

Viet Nam National Cleaner Production Centre

Case study in Good Organization, Management and Governance Practices

The Viet Nam National Cleaner Production Centre has developed from being a unit of the Hanoi University of Technology to become an autonomous business entity owned by the University and Centre staff that provides Cleaner Production and related services to businesses, ministries, chambers of commerce and international development partners.

CENTRE IN BRIEF

The Viet Nam National Cleaner Production Centre (VNCPC) was established in 1998. It is part of the Hanoi University of Technology. Its budget amounted to EUR 136,000 in 2009. From 1998 to 2008, the centre has set up and maintained relations with an Advisory Board. The Advisory Board members come from department levels of different ministries and organizations such as the Ministry of Education and Training (MOET), the Ministry of Industry and Trade (MOIT), the Ministry of Planning and Investment (MPI), the Ministry of Science and Technology (MOST), the Ministry of Natural Resources and Environment (MONRE), the Ministry of Finance (MOF), the Viet Nam Chamber of Commerce and Industry (VCCI), the Ho Chi Minh City Department of Natural Resource and Environment (DONRE), UNIDO office in Hanoi, Swiss State Secretariat for Economic Affairs (SECO) in Hanoi and the Hanoi University of Technology (HUT). These organizations provide valuable information and insights are useful advice for the operation of the VNCPC.

Following the Government Decree 115 on self-financed science and technology organizations in 2009, the HUT converted all its applied research centres into business entities under the umbrella of the HUT-Holdings. The VNCPC has thereby acquired its own legal status under the name "VNCPC Ltd".

By the end of 2009, the VNCPC had 16 employees and was active in the following industry sectors: pulp and paper, textile, food processing, seafood processing, metal finishing, building materials, chemicals and handicraft. It provided training and consultancy to businesses, governments and other organizations.



STRATEGY

The mission of the VNCPC is to disseminate Cleaner Production (CP) concepts and promote its application in industrial activities in order to improve the competitive position of the industry in Viet Nam in the context of the global economic integration. The vision toward 2012 of the VNCPC is to become a self-financed knowledge-based organization with the current team delivering a wide range of high quality CP solutions that give added value to industry, consulting companies, research institutions academia, and governmental organizations.

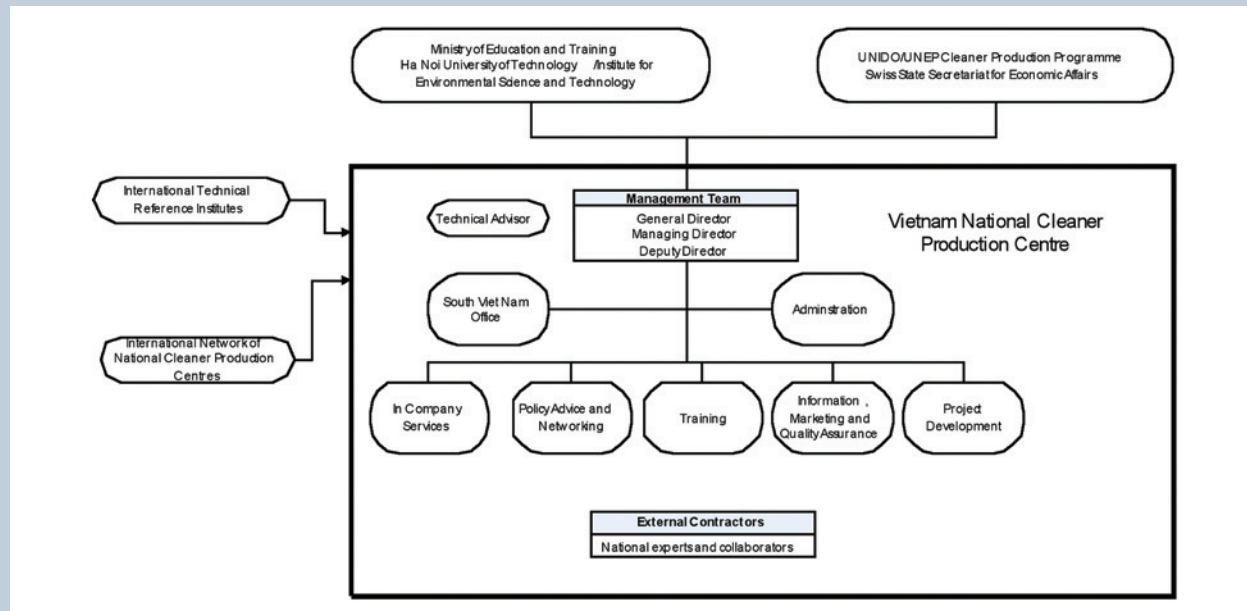
As a national focal point on CP, the VNCPC is committed to the continual improvement of production processes and the prevention of pollution. Compliance with legislation and the International Declaration on Cleaner Production are the main guiding frameworks when delivering CP services. The VNCPC strives to continuously improve the quality of its services and solutions and to improve the effectiveness of its Integrated Management System.

