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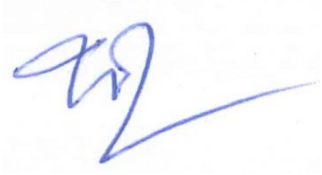
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ATTRACTING GREEN FOREIGN DIRECT INVESTMENT IN NGHE AN PROVINCE

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INTRODUCTION

1. Rationale for the study

Attracting green foreign direct investment (FDI) is essential to transforming national and local growth models. However, existing theories of FDI have not yet fully explained the nature of green FDI or the criteria for identifying it; nor have they adequately incorporated emerging drivers such as climate transition risk, carbon pricing, environmental, social and governance (ESG) standards, green finance and supply-chain emissions traceability requirements, or the mechanisms through which green FDI has an impact and the factors that influence it. Moreover, local governance mechanisms determine the environmental quality of FDI inflows after projects have been selected, licensed and implemented.

In recent years, Vietnam has made progress in attracting green FDI, which has increasingly become a priority in the country's foreign investment attraction strategy. In this context, Nghe An has considerable potential to become a new destination for green FDI in the North Central region. In practice, however, the proportion of FDI projects applying green technologies and high environmental standards remains low; project screening and appraisal mechanisms have not yet integrated criteria on emissions, energy, water and ESG governance; and the investment data system remains fragmented, lacking digital tools to ensure information transparency. These gaps cause the province to lag behind the green and digital transition, thereby eroding its competitive advantage in attracting new-generation FDI.

For these reasons, the dissertation examines the attraction of green foreign direct investment in Nghe An province, a topic of both theoretical and practical significance.

2. Research objectives and specific tasks

2.1. Research objectives

The dissertation aims to clarify the concepts, objectives, principles,

components, evaluation criteria and factors influencing provincial governments' efforts to attract green FDI. It also proposes feasible solutions to strengthen the attraction of green FDI in Nghe An province through 2030, with a vision to 2045.

2.2. Research tasks

- To review studies related to the attraction of green FDI, assess existing findings, and identify the research gaps and questions addressed by the dissertation, from the perspective of provincial-level economic management.

- To systematise and clarify the theoretical basis of green FDI attraction by provincial governments, including its concept, objectives, principles, activities, evaluation criteria and influencing factors.

- To analyse the experience of selected domestic and foreign localities with similar characteristics in attracting green FDI, and to draw lessons for Nghe An province.

- To analyse the current state of green FDI attraction in Nghe An province during the 2018-2024 period, clarifying its achievements, limitations and the causes of those limitations.

- To propose guiding principles, policy directions, solutions and recommendations for strengthening green FDI attraction in Nghe An province through 2030, with a vision to 2045.

3. Subject and scope of the study

3.1. Subject of the study

The dissertation examines the theoretical and practical issues involved in attracting green foreign direct investment at the provincial-government level.

3.2. Scope of the study

3.2.1. Institutional scope

The Nghe An provincial government is the principal governing body examined.

3.2.2. Substantive scope

The dissertation examines the green FDI attraction activities of provincial governments, comprising (i) creating the investment environment; (ii) issuing and implementing investment incentive policies within decentralised authority; (iii) organising investment promotion; and (iv) screening and appraising projects and monitoring the fulfilment of green commitments. Green FDI is defined as (i) foreign direct investment in green economic sectors and (ii) foreign direct investment in clean production technologies and processes in traditional high-emission economic sectors.

3.2.3. Geographical scope

The dissertation examines green FDI attraction within Nghe An province.

3.2.4. Temporal scope

Secondary data cover the 2018-2024 period; primary data were collected in 2025 over three months (from April 2025 to July 2025); and the proposed solutions are oriented towards 2030, with a vision to 2045.

4. Theoretical basis and research methods

4.1. Theoretical basis

The dissertation analyses green FDI attraction in Nghe An province by drawing on comparative advantage theory, sustainable development theory, and theories of global value chains and linkages.

4.2. Research methods

The dissertation combines qualitative methods with sociological survey methods, specifically: synthesis and systematisation; descriptive statistics; comparison; and questionnaire-based surveys of two respondent groups: (1) officials implementing policies on FDI attraction (including green FDI) and policies on renewable energy and green agriculture development; and (2) FDI enterprises operating in Nghe An province.

Sample: For officials of Nghe An province, 200 questionnaires were distributed, 195 were returned and 194 valid responses were included in the analysis; for FDI enterprises in Nghe An province, 60 questionnaires were distributed and 58 valid responses were included in the analysis.

The survey data were entered using CSPro software and subsequently cleaned. Statistical analysis of the survey data was performed using SPSS 27.

- Secondary data: Secondary data were collected from (i) reports by the Ministry of Planning and Investment and the Ministry of Finance (now the Ministry of Finance) assessing the attraction, disbursement and effectiveness of foreign direct investment in Vietnam and the demand for FDI; (ii) reports by the Ministry of Natural Resources and Environment (now the Ministry of Agriculture and Environment) assessing the environmental impact of FDI; (iii) reports by the World Bank (WB) and the International Monetary Fund (IMF) assessing green FDI attraction in Vietnam and other countries; (iv) data from the Department of Planning and Investment (now the Department of Finance) and other relevant agencies of Nghe An province; and (v) secondary data compiled from case studies in doctoral dissertations, research projects and specialised reference books.

