US-AEP staff in country.

As a result of that relationship US-AEP has already brokered a collaborative and deepening relationship between the Vietanmese National Environmental Agency and the U.S. Environmental Protection Agency. Under that, EPA will work with improving public participatory practices of NEA and support development of new air and water emissions standards. Likewise efforts from the Regulatory Dialogue have helped push forward policy thinking with respect to a major revision of Vietnam's financing of an environmental loan fund and review of environmental investments. Our long term goal is to build on those successes by supporting further Regulatory Dialogue work and by developing the U.S. Environmental Protection Agency as one of the National Environmental Agency's chief international partners. This will be dependent, of course, on EPA committing the time and staff resources necessary to keep developing that relationship.

Engagement in this area is especially timely as the government of Vietnam has announced plans to reorganize the environmental establishment and relocate the National Environmental Agency in a newly organized Ministry of Environment and Natural Resources. As thinking and plans are further articulated, we plan to expand and integrate these efforts into our regional-wide Regulatory Dialogue, focusing on initiatives at the local provincial level. Thailand has been undergoing a similar reorganization supported by the Regulatory Dialogue component and we believe that there are opportunities to share experience that will benefit Vietnam's

own plans. Such ministerial reorganizations occur at most once in a decade and we believe that this could represent a significant policy opportunity for US-AEP.

At the same time some specific sub-national policy issues warrant engagement. These issues center on the work of the Hanoi DOSTEs to move to the next plateau of environmental management. For example, Hanoi is interested in taking a fragmented and uncoordinated air quality monitoring system and integrating that as a better instrument to monitor and publish air quality data. They are also interested in a more comprehensive approach to managing the many multiple use lakes in the Hanoi urban area by working with us and other donors. Both of these activities represent areas that are our top choices where we would like to find a committed CSG partner to develop a multi-year, sustainable working relationship.

Improved Urban Management

Vietnam faces many of the same urban challenges as other countries in Asia – irreversible urbanization and a demand for urban services constrained by limited investment, regulatory and oversight resources. The problem is particularly acute given that recent studies indicate that this urbanization appears more concentrated in only a handful of cities as compared to some other Asian countries.

This year US-AEP will continue its engagement of the two Resource Cities Partnerships between Seattle and Hai Phong and Hue and Honolulu respectively. In addition, we plan to initiate a new support program with the People's Committee of Ho Chi Minh City (HCMC). They are interesting in finding ways to implement their new found managerial authorities under the recent Decision 93 of the Government in December 2001. This authority will give them more complete regulatory control and be able to set the terms and conditions over the many solid waste management companies that will be contracted in the next few years. The terms, conditions and degree of oversight need to be worked out before that can be fully affected will determine the ability of the city to manage a critical urban environmental issue.

Additionally, we plan to continue our efforts in supporting the joint donor/government programs in air quality through the Clean Air Initiative for Asian Cities. US-AEP has been the major stimulus in creating an interagency and donor working group that are formulating initiatives to promote cleaner air. Some relate to raising fuel standards and build on the work that US-AEP earlier did in co-leading the phase out of leaded gasoline in Vietnam. We anticipate that much of this work will be done in conjunction with comparable activities carried out by the Asian Development Bank.

Finally, a substantial portion of our regional activity will center on regional programs. These include participation in the next phase of the Mayor's Asian Pacific Environmental Summit (MAPES). It also includes collaboration with the US-AEP Indonesia infrastructure advisor on nurturing and deepening the Southeast Asian Water Utilities Association. Vietnam's Water Association was recently appointed the coordinating office for this organization and we plan to provide limited support.

Wider use of cleaner production and improved management of waste in industry

When US-AEP began operations in Vietnam a few years ago we made a deliberate decision to minimize our engagement in the industrial sector. In addition to the issue of predominance of state-owned enterprises in the industrial sectors in Vietnam, we first needed to do the analytical work necessary to raise our confidence that our interventions would be of value. That work has now been done. Late in FY2001, US-AEP Vietnam engaged an expert in pollution prevention to develop the strategy for this engagement with the Ministry of Industry. In addition, US-AEP has conducted preliminary work on two related specific waste

management projects in Ho Chi Minh City, the most industrial area of the country. One is on scrap leather the other on hazardous waste.

This fiscal year will mark the beginning of US-AEP Vietnam's industry program. Activities are planned for the areas of industrial parks, the chemical industry and waste management with a strong focus on private industry and small and medium industries. We remain sensitive to the issue of state-owned enterprises and plan to tailor our engagement with the Ministry of Industry to those activities which help it move to a more regulatory monitoring body comparable to other Southeast Asian economies. There is also a strong collaboration with an American multi-national (NIKE). The activities are described in more detail in the workplan.

Trade & Investment

With the delinking of our program from the Department of Commerce activities in the Trade and Investment area will be reduced and become much more selective. For the most part these will be confined to two core activities: potentially participating in commercial side of US-AEP's new Council of State Government (CSG) Grants program and playing a strong supportive role in the planning and operation of Vietnam's only nationwide environmental exhibition and trade show, Green Week.

