

## WASTEWATER REGULATION

# Revised law pushes wastewater in Vietnam

The country's rapid economic development is creating opportunities in industrial wastewater treatment, but new legislation could also accelerate development on the municipal side.

On 17 November, Vietnam's National Assembly approved a draft of amendments to its 2014 environmental protection law in order to tackle increased pollution from untreated wastewater and weak enforcement, putting pressure on industries and local authorities to bring infrastructure up to scratch.

Dr Nguyen Viet Anh, head of the science and technology department at the Vietnam Water Supply and Sewerage Association, said the revision – effective from 1st January 2022 – would set a new approach for wastewater management.

"[The revision] proposes new effluent discharge standards based on the receiving capacity of water bodies and best available technologies to replace the current simple class A and class B standard. It also imposes fees on the basis of quantity and toxicity of pollutants discharged [polluter pays principle], combines various environmental licences including discharge permits to

avoid gaps and overlaps among different agencies, requires compulsory monitoring systems for factories and urban wastewater treatment plants (WWTPs) with effluent flows of more than 1,000m<sup>3</sup>/d, and encourages wastewater reuse," Nguyen said.

Further decrees are expected to provide guidance for the law's implementation. "We have more and more strict regulation enforcement, and if the polluter pays principle applies, the polluters must follow the rules."

The revision is set to place significant demands on both the industrial and the municipal sectors. Industrial parks must install centralised WWTPs, while the provincial People's Committees should arrange the land and funds for the construction and operation of wastewater collection and treatment systems in urban areas lacking wastewater infrastructure. Where land is not available, decentralised treatment systems must be built.

However, Dr Oliver Massmann, a partner in law firm Duane Morris's Vietnam office, told GWI that some problems remain unresolved. "There are pending issues that the current draft is still unable to address, namely low to zero accessibility to businesses' Environmental Impact Assessment Reports, or weak penalties for violation of the law."

88% of the 230 operational industrial parks in the country already have centralised treatment plants, according to the Japan International Cooperation Agency (JICA). However, most are not operating properly for various reasons, including treatment capacity shortages, high concentrations of heavy metal loads in the influent, and improper sludge disposal.

Besides the need to upgrade dysfunctional plants, the demand for new WWTPs is also growing with the increasing number of industrial parks, creating opportunities to bring in water treatment technologies and service expertise. "We are looking at Vietnam because we see a lot of industry moving from mainland China to the country. What we would like to do is to look at our model in China where we are delivering services in industrial parks and follow that model in Vietnam," Ana Giros, Suez's senior executive vice president for the APAC (Asia, Australia and India) and AMECA (Africa, Middle East and Central Asia) regions, told GWI.

Progress in the municipal sector will likely be slower given the presence of a huge funding gap, with Nguyen estimating a required investment of \$8-10 billion for full urban wastewater coverage.

Official development assistance, the main funding source for the country's existing WWTPs, is decreasing as Vietnam has moved up the World Bank's ranking, and the use of private finance in the wastewater sector is still at an early stage, even though a new PPP law is coming into effect at the beginning of 2021 (see *GWI July 2020*, p36). There is also a lack of supporting policies such as subsidies, while persistently low tariffs also remain an issue.

"We have the roadmap to increase the water tariff and wastewater tariff. The plan is to provide full cost recovery for urban wastewater treatment, but it takes time," Nguyen said. ■

## NEW RULES FOR VIETNAM

Vietnam has followed up its new PPP law with a revision to its environmental protection legislation, which will propose new effluent standards, require compulsory monitoring systems for WWTPs over 1,000m<sup>3</sup>/d, and encourage water reuse. Industrial parks could prove a hotbed of opportunities.



Source: Shutterstock