5. New contributions of the dissertation

5.1. Academic and theoretical contributions

First, the dissertation systematises and clarifies the theoretical basis of green FDI attraction by provincial governments from the perspective of economic management.

Second, the dissertation develops and applies an analytical framework for green FDI attraction in the context of digital transformation, green transition and the establishment of a new growth model.

5.2. Practical contributions

The dissertation identifies the shortcomings and limitations in green FDI attraction in Nghe An province and accordingly tailors its solutions to

the province's specific conditions, such as its strategic location in the North Central region, the need to develop industrial parks and economic zones, its advantages in renewable energy, processing industries and logistics, as well as the need to improve institutional quality, infrastructure, human resources and coordination capacity among management agencies.

6. Scientific and practical significance of the dissertation

6.1. Scientific significance

First, the research findings contribute to the literature on green FDI attraction from the perspective of provincial-level economic management. The dissertation's approach examines the environmental requirements applied to capital flows in relation to the roles and activities of local government. Rather than approaching green FDI attraction purely from the perspective of international investment or environmental economics, the dissertation situates the issue within the framework of provincial economic governance, emphasising the role of institutions, instruments and the capacity of local government to direct development in screening, implementing and monitoring green FDI flows. It proposes a "green capital flow governance" framework at the provincial level, providing a basis for developing models that explain the role of local state capacity in FDI quality, rather than measuring FDI solely by capital volume and number of projects.

Second, the analytical framework and research findings provide a basis for further research and training. The analytical framework can be applied to design case studies, comparative studies and policy analyses of green FDI attraction at the provincial level, with adjustments to reflect each locality's development characteristics, administrative authority and data availability. The Nghe An case study also provides material for teaching, learning and research on economic management, foreign investment attraction and green development.

6.2. Practical significance

First, the dissertation provides an evidence base for the Nghe An provincial government in reviewing and improving its green FDI attraction activities. The Provincial People's Council, the Provincial People's Committee and the advisory and implementing agencies may use the research findings to identify priority areas, select solutions and strengthen administrative coordination. From the perspective of economic management, the dissertation proposes a system of solutions and management instruments for green FDI attraction suited to Nghe An's conditions and feasible to implement. The proposals can inform the specification of tasks, responsible actors, roadmaps and implementation resources in line with the province's authority, development conditions and green FDI attraction requirements.

Second, the research findings offer a reference for localities with similar development conditions. The analysis of the Nghe An case can assist other localities in considering how to organise green FDI attraction, identifying issues requiring attention in implementation and selecting appropriate elements to apply. The application of these proposals should be aligned with each locality's characteristics, resources, administrative authority and basis for identifying green FDI.

7. Structure of the dissertation

In addition to the introduction, conclusion and list of references, the dissertation is organised into four chapters comprising 13 sections.

Chapter 1
OVERVIEW OF RESEARCH RELATED TO ATTRACTING GREEN FOREIGN DIRECT INVESTMENT

1.1. DOMESTIC AND INTERNATIONAL STUDIES ON THE ATTRACTION OF GREEN FOREIGN DIRECT INVESTMENT AT THE PROVINCIAL LEVEL

Studies on the nature, characteristics and role of green foreign direct investment

Studies on green FDI focus on clarifying its concept and characteristics and its impact on growth, employment, the creation of a sustainable environment, climate change response, and the reduction of resource and energy consumption. Representative studies include OECD (2026), BloombergNEF (2026), Pienknagura, S. (2024), Satoğlu, E. B., & Salmon, J. R. (2024), Le Trong Nghia (2024), Amendolagine et al. (2023), Y. Zheng (2023), Dao Hoang Tuan (2023), Castellani et al. (2022), Dornean, Chiriac and Rusu (2022), V. Amendolagine, R. Lema, Davide Castellani et al. (2022), R. Rabellotti (2021), Amendolagine, V., Lema, R., & Rabellotti, R. (2021), and Golub, S. S., Kauffmann, C., & Yeres, P. (2011), among others.

Studies on green FDI attraction activities of provincial governments

Studies on green FDI attraction activities have emerged from a paradigm shift from attracting FDI by volume to attracting FDI by quality, where quality is measured not only by registered capital, number of projects, employment or export turnover, but also by the extent to which projects contribute to emission reduction, technological innovation, energy efficiency, green value-chain linkages and sustainable development. These studies focus on clarifying the objectives and principles of green FDI attraction and the factors influencing it. Representative studies include Mahdi Ghodsi and Armando Rungi (2025), Pienknagura, S. (2024), Jaumotte et al. (2024), Le Mai Trang (2023), Pham Hong Bien (2023), UNCTAD (2022), OECD (2022), Castellani, Marin, Montresor and Zanfei (2022), Gopalan & Sharipova (2021), Alia AlMazrouie & Haitham Nobanee (2020), Haudi et al. (2020), Rodríguez-Pose & Crescenzi (2008), Sakakibara & Porter (2000),

and Francesca Micocci, Jeffrey L. Furman, Michael E. Porter and Scott Stern (2002), among others.