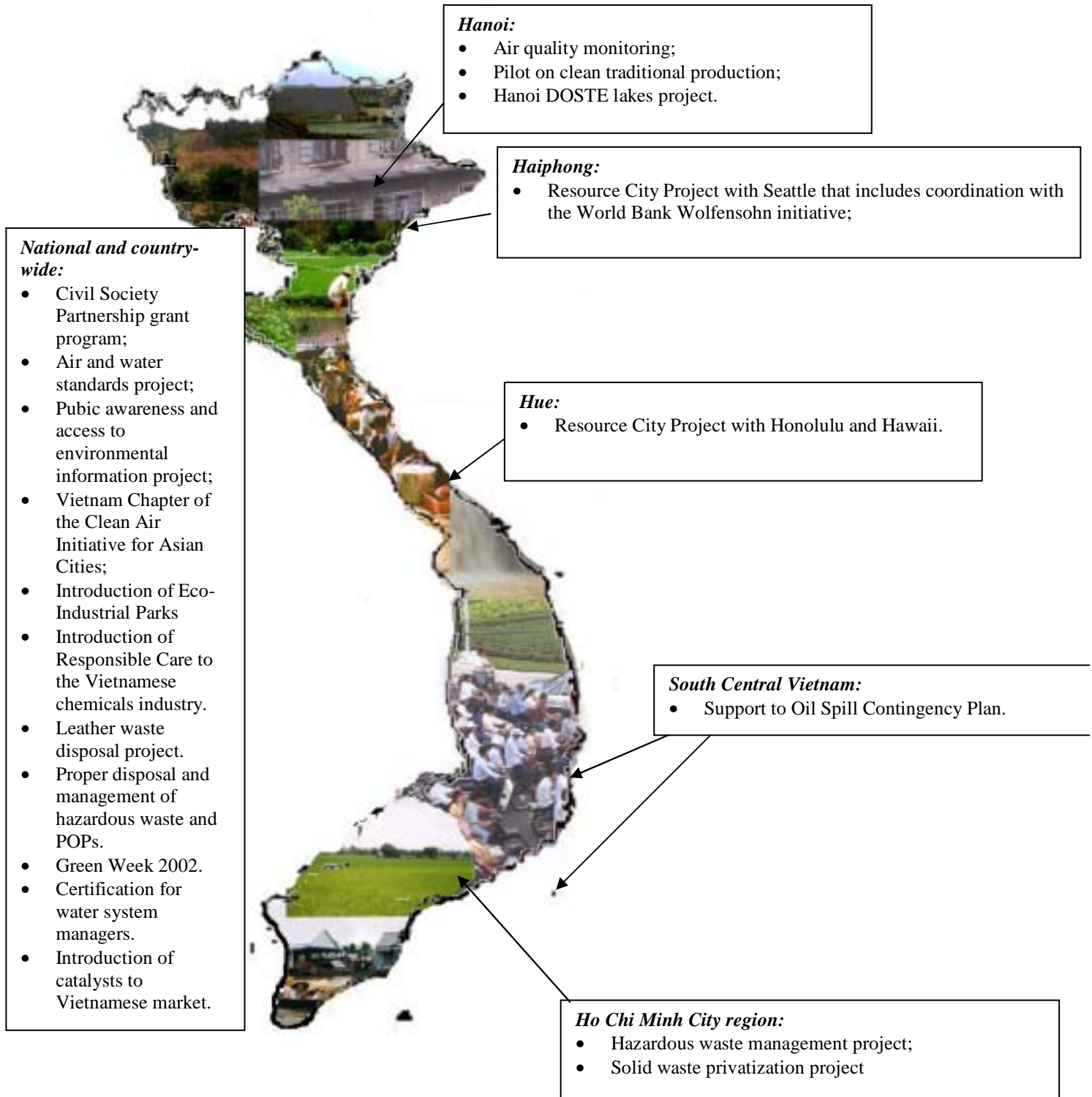
Collaboration with other USAID and US Government initiatives

As noted at the beginning, the US-AEP program in Vietnam operates in the context of a broader USAID program which is expanding its presence and intensifying work, particularly on economic and financial sector reform. Vietnam will have to do substantial work on issues related to more deeply harmonizing their trading regime with ASEAN, their commitment to join the Asian Free Trade Association (AFTA) as part of their APEC membership and their plans to join the World Trade Organization. For the Vietnamese economy to become more competitive, changes are needed in macro economic policy, national investment choices, human resource development, economic management, and invariably environmental management.

Subject to additional discussions between the Secretariat in Washington and other USAID offices, we plan to cooperate with the broader USAID effort. Many competitiveness issues can be restated as issues of good environmental practices. For example, international buyers are increasingly interested in the environmental as well as the labor practices of their suppliers.

Also at the close of FY 2002, the USEPA will hold a conference with the Ozone Office of Vietnam on encouraging companies to make commitments on climate and ozone protection. It is likely that follow-up activities will be planned with companies that sign onto reducing greenhouse gasses. Additionally, the recent evaluation of US-AEP called for more integration with the broader USAID program and suggested that the US-AEP office continue to assume responsibility for any new blue, green or regional initiatives in the country. We plan to develop these in the coming year in close coordination with the ANE Bureau and the rest of the USAID team in country. Finally, as it has in the past year, the US-AEP office in Vietnam will continue to support a number of other environmental initiatives funded by other U.S. Government programs, particularly in helping to program funds allocated to the Regional USAID Mission for environmental projects in Vietnam.

Summary of US-AEP's Activities in Vietnam for Fiscal Year 2003



Activities Description

STRATEGIC AREA I: IMPROVED PUBLIC POLICY AND ENVIRONMENTAL REGULATIONS

Title (Program 1): Strengthening of MONRE
Primary program area: Policy
Secondary program area: Industry

Partners:

U.S. Partners: USEPA, PADCO Regulatory Dialogue

Asian Partners:

Vietnam: MOSTE, National Environmental Agency, National Assembly, Ministry of Justice, Hanoi and HCMC DOSTEs and potentially other DOSTEs.

In addition, a variety of regional Asian partners will be identified by the Regulatory Dialogue and invited to participate.

Description:

Building upon the existing environmental cooperation supported by the US-AEP and following the signing of the Science and Technology Agreement in November of 2000 and the Joint Statement of Intent between MOSTE and USEPA, MOSTE has requested a more formal agreement with USEPA. The Joint Statement of Intent includes three general areas: a) exchange of expertise; b) sharing of information, and c) implementation of specific regulatory and institutional capacity building projects such as the Environmental Legal Project. Instead of overextending promises that cannot be realized, this year's EPA/US-AEP program will carry out modest activities that can be completed. The two main activities are:

1. In November 2002, EPA experts will conduct a 3-day training class on "Public Outreach & Communication in Environment Management" for a group of technical staff from MOSTE. The purpose of the seminar is to enhance the understanding of MOSTE's staff on the need to provide facts and information to the public on high risk environmental health issues. The information dissemination is intended to raise public awareness on the environment, and will address a wide range of issues such as the need for environmental legislation and regulation, technical and medical information, federal state and local policies and programs, exemplary programs and success stories. Training will prepare participants to develop and conduct strategic campaigns for achieving environmental results.
2. In about March, 2003, a technical training on environmental law enforcement and compliance will be held in Hanoi. EPA experts will delivery technical expertise on strategic approaches, implementation as well as lessons of implementation of the law in the US. This activity may result in continuing activity on suggestion of revision of the Vietnam environmental law.
3. In June/July, 2003, EPA experts will conduct a seminar that will provide a practical understanding of the key concepts in environmental pollution prevention and revenue raising for environmental projects, along with an ability to apply these concepts in support of good environmental decision making. The purpose of the training is to enable the participants to contribute to Vietnam's capacity to make sound environmental decisions consistent with national economic imperatives.

Expected Results:

Based on the workshops, the Vietnamese National Environment Agency will improve its efforts in having the Vietnamese public participate in environmental management decisions. Enhance the effect of the environmental law, and bring a new view for the Government of Vietnam when they upgrade the law.