ABOUT THESE CASE STUDIES SERIES

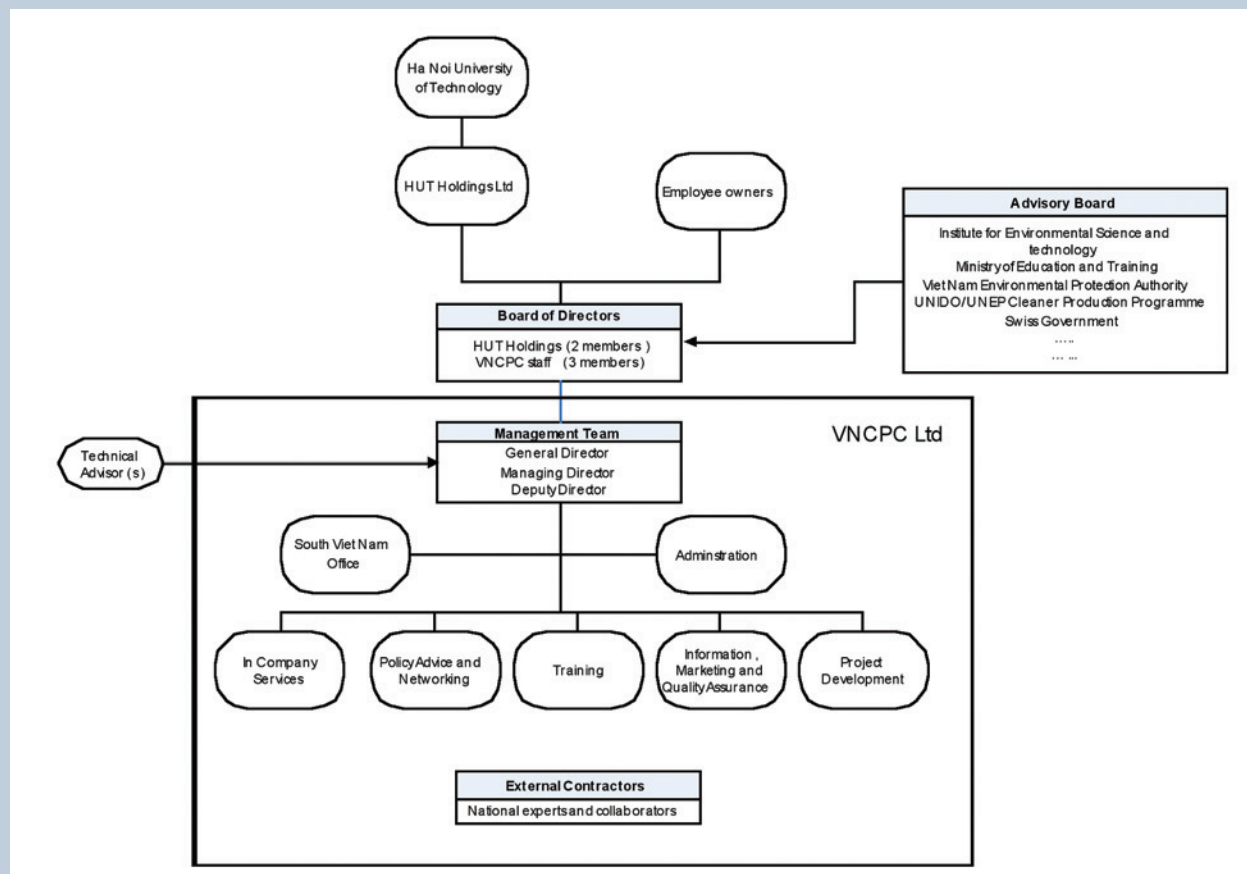
The Joint UNIDO-UNEP Programme on Resource Efficient and Cleaner Production (RECP) aims at improving the resource productivity and environmental performance of businesses and other organizations in developing and transition countries. The Programme is implemented in partnership with a network of National Cleaner Production Centres (NCPCs) that have currently been established in over 40 countries. This case study series documents how NCPCs have been set up and are being managed and governed in their respective national contexts. They illustrate the accompanying Primer on Good Organization, Management and Governance Practices for RECP Service Providers.