Title (Program 2) Catalyzing Community Based Management

Partners:

U.S. partners: Vermont Department of Environmental Conservation; Green Mountain Institute for Environmental Democracy; PADCO

Asian partners: Hanoi Department of Science, Technology and Environment (DoSTE)

Asian Linkages: Philippines Laguna Lake Development Authority; Thailand Pollution Control Department

Donor Partners: DANIDA

Description:

A network of rivers, lakes and streams in Hanoi are the receiving waters for untreated sewerage, partly through open sewer canals. Flooding, stormwater run-off, industrial pollution and solid waste also contribute to water resource degradation, particularly for Hanoi's many lakes. To assist with lake restoration efforts and raise citizen awareness of the challenges, US-AEP proposes working with the Hanoi DoSTE to formulate and action plan for mobilizing communities based on international best practices in community-based environmental management.

To support the transfer of best practices, the Regulatory Dialogue will link the Hanoi DoSTE with both the Vermont Department of Environmental Conservation, and the Philippines Laguna Lake Development Authority through a series of integrated activities culminating in the development of an action plan for mobilizing communities to support the Hanoi DoSTE efforts to restore water quality.

In addition, this project will occur in parallel with a 2-year, 10 million DKK technical assistance project funded by Danida that will survey six Hanoi lakes for a pilot study that will develop an institutional framework for integrated environmental management of Hanoi lakes. Linking Hanoi with counterparts in the U.S. and the Philippines will equip Hanoi with the knowledge and tools for mobilizing citizen involvement in preparation of the Danida project.

- Activities:**
1. Information exchange and video-conferences – 1&2Q
 2. Study tour to U.S. – 3Q
 3. Conference/workshop on community-based environmental management- 4Q
 4. Launch of a Request for Proposal (RFP) process through CSG for state agencies for follow on programs in this area.

Expected Results

Action plan for the Hanoi DoSTE in mobilizing communities to assist in restoration of Hanoi lakes. In addition, a further program through a state agency will be developed.

Title (Program 3): Strengthening Environmental Trust Fund

Partners:

Asian partners: National Environment Agency (NEA); Ministry of Science, Technology and Environment; Ministry of Finance; Office of the Prime Minister; Ministry of Planning and Investment; Office of Government Personnel, Ministry of Finance

U.S. partners: EPA, state and local funds

Donor partner: World Bank

Description:

In FY02, the Regulatory Dialogue worked with NEA and a range of other ministries to develop regulations and prepare for implementation of a new national-level environmental fund known as the Vietnam Environmental Protection Fund (VEFP). Having established the fund and promulgated the fund implementing regulations, Vietnam is working to begin implementation, including setting fund policy and strategy. As a follow on, the Regulatory Dialogue proposes providing limited, strategic inputs via roundtables and video-conferences that target specific implementation requirements.

This work is related to a recent announcement that the Government Plans to create a new Ministry of Natural Resources and Environment. Details at the point are still being worked out, it's likely that the work on the environmental fund will become part of this broader initiative and that additional assistance may be provided by the USEPA. This work then will be done as a collaborative partnership of the World Bank, Regulatory Dialog and USEPA.

Milestones: Roundtables and video-conferences to support fund implementation.

Expected Results:

Development of fund implementation strategies and policies.

Title (Program 4): Emission Standards for Water and Air

Primary Program Area: Policy

Secondary Program Area: Industry

Partners:

U.S. Partners: USEPA, Regulatory Dialogue

Asian Partners: Vietnam: MOST--STAMEQ, National Environmental Agency, National Assembly, Ministry of Justice, Hanoi and HCMC DOSTEs and potentially other DOSTEs. In addition, a variety of regional Asian partners will be identified by the Regulatory Dialogue and invited to participate.

Description of Activity:

The Ministry of Science, Technology (MOST)'s Directorate for Standards and Quality (STAMEQ) requested assistance from EPA to revise the current national air and water discharge quality standards. Currently, MOSTE's STAMEQ only has 31 standards. The current environmental standards have been implemented for ten years. The STAMEQ officials realize that these are inadequate for addressing environmental protection as Vietnam continues to industrialize and experience economic growth.

It is the intention of the Government of Vietnam to review the current standards, update and set up new environmental standards. The effort will develop a roadmap for establishment of the standards, including an implementation schedule. STAMEQ is very much look for opportunity of working with US experts to receive technical assistance through USEPA/US-AEP program.

In November 2002, EPA will provide experts on environmental standards to work expert to expert with STAMEQ, and to organize a workshop to assist setting environmental standards. The workshop aims to introduce concepts of establishing environmental standards basing on loading and industrial sector, reviewing the current standards and enhancing implementation of the Vietnam environmental standards.

As a follow-up, EPA will work with US-AEP to organize a study tour in the US regarding the developing and implementation of these standards. The Vietnam technical committee on environmental standards will be members of the study tour, which is scheduled in summer 2003.

Expected Results

Increase capacity of MOST STAMEQ, Hanoi DOSTE and other key Vietnamese agencies to develop and implement water discharge and air quality standards based on the conditions and realities of Vietnam.

STRATEGIC AREA II: IMPROVED URBAN MANAGEMENT

Title (Program 5): Clean Air Initiative

Partners:

Asian and Regional Partners: MOSTE and provincial government agencies, World Bank, ADB, and Swiss Development Cooperation (SDC)

Primary Program Area: Urban

Secondary Program Area: Policy

Description:

The purpose of this activity is to further expand work in a variety of areas in air quality management based on US-AEP's leading role in this sector in Vietnam. With widespread use of old vehicles, coal stoves, uncontrolled incineration, rampant construction and poor quality roads, however, it is not difficult to find oneself in Vietnam breathing air harmful to humans.

The easiest form of pollution to identify is caused by persistent ambient parameters that can be connected to the level of development. The industrialization and modernization of Vietnam is increasing at such a rapid pace, that air pollution will indeed become a severe problem in the future. It is fortunate, however, that Vietnam has taken on a great first step in the direction of making its air safer to breath by completely phasing out the use of lead in gasoline on July 1, 2001.

Follow up activities are now being planned, particularly under the action plan for reduction of vehicle emissions drafted by the Vietnam Register. US-AEP recently also commissioned a paper to call for an integrated action plan to take this initiative further in other areas as industrial, indoor and area sources. Another initiative done by US-AEP is to encourage Hanoi participated in the regional program "Clean Air Initiative (CAI)". This activity has done followed the MAPES event, which participated the Mayor and Governor of Hanoi and other cities of Vietnam.

Activities:

- Completion of the US-AEP paper on air quality issues in Vietnam.
- Participation in Hong Kong Conference on Better Air Quality in Asia.
- Workshop and meeting to mobilize participation in CAI by mid-level Vietnamese Cities.
- Assistance to Hanoi and Haiphong on air monitoring networks (California Air Resources Board through EPA agreement).

Expected Results:

Improved public participation in urban air quality issues leading to better outcomes in air quality

Title (Program 6): Socialization of Solid Waste Management in Ho Chi Minh City

Primary Program Area: Urban

Partners:

Asian and Regional Partners: HCMC People's Committee and Departments, MOST and provincial government agencies, World Bank, and ADB.