AUTONOMY

From 1998 to June 2009, the VNCPC was a unit of the Institute for Environmental Science and Technology (INEST) at the Hanoi University of Technology (HUT). All activities of the centre were conducted under the legal status of the host institution. The operation of the VNCPC was then structured as per the following figure.



The VNCPC's new structure is illustrated below.





Since July 2009, the VNCPC has its own legal status under the name “VNCPC Ltd.”, an associate member of the “Bach Khoa Hanoi Holdings” (in English HUT Holdings). HUT owns HUT Holdings which in turn is the majority (60 per cent) shareholder of VNCPC Ltd with the remaining 40 per cent of shares in VNCPC Ltd are held by staff of the VNCPC Ltd.

The VNCPC Ltd. continues to play a key role in the promotion of resource efficiency and developing sustainable consumption and production patterns in Viet Nam, in alliance with MOIT and MONRE. The centre develops its own strategy, defines its own activities and controls its own finances in accordance with the Strategic Orientation for Sustainable Development in Viet Nam (Viet Nam Agenda 21).

The Board of Directors of the VNCPC is constituted of two representatives from HUT and three representatives from the VNCPC. The Board of Directors meets four times a year and conducts an annual review of the VNCPC business plan.

Strategic alliances exist for policy advice and awareness raising activities (e.g. traditional partners are ministries such as MPI, MOIT, MONRE, MOET etc.) as well as for CP and associated services (namely: industrial corporations and industrial associations, CP network, banks and financial institutions, etc.).

OPERATIONAL MANAGEMENT

Based on a project plan, the Management Board of the centre develops annual activities in a participatory approach. According to the ISO 9001 procedure of the centre, each project manager receives an assignment from the Director and is responsible for the development of a detailed plan of activities, including allocation of human and finance resources. Each project manager then discusses the plan of the project activities with the Management for its approval.

Each staff member has his or her own job description. Based on the desired goals and objectives of the project as well as the background and experience of the staff, the Director clarifies with them their assignment, work load, duties, responsibilities and necessary time to attain required results for the project. The centre also allocates enough time and resources for training staff on specific skills. This in turn allows to continuously improve staff capacity in providing training and consultancy to clients. The VNCPC organizes monthly staff meetings for verifying their activities performance as well as for sharing information on the progress of projects and for making any adjustments, if needed. CP assessment reports are submitted to quality control in accordance with ISO 9001 procedure of the centre.

A review of the centre’s activities and achievements is presented in its annual report. This report is provided to all members of the Advisory Board and related organizations, and available to the general public through the Centre’s website.

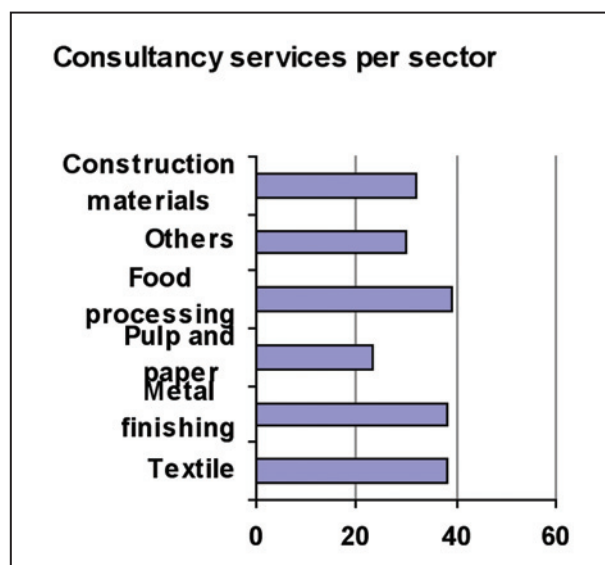
Regarding issues of ethics and integrity, all staff members commit to: (i) implement the certified ISO 9001 and ISO 14001; (ii) fulfil the role of the centre as a focal point of CP