In addition, partners in another country in-transition with successful examples of similar privatization programs will be identified.

Description:

Ho Chi Minh City (HCMC) has played a key role in Vietnam's rapid growth in industry and urbanization. With the population growth of more than 2.1% and industrial growth of about 15% per annum, the city has been facing serious problems in solid waste management from domestic and industrial and medical activities. At the moment, it is estimated that almost 5,000 tons of domestic solid waste is produced everyday, of which 80% are being collected and disposed at the open landfills. These wastes are being collected at individual household level then transferred to transfer stations before being disposed of at the local landfills. Another estimate is that about 260 tons of industrial solid wastes are being produced daily from 30,000 small and medium scale enterprises ("SMEs") and over 800 large scale enterprises, and this waste is often disposed to uncontrolled landfills or illegal dumping sites. Since there are no separate collection and disposal systems, the estimates of waste generation might be underestimated.

While the amount of solid waste has increased enormously during the past ten years, government resources available to manage this solid waste have become more and more limited, both in terms of personnel and financial resources. Within the current institutional framework and budget allocation for waste collection, transfer and disposal, it is difficult for the government to have an effective and efficient solid waste management system. At the same time, the newly approved master plan on public administration reform calls for a review of institutional arrangements for all departments in the city.

Experience in other countries has shown that participation of the non-public sector in waste management has positively contributed to environmental improvement. Under Vietnam's increasingly market-oriented economy, the potential for non-public participation in waste management is likewise increasing. Thus, there is a high demand by the HCMC People's Committee ("HCMC PC") to identify or establish a mechanism to attract non-public sector participation in waste management.

Assisted by the UNDP, HCMC developed a policy on privatization of solid waste management (under UNDP Project VIE96023). However, to implement this policy, there is still a need to develop a legal framework, which would include the rules of the process and the institutional and financial duties of relevant parties. To help accomplish this, HCMC advocates the implementation of a pilot project in a selected area and the provision of technical assistance and training to build capacity for key personnel.

Activities:

1. Develop legal requirements to implement a program for participation of non-public sectors in waste management in HCMC. These legal requirements should include

the conditions or duties in term of both institutional and financial aspects for the participating parties. An implementing schedule should be recommended.

2. Implement a pilot project for a selected area focused on specific aspects of the waste management system.
3. Train key personnel to be able to manage the system.

Expected Outputs:

1. A report on existing institutional and financial aspects of waste management in Ho Chi Minh City, including the constraints or barriers faced by different stakeholders in waste management;
2. Regulations on waste management in Ho Chi Minh City taking into account of the participation of non-public sectors;
3. An implementation program of the waste management system with the participation of non-public sectors for the whole city;
4. A work plan for a selected area to demonstrate the participation of non-public sectors in waste management. The plan should include: the identification of participating stakeholders and their responsibilities; the areas (e.g. wards, alleys, streets, public open areas, etc.) to be served by private or people-founded groups; and procedures and formats (tendering, contracts, flat fees, controls and enforcement); and
5. Promotional materials for waste segregation at the source and training program.

Title (Program 7): Strengthening Urban Water Supply/Wastewater Treatment

This is a Regional Project

Primary program area: Urban

Partners (see definitions below in description)

U.S. Partners: AWWA, WEF

Asian Partners: IATPI, PAWD, WEAP, PERPAMSI, EEAT, VWSA

Description:

The drivers of this project are that (1) US-AEP has taken initiatives, mainly through WEF, to help professional associations contribute to wastewater treatment operators certification in Thailand, the Philippines, and Indonesia (and in water treatment operators certification in Indonesia), and that (2) at least three ASEAN countries are at a formative level where they will structure training and certification procedures either in concert or individually, while Vietnam's professional associations stand to benefit from knowledge of what their neighbors are implementing.

The goal of this project is to increase professionalism and the number of properly trained water/wastewater treatment operators in Southeast Asia. This would also enhance regional cooperation and coordination between American and Southeast Asian non-governmental professional associations involved in advocacy, training, and certification of water and wastewater treatment operators. The long-term result of increased professionalism and advocacy is expected to be a greater segment of the population having access to better municipal water and wastewater services and improved operations and maintenance of process equipment

The governments in the Philippines, Thailand, and Indonesia have already declared their support for programs of water and wastewater certification and training. The programs are at varying degrees of development of their treatment operators' training and certification systems. There is as yet no formal program of reciprocity recognizing the certifications of other Southeast Asian nations, and there is no common list of certified occupations/skill levels.

Regulations and the roles of professional associations vary between countries, but the programmatic aspects of training and certification for both water and wastewater treatment are similar. Approaches to maintenance, laboratory testing, and safety/ management are common to both water and wastewater treatment. Thus, there is great potential for information sharing and incorporation of best practices among Southeast Asian professional associations.

AWWA agrees to provide volunteer time for a meeting and workshop for non-governmental professional institutions that provide training, define operator need-to-know criteria, materials, or certification for water or wastewater treatment operators in Southeast Asia. WEF is expected to agree to provide volunteer time to this activity, as well, after all US-AEP FY03 country wastewater activities are known.

Specific plans for FY 2003 are as follows:

In early 2003, a workshop will be held in a central city such as Bangkok or Manila for non-governmental professional institutions that would like to or, in fact, do (1) provide training or (2) define operator need-to-know criteria or (3) training materials, or (4) provide certification for water or wastewater treatment operators in Southeast Asia. Professional associations from at least Thailand, the Philippines, Vietnam and Indonesia would be represented

The associations will compare regulations and discuss the advantages of further cooperation, such as for stronger certification and training. Two delegates from each of the participating professional associations, tentatively Thailand's Provincial Waterworks Association (PWA), Environmental Engineering Association of Thailand (EEAT), the Indonesian Water Supply Association (PERPAMSI), the Indonesian Association of Sanitary Engineers (IATPI), the Philippine Association of Water Districts (PAWD), Water Environment Association of the Philippines (WEAP), and the Vietnam Water and Sanitation Association (VWSA), will participate. The workshop would last for about two days with sessions on advocacy, training, examinations, certification, training, reciprocity, network sharing of materials and updating of certifications. Participants will bring presentations showing their present status and next year's action plans. Because government agencies will not participate, discussions will focus on the role of professional associations as motivators and advocates for water and wastewater treatment operator training and certification.

Subsequent to the workshop and based on the decisions taken by the group, small follow-on activities may be supported if they help launch sustainable mutual cooperation among professional associations for water and wastewater. Activities may tie in with activities that will be undertaken by the Southeast Asia Water Utilities Network (SEAWUN) whose inaugural meeting was held with US-AEP and ADB support in Hanoi in mid-August 2002.