in the country; and (iii) to protect confidential information of clients in the implementation of services.

The financial management is carried out according to an internal financial regulation approved by the Management Board.

BUSINESS

Besides the traditional CP assessments, the centre delivers new CP-related services, in the field of energy efficiency, quality and productivity, total productive maintenance, ISO 14001 (Environmental Management Systems), Occupational Health & Safety and Corporate Social Responsibility or SA 8000 (accountability standard). Based on estimations of saving potentials through resource efficiency, the centre also delivers assessments on Environmentally Sound Technologies (EST).





The assessments focus on upgrading the technology and provide a comparison of the existing technology with the Best Available Techniques (BAT) as the basis for providing recommendations for investment in EST. Connecting such information with key economic figures sustains decision-making on investment for industries. The centre delivers high quality services that provide added value to clients.

The main services are defined and adjusted in several ways: (i) in line with trends and requirements of Official Development Assistance (ODA) donors; (ii) in line with multilateral environmental agreements; (iii) in line with Government requirements and legislation (occasionally); and (iv) based on experiences of staff members.

The market survey of the centre conducted in May 2005 showed that it had a good reputation with ODA donors in Viet Nam as well as with international organizations thanks to the quality of its services. Therefore, it was decided that ODA donors and international organizations should remain the main clients in the period 2010 - 2015. On the other hand, the Government has allocated 1 per cent of the annual state budget for environmental protection activities since 2007. This opened up for new business opportunities for traditional and combined services of the VNCPC. Thus, the main income of the centre comes from (in order of decreasing priority) (1) international organizations, (2) export oriented companies, (3) Small and Medium sized Enterprises in Viet Nam, (4) multinational companies, (5) regional organizations and (6) organizations in Viet Nam.

EXPERTISE

The VNCPC has been ISO 9000 and ISO 14000 certified by SGS since 2002. The staff of the centre uses online tools for exchanging information. Technical reports of CP in-plant assessments are stored in a server. Databases of industries who participated in CP projects and of national CP experts have been developed as a useful tool for on going VNCPC activities as well as for other organizations. The VNCPC has an IT engineer who is responsible for technical maintenance and for updating the website. The centre has also set up a technical library and nominated one staff member to be responsible for its management. The VNCPC is part of the National and the Asia Pacific Roundtable for CP. The VNCPC plays a key role in establishing and maintaining a CP network in Viet Nam. At the same time, the centre supports CP programmes in Laos and Cambodia.

EXPERIENCE WITH PRIMER APPLICATION

The Primer on Good Organization, Management and Governance Practices for NCPCs provided guidance in the

design of the structure and the development of the centre and is also a tool to improve its operational management. It enables the VNCPC Management to identify which services can generate income and which activities can help in strengthening directly and indirectly bonds with its clients (e.g. by reviewing of its business plan).

By applying the Primer, the VNCPC has identified the following priority areas:

- Complement project management for service delivery with to business-oriented management of VNCPC Ltd
- Develop and implement a marketing plan
- Foster consultancy attitudes of staff members
- Ensure that the administrative procedure is client-friendly
- Identify business strategic alliances

In particular, the following should be done to improve VNCPC business:

- Service development and marketing (services for domestic clients and international supported projects)
- Building up capacity of the centre in some potential service lines
- Setting up a knowledge management system and strengthening its existing CP network

Finally, the Primer is a useful tool to improve the overall performance of the VNCPC. The key elements of the primer should be integrated into the existing Integrated Management System of the centre. Further support is needed to develop project management skills and to build up capacities in technology assessment as well as in CP, Environmental Sound Technology (EST) and technology transfer.