Expected Results:

By the end of FY 2003 it is expected that the professional water/wastewater institutions of the Philippines, Thailand, and Indonesia and Vietnam will have found common ground for integration of their certification programs for water and wastewater treatment operators and laid the groundwork for mutual cooperation and reciprocity. This initiative is intended to launch certification cooperation between professional associations in ASEAN. It may support important startup activities in FY 03 and FY04, but it is not intended to provide long-term support to what should be a self-sustaining professional networking relationship.

STRATEGIC AREA III: CLEANER PRODUCTION AND IMPROVED ENVIRONMENTAL MANAGEMENT IN INDUSTRY

Title (Program 8): Oil Spill Contingency Planning in Southeastern Coastal Area

Primary Program Area: Industry

Secondary Program Area: Urban

U.S. Partners: U.S. Department of Commerce National Oceanic & Atmospheric Administration (NOAA); ConocoPhillips, University of Oklahoma

Asian Partners: The Department of Science Technology and Environment (DoSTE) of Ba Ria – Vung Tau provinces has main responsibilities for all oil spill accidents in project area. DoSTE will collaborate with the Research and Development Center for Petroleum Safety and Environment (RDCPSE) to develop the OSCP from Phan Thiet to Tien river estuary.

Description:

As a follow-up activity to an FY 02 study tour funded by US-AEP, The Government of Vietnam (GOV) has requested assistance from the U.S. Agency for International Development (USAID) in building its capacity to prepare for and respond to oil spills. An increase in oil development and marine transportation activities in the offshore regions of the Ba Ria-Vung Tau Province has resulted in several large accidental oil spills during the past 10 years. The impact of these spills on the region's environmentally sensitive and economically viable coastal areas has highlighted the need for a comprehensive oil spill contingency plan (OSCP). Additionally, a February 2002 report from the United Nations Environment Programme World Conservation Monitoring Center indicated that 96 percent of Vietnam's coral reefs are threatened by human activities. To support development of an OSCP, the Department of Science, Technology and Environment (DoSTE) of Ba Ria-Vung Tau Province and the PetroVietnam Research and Development Centre for Petroleum Safety and Environment (RDCPSE) have proposed a multi-step process with the following objectives:

- collection of data to support risk assessment and sensitivity mapping activities;
- development of oil spill risk assessments and environmental sensitivity maps;
- development of regional and national oil spill contingency plans;
- development of an oil spill response equipment distribution program; and
- development of an oil spill response training program.

US-AEP Vietnam has agreed in principle to respond to this request by initially drawing on resources from NOAA. It is expected that after some initial activities, a more detailed plan will be developed to determine the work requested to meet the requirements identified during the needs assessment that may include NOAA or other technical assistance.

The Office of Response and Restoration (OR&R) is the focal point for NOAA's spill preparedness and response activities, hazardous waste site investigation, natural resource damage assessment, and coastal ecosystem restoration programs. OR&R protects and restores coastal resources by countering and responding to environmental threats and promoting sound decision-making. OR&R's Hazardous Materials Response Division (HAZMAT) is responsible for implementing NOAA's spill preparedness and response program. HAZMAT's multi-disciplinary scientific support personnel have decades of experience in responding to oil spill and chemical release incidents. Led by its regionally based Scientific Support Coordinators (SSC), HAZMAT's response to spill emergencies has

gained a reputation for rapid, well-thought-out, and cost-effective environmental protection decisions. SSCs lead the HAZMAT team at spills, drawing on the scientific support team's spill trajectory estimates, chemical hazard analyses, and assessments of environmental sensitivities to make timely operational decisions. HAZMAT personnel have extensive expertise in contingency planning, natural resource risk assessment, trajectory modeling and forecasting, environmental sensitivity mapping, spill-related training, and information management.

Activities:

PHASE I

1. *Vietnam Consultation Trip* - In February 2003, a HAZMAT Scientific Support Coordinator will travel to Vietnam, consult with officials from RDCPSE and DoSTE, and make a site visit to the region of interest.
2. *International Oil Spill Conference (IOSC)* - HAZMAT will sponsor two RDCPSE and/or DoSTE representatives to attend the IOSC in Vancouver, B.C., from 6-10 April 2003.
3. *HAZMAT Consultation Visit* - Following the IOSC, the Vietnam representatives will visit the Seattle, Washington area for a 10-day period. HAZMAT will host the representatives during a three-day visit to its facilities in Seattle, Washington. The purpose of this visit is to provide an overview of HAZMAT products, capabilities and services, and to discuss the observations and recommendations resulting from the January SSC trip to Vietnam.
4. *Seattle-area Meetings* - Following the HAZMAT visit, arrangements will be made for the Vietnamese delegation to meet with Federal, state and local organizations involved in oil spill preparedness and response activities in the State of Washington.
5. *Post Visit Plan Development* - **(results of #5 will become the Phase II Plan)**. Immediately following the completion of the Seattle-area meeting schedule, USAID, OR&R/HAZMAT and the Vietnamese delegation will convene in Seattle to identify and document specific GOV requirements for building oil spill contingency planning capacities, the areas and levels of support that can be provided by OR&R, areas of support that might be provided by other U.S. organizations, and opportunities for Vietnamese scientists to receive in-residence training in the United States. A draft plan outlining requirements and assistance opportunities will be drafted for review and follow-on actions by U.S. and GOV agencies. The plan developed by USAID, NOAA and GOV will determine the requirements and opportunities for follow-up work to support the development of GOV's oil spill contingency planning capacities.

Results Expected:

This proposal will enable the NOAA Office of Response and Restoration to determine what expertise, products and/or services may be required by GOV to meet the objectives set forth in its oil spill contingency planning proposal. Based on information obtained during the NOAA and GOV consultation trips, USAID, NOAA and GOV will outline the GOV requirements and the options available to build the GOV's oil spill contingency planning capacities.

Title (Program 9): Responsible Care in the Chemical Industry.

Primary Program Area: Industry

Secondary Program Area: Policy

Partners:

U.S. Partners: American Chemistry Council (ACC), International Council of Chemical Associations (ICCA)

Asian Partners: Vietnamese Ministry of Industry (Mol), Vietnam National Chemical Corporation (Vinachem), Chemical Industries Club of Thailand, Chemical Industries Association of the Philippines, Komite Nasional Responsible Care Indonesia

Description:

Responsible Care is a set of voluntary initiatives undertaken by the chemical industry to help ensure that employees, local communities and the environment are protected through responsible research, manufacture, handling and ultimate disposal of chemicals and chemical products. It is the public dimension that makes RC unique. Companies are required to make a commitment to the public, not just to their shareholders or employees. The cornerstone of RC is a commitment to a set of ten Guiding Principles.

In order for the RC chapter to be certified by ACC, the nation's primary chemical association must be involved and must be moving toward the implementation of a series of eight fundamental features (guiding principles, indicators, and communications) of the RC program. Since 1997, US-AEP has been on the ground throughout Asia working with the International Chemical Industry Associations promoting the concept of RC and helping them meet the criteria for application for RC Leadership Group Membership. Specifically, Vietnam could benefit from previous US-AEP experience in promoting RC in the Philippines, Thailand and Indonesia (1996-97).

In Vietnam, chemicals fall into the group of priority industrial sectors identified by the Mol for promoting environmental management. Vinachem, the Institute for Industrial Chemistry and the Chemical Engineering Corporation has been identified as a potential technical partner in the introduction and promotion of RC to the Vietnamese chemical industry.

Asia-US and Asia-Asia transfers will assist the development of the basic structure needed to gain CEO commitments and begin setting up a RC program. Vietnamese chemical manufacturers could learn from their American counterparts via an additional study tour of one or two US chemical plants that have embraced RC and meetings with ACC members who advise new member organizations (there was a study tour organized in May 2002 to obtain information on environmental management in the chemical industry, specifically focusing on clean technologies, pollution prevention, and waste exchange, but this second tour would focus on implementation of RC).. Study tour participants may have an opportunity to attend RC events or workshops while in the US. Finally, RC introductory workshops in Vietnam would benefit from the expertise of American environmental managers who are active in the design and revision of the RC program, not just at their own facilities, but at the ACC level, as well.

Once a chemical organization is organized to begin, they must start by developing guiding principles and checklists to assist companies in achieving health, safety and environmental improvements. At this stage, workshops on such RC topics as Community Awareness and Emergency Response are common so the Vietnam group can benefit from the experience of

the associations in the Philippines, India, Thailand and Indonesia through the EPSG transfers.

Expected Results:

In FY03, the results will be the establishment of a lead chemical organization to begin the process of setting up a RC program, the identification of 8-10 CEOs who are willing to commit to the development of the program, a study tour to the US to learn more about use of RC principles, demonstration of RC inspired measure at one or several facilities, and expert support in drafting guiding principles and producing the first workshop on an RC focus area.

Title (Program 10): Eco-Industrial Development

Primary Program Area: Industry

Partners:

Asian Partners: Ministry of Industry, various Industrial Zone Management Authorities, and potentially DOSTE (Hanoi and HCMC)

Description:

The Government of Vietnam's economic plan includes the continued expansion and development of dozens of industrial zones (IZs) throughout the country. To-date, GoV has placed minimal attention to the environmental management and overall environmental performance of companies located in the industrial zones. As more and more companies relocate to the IZs, the potential for environmental harm increases. To reduce the likelihood of environmental industrial damage, as well as to improve industrial efficiency and competitiveness, the Ministry of Industry (Mol) was given the mandate to develop environmental management plans for the approximate 70 industrial zones that they oversee. The Ministry of Industry has requested assistance in the development of such a framework pertaining to the environmental management of IZs. This program could include:

- Environmental Management Plan (EMP) - A model Environmental Management Plan for an IZ would be developed, including the creation of guidelines for designing new IZs as well as expanding existing IZs. Guidelines would include such aspects as developing model environmental standards and IZ covenants; outlining common treatment of waste and shared infrastructure; and development of systems for tracking of environmental performance.

The objective is to create a sample plan, using a Mol selected site, such as the planned Pho Noi textile Industrial Park near Hanoi, that can be replicated and utilized by other industrial zones throughout the country. It is anticipated that assistance will additionally be provided to existing industrial zones during their adaptation and implementation of the EMP. A likely candidate for this assistance is one of the parks located in the multi-sector Industrial Zone at Binh Duong outside of HCMC.

- EID Regulatory Review - In order to determine if the regulatory climate would support EID practices, an assessment of EID-related laws and regulations as well as the roles of relevant government agencies needs to be undertaken. Support may additionally be provided to Mol in their drafting of recommendations relating to the environmental regulation of IZs.
- EID Training - Training would be provided to Mol and other relevant bodies such as DOSTE, IZ Authorities, and IZ companies in eco-industrial development and cleaner production concepts and best practices. This training would be tailored to the audience in order to increase awareness and allow for the successful implementation of EID practices and the overall EMP.
- EID -Product Opportunities - During Mol's assistance to the IZs in their implementation of the EMP, various EID-related opportunities could surface. Such activities may include by-product/waste exchange opportunities, as well as by-product recycling and cleaner production opportunities. As these prospects arise, US-AEP may provide assistance to Mol and the IZ to determine the feasibility and marketability of these potential opportunities.

Results Expected:

By the end of FY03, MoI will have completed the development of an Industrial Zone Environmental Management Plan and will have assisted both new and existing IZs to modify and apply the EMP based on their specific objectives and requirements. These tailored EMPs, along with the training to public and private sector IZ-related personnel, will enable enhanced environmental management by both the IZ Authorities and by the companies located at the IZs.

Title (Program 11): Recycled Scrap Leather Phase III

Primary Program Area: Industry

Secondary Program Area: Urban

Partners:

U.S. and European Partners: Leather Research Institute and The Vietnam Center of Texas Tech University, The Thomas Bata University.

Description of Activity: The purpose of this activity is to help leather and shoe manufacturers dispose of leather waste, separating the chromium and using the remaining waste as fertilizer. US-AEP has been working closely with Nike and the University of Technology in HCMC. The activity will be focused on developing a technical process for removing Chromium from scrap leather, calculating the costs of up-scaling this process, and then disseminating these results to the whole leather and shoe industry in Vietnam.

This proposed activity is the completion of a yearlong research and development project, focusing on the recycling of scrap athletic shoe leather. The originally described project consisted of three phases. Phase I was a characterization of scrap athletic shoe leather with emphasis on recycling and conversion to value-added protein materials. Phase II was a technology transfer activity with University of Technology - Ho Chi Minh City faculty. Both Phase I and Phase II have been successfully performed. Phase III involves the development of a best practices demonstration of a recycling process for scrap athletic shoe leather, performed with collaborating scientists from Univ. of Technology – Ho Chi Minh City and Tomas Bata Univ., Zlin, Czech Republic. This Phase III activity will consist of proofing and scale-up experiments conducted at Tomas Bata University, raw material and product characterization studies at Texas Tech University and the planning of a technology transfer demonstration of the proposed recycling process at Univ. of Technology – Ho Chi Minh City.

Objectives

Perform semi-pilot (600 g) and pilot (12 kg) scale alkaline hydrolysis of scrap athletic leather materials that enable protein conversion and extraction

Plan and coordinate technology transfer to Vietnam clients and collaborators through a “best practices” demonstration of developed processes at Univ. of Technology – Ho Chi Minh City.

Activity Outcomes

The most immediate output of the project will be:

- A description of semi-pilot scale (600 g) hybrid alkaline hydrolysis of scrap athletic leather
- A description of pilot scale (12 kg) hybrid alkaline hydrolysis of scrap athletic leather materials
- Characterization of recovered proteins from these hydrolyses
- Identification of scope of by-product recovery options for “best practices” demonstration
- Construction and testing of reactor for “best practices” demonstration.
- Setup and testing of equipment for “best practices” technology demonstration at University of Technology
- Final report (15 pages, max) of project outcomes, including projection of impact of “best practices” demonstration
- Proposal for “best practices” demonstration. This will work with a related grant with the Vietnamese Leather Association.

Specific Tasks and Timeline

1. TASK 1: Perform semi-pilot scale (600g) evaluation of hybrid alkaline hydrolysis of scrap athletic leather material at Tomas Bata University. To be completed by 09/30/02.
2. TASK 2: Perform pilot scale (12 kg) evaluation of hybrid alkaline hydrolysis of scrap athletic leather material at Tomas Bata University. To be completed by 09/30/02.
3. TASK 3: Characterize recovered protein materials from pilot scale hybrid alkaline hydrolysis at Texas Tech University. To be completed by 10/15/02.
4. TASK 4: Plan and coordinate "best practices" demonstration with all collaborating investigators. To be completed by 10/15/02.
5. TASK 5: Finalize details of "best practices" demonstration at Univ. of Technology – Ho Chi Minh City, Vietnam. To be completed by 10/30/02.
6. TASK 6: Prepare and submit report for year 1 activities. To be completed by 11/30/02.

Expected Results

1. A description of semi-pilot scale (600 g) hybrid alkaline hydrolysis of scrap athletic leather materials (20 % of grant amount), and description of pilot scale (12 kg) hybrid alkaline hydrolysis of scrap athletic leather materials (40 % of grant amount), submitted 11/15/02.
2. Characterization of recovered, extracted proteins from above hydrolysis processes and identification of scope of by-product recovery options for "best practices" demonstration (15% of grant amount) submitted 11/15/02.
3. Plan, coordinate and finalize details of "best practices" demonstration and final report will be submitted on 11/30/02 for the final 25% of remaining grant amount.

Title (Program 12): Proper Management of Hazardous Waste and POPs

Primary Program Area: Industry

Secondary Program Area: Urban

Partners:

Asian and Regional Partners: Ministry of Natural Resources and Environment, ministry of Industry, Van Lang University, provincial government agencies in the HCMC area, state and private industry.

US and other partners: NORAD, ADB, other donors, local enterprises.

Description of Activity:

Pursuant to the successful EPA training of the Corporation for the Development of Bien Hoa Industrial Zone on integrated waste management last July, Director of the Sonadezi company requested additional activities between the two agencies.

In order to leverage impact, the Ministry level like the ministry of Natural Resources and Environment, and Ministry of Industry will be expanded as partners of this activity. With technical assistance of the USEPA, efforts will be focused on developing regulations, and policies on hazardous waste management.

Further assistance on technologies transfer, which focuses on treatment of liquid waste containing inorganic pollutants (heavy metal, Acid, base, Cyanide etc); incineration technologies to treat toxic waste (pesticide, PCB containing equipment, used oil, paint residual, sludge, etc).

Recently, the issue of dealing with Persistent Organic Pollutant (POPs) has become a significant concern of the US Mission in Vietnam. In addition, the Vietnamese Government will begin participating in a United Nations program to identify and put forth strategies to deal with POPs based on the 2001 Stockholm Convention.

Activities

1. Completion of work with SONADEZI activity from FY2002.
2. Formulation of a longer-term technical and financial assistance to the Vietnamese government through an Indefinite Quantity Contract (IQC) administered under USAID Cambodia (planned at \$200,000) and contingent on funds being available. A fall review of this effort will be done at a later date.

Title (Program 13): Urban Air Pollution

Primary Program Area: Industry

Secondary Program Area: Urban

Partners:

Vietnam's Action Plan for Reduction of Vehicle Emissions is the umbrella program under which this project falls under. The MAPG (the Multi-sectoral Action Plan Group), which was organized by the Vietnam Register, the coordinating agency, and has representatives from the related agencies/organizations:

Representatives from the state agencies:

- Ministry of Transport (Department of Science & Technology, Vietnam Register, etc.)
- MOSTE (NEA, STAMEQ)
- Ministry of Industry (Department of Technology and Product Quality Management)
- Ministry of Health
- Ministry of Planning and Investment
- The People's Committees of Hanoi and HCMC (DOTUW, DOSTE)

Representatives from state-owned enterprises and private companies, such as:

- PetroVietnam
- Petrolimex
- Ford Motor

Representatives from universities and research institutes:

- University of Transport
- Institute of Science and Technology in Transport

Representatives from NGOs and associations:

- VAMA (Vietnam Automobile Manufacturer Association)

Representatives from development agencies and donors:

- US-AEP (United States - Asia Environmental Partnership)
- SDC (Swiss Development Cooperation)
- French Embassy
- Japanese Embassy

Activities

The core activities in this project are to conduct an integrated public awareness/consultation program and introduce catalysts for in-use and new vehicles. The specific project components are: 1) public promotion/information campaign on air pollution from vehicle emissions; 2) a pilot to introduce the use of catalysts in in-use vehicles; 3) introduction of catalysts in new vehicles; 4) implementation of new regulations promoting use of catalysts in existing and newly manufactured vehicles.

Support for nationwide implementation of California Air Resources Board's (CARB) program in building the capacity of air quality monitoring.

Specific Activities:

- a. Stakeholder involvement and commitment will be established through a series of short planning meetings that will take place initially with all stakeholders.
Output: Agreement among the partners on the specific project plans.
Lead agency: US-AEP Vietnam.
Participants: All members of the Multi-sectoral Action Plan Group (MAPG).
Time frame: Winter 2003.

- b. Initial work on a scoping study tour to Taiwan and India. Both Taiwan and India have successfully introduced vehicle emissions programs using a combination of technical interventions (e.g., alternative fuels and catalysts), introduction of emissions-related policy and regulations, and public awareness campaigns aimed at changing public behavior regarding transportation and pollution.
Output: Detailed design of the in-country pilot demonstration of catalysts.
Leading agency: US-AEP Vietnam and US Company.
Participants: Vietnam Register, MOSTE.
Time frame: Two weeks in spring of 2003.

- c. Pilot use of catalysts.
Output: Several vehicles retrofitted with catalysts and then tested.
Leading agency: Vietnam Register
Participants: Vehicle manufacturers and selected vehicle users (both public and private)
Time frame: Three months duration.

- d. Public information campaign that will include written and visual materials, and two workshops.
Output: i) People's awareness raised; ii) commitments secured from the government; and iii) pollution releases decreased from demonstration vehicles.
Leading agency: Vietnam Register.
Participants: J. Walter Thompson.
Time frame: Throughout the life of the project.

- e. Development of emission standards, and incentive schemes for manufacturers and users to have vehicles with catalysts.
Output: i) People's awareness raised; ii) commitments secured from the government; and iii) pollution releases decreased from demonstration vehicles.
Leading agency: USEPA and MOSTE
Participants: MOSTE and other government bodies.
Time frame: During the last half of the project.

STRATEGIC AREA 4: TRANSFER OF US TECHNOLOGY AND PRACTICE THROUGH TRADE AND INVESTMENT

This technology transfer, activity was planned earlier. US-AEP organized delegation of Vietnam to participate in three trade events in US including WEFTEC, A&WMA, WasteExpo. With the end of the participation of the US Department of Commerce in the US-AEP, this portion of the US-AEP portfolio will be significantly smaller than it was in previous years. Beyond supporting a limited number of Vietnamese delegates to environmental trade shows and events in both the US and the Asia region, US-AEP will participate in the planning and organizing of Vietnam's only environmental exhibition and trade show, Green Week. US-AEP will both help organize the exhibition area with other partners and run one full day of technical seminars.

Title (Program 14): Promotion of Trade & Investment through Green Week

Primary Program Area: Technology transfer

Secondary Program Area: Urban

Asian and Regional Partners: Green Week organizing committee, other donors to the environmental sector in Vietnam.

Description:

US-AEP Vietnam will both organize the seminar program and the environmental exhibition area for the Green Week Show, Vietnam's only environmental exhibition and trade show. Speakers for the seminars will be invited, some supported by EPSG. A grant will be used to support organization and promotional materials production.

Expected Results:

Greater public awareness and more opportunity for US business accessing to Vietnam market.

REGIONAL PROJECTS

Initial buy-in by the Vietnam program into regional programs is modest. Beyond the two so-called regional programs of the Regulatory Dialogue and Certification of Water Managers, Vietnam will only commit to participating in the second year of the Civil Society Partnership Program implemented by The Asia Foundation (TAF). Nevertheless, a significant opportunistic budget for EPSG is purposefully set in order for Vietnam to later decide to buy-in on regional exchanges as a conference that will likely be held by the Asia Pacific Urban Institute in Honolulu.

Title (Program 15): Civil Society Partnership

Description of Activity:

In the aftermath of the Asian financial crisis, domestic and international pressures prompted several Asian countries to adapt sweeping reform agendas to move their societies to greater democratic governance. While rates of reform have varied, the overall movement has been helped by the activism of numerous civil society organizations and NGOs. This sector has a long history in the United States and a burgeoning presence in Asia and the Pacific, encompassing Asian-based, traditional, private, voluntary, and not-for-profit organizations (PVOs), think tanks, universities, policy research institutes, green non-governmental organizations (NGOs), professional associations, non-profit trade groups, community groups, and business councils for sustainable development. All are essential for government to operate effectively.

The non-governmental sector also plays an important role in the environmental dialogue both in the general dynamic of environmental public dialogue and policy making and also in the context of US-AEP specific country and regional strategies. Civil society organizations work on substantive environmental issues like public participation, environmental impact hearings, dialogues on new policies and regulations, responses to municipal hazardous/toxic waste, acceptable approaches to clean water, mobilizing more efficiency in the energy sectors, etc. They are also engaging in policy dialogues with the government and providing essential feedback to government's plans and policies in the environment sector.

Their role is growing as governments in Asia recognize that in a multi-dimensional civil society, civil organizations have a key role to play that is both legitimate and essential for sustainable development. Civil society organizations increasingly represent an important partner to influence decision makers, improve environmental performance, and more specifically advance specific initiatives of US-AEP's regional and country workplans. That recognition is also being reflected increasingly in the content and approaches of Vietnam where we increasingly see potential collaboration with civil society organizations and a means to extend them grants. The expansion of linkages to these civil society organizations -- done in the context of approved regional and country workplans -- would be a valuable instrument to help our workplan succeed. .

The intent of this initiative is to give the team in Vietnam an instrument to array and integrate civil society-type activities around those initiatives derived from and relevant to the respective the country workplan of Vietnam increasing Asia's capacity to manage its environment by engaging civil society is the central objective of this activity. The purpose is to have civil society organization become important strategic partners for promoting US-AEP's strategic environmental objectives in. The US-AEP Environment & Civil Society Partnership Program will help develop the capabilities of indigenous civil society organizations for supporting programs such as public participation in environmental decision-making, non-confrontational

environmental advocacy, community-based environmental monitoring, and environmental education and awareness programs.

Expected Results:

- collaborative partnerships between civil society organizations and Asian businesses and governments across the spectrum of environmental initiatives;
- collaboration between the civil society organizations, notably NGOs, and government to improve environmental policies, analyses issues or reach consensus on implementation steps;
- an increased role in community and public participation for civil society organizations;
- the participation of civil society organizations in developing appropriate environmental programs which demonstrate their commitment to a cleaner environment through alliances with other non-governmental organizations, nationally, within Asia, and with organizations in the United States;
- an expansion in the scope and diversity of US-AEP partnerships with in-country NGOs, research institutions and organizations associated with civil society;
- expanded capacity of indigenous civil society organizations to function as coordinating bodies and information clearinghouses for environmental policy and management issues. The promotion and recognition of local environmental initiatives so as to strengthen the role of civil society in environmental decision making.

ADDITIONAL US-AEP SUPPORT PROGRAMS

CSG/SEI Grants

Under this new scheme for this fiscal year, US-AEP Vietnam would prefer to hold a limited call for proposals from state organizations to engage in pre-defined areas. This year's workplan suggests new grants for the following areas:

1. Hanoi Lakes Restoration
2. Air quality monitoring in Hanoi

US-AEP Materials

US-AEP/Vietnam FY01 Environmental Technology Market Report was distributed late in the fiscal year. In FY02, a brochure promoting the program was developed. In FY03, options will be considered to revise and reprint these. Likewise with a new rep, new relationship with USAID and new Ambassador we will revise our country brochere.

Research

In FY02, US-AEP supported a number of research efforts, particularly related to its role in promoting clean air in Vietnam. In FY03, more research will be supported in air quality and other issues determined throughout the year.

Leveraging USAID mission funds for environmental activities in Vietnam

As the only USAID presence in Vietnam focused on environmental activities, US-AEP/Vietnam will play a strong role in programming of a portion of the funds allocated to the USAID Regional Mission for Southeast Asia in Cambodia for Vietnam in environmental activities. In addition to the three programs suggested to use a portion of this money, i.e. for projects in POPs, oil spill planning, and the introduction of catalytic converters, it is suggested that another portion be dedicated to work in green or blue sectors.