1.2. GENERAL ASSESSMENT

1.2.1. Established findings on which the dissertation builds

Findings

First, studies agree that FDI remains an important resource for developing economies, but that the quality of FDI is the decisive issue in the period of green transition.

Second, studies generally regard green FDI as capital flows with environmental and clean-technology objectives, although they differ in how it is measured.

Third, the role of the State is widely acknowledged.

Fourth, studies suggest that green FDI should be assessed using a multidimensional set of criteria.

Approaches

Related studies adopt diverse disciplinary perspectives, including international economics, development economics, economic management and corporate finance.

Methods

Related studies mainly employ qualitative methods and sociological surveys in examining green FDI and green FDI attraction.

1.2.2. Research gaps

First, there is a conceptual and measurement gap.

Second, there is a gap in the level of analysis.

Third, there is a gap concerning the policy cycle.

Fourth, there is a gap in quantitative criteria at the provincial level.

Fifth, there is a gap concerning Nghe An’s changing policy and development context.

Sixth, there is a gap concerning absorptive capacity and spillover effects.

1.3. NEW APPROACHES OF THE DISSERTATION

The first approach views green FDI attraction as linked to the green transition and green, sustainable economic growth, drawing on theories of green FDI, green growth and adaptive governance.

The second approach examines green FDI attraction from the perspective of economic management, positioning the provincial government as the central actor and analysing the developmental role of the Provincial People's Committee through its management functions.

The third approach combines three layers of criteria: criteria for identifying green FDI, criteria for evaluating attraction outcomes, and criteria for evaluating the province's policy capacity.

The fourth approach links green FDI to the specific features of Nghe An's development space.

The fifth approach integrates digital transformation into green FDI management.

The sixth approach situates green FDI attraction within inter-regional competition.

Chapter 2
THEORETICAL AND PRACTICAL BASIS FOR ATTRACTING GREEN FOREIGN DIRECT INVESTMENT BY PROVINCIAL GOVERNMENTS

2.1. OVERVIEW OF GREEN FOREIGN DIRECT INVESTMENT

2.1.1. Concepts

- Green foreign direct investment

Within the scope of this dissertation, green FDI is understood as foreign direct investment in green economic sectors such as renewable energy, water and waste management and recycling, as well as FDI in green technological processes in traditional high-emission sectors, aimed at reducing environmental pollution, responding to climate change and achieving sustainable development goals.

- Green foreign direct investment capital

In this dissertation, green FDI capital is understood as a type of FDI capital formed through direct investment in green economic sectors, such as

renewable and clean energy production, energy-saving products, and waste collection, treatment, recycling and reuse; or in green technological processes in traditional high-emission sectors, with the aim of reducing emissions and environmental pollution, responding to climate change and achieving the sustainable development goals of host countries.

2.1.2. Classification of green foreign direct investment

By type of investment

This comprises (i) FDI in green economic sectors (investment in the production and supply of environmental goods and services); and (ii) FDI that introduces green processes and technologies into traditional sectors (investment in the green transformation of production processes).

By sector

This is a common classification based on the products or services delivered by a project. Green FDI can be divided into investment in the following six sectors: clean energy and energy efficiency; green processing and manufacturing; green transport and logistics; green buildings and eco-industrial park infrastructure; sustainable water resource management and the circular waste economy; and smart, climate-resilient agriculture and forestry.

2.1.3. Characteristics of green foreign direct investment

- Green FDI aims to balance the three pillars of sustainable development (economic, social and environmental).

- Green FDI depends not only on the economic sector invested in but also on the processes and technologies that the FDI flow brings.

- Green FDI is directed towards sectors and fields that use green technologies and generate spillover effects.

- Green FDI is sensitive to local green institutions and is shaped by global climate commitments.

- Green FDI is large in scale and long-term, reflecting investors' long-term commitments.

- Green FDI has positive effects on the environment and the structure of economic growth.

2.1.4. The role of green foreign direct investment in national and local socio-economic development

- Supplementing and restructuring capital sources and optimising the allocation of local resources
- Improving labour productivity and enhancing the competitiveness of the nation in general and of localities in particular
- Promoting the restructuring of the local economy towards a green and sustainable direction
- Realising sustainable development goals at the local level
- Modernising the provincial economic governance model

2.2. FUNDAMENTAL ISSUES OF ATTRACTING GREEN FOREIGN DIRECT INVESTMENT

2.2.1. Key concepts related to attracting green foreign direct investment

Concept of green FDI attraction

Green FDI attraction by provincial governments refers to deliberate measures taken by provincial and municipal governments to create a favourable investment environment, select priority sectors and projects, organise investment promotion and support investors throughout administrative procedures. These measures aim to attract and increase foreign direct investment flows into (1) green economic sectors; and (2) fields, projects and production processes in traditional economic sectors characterised by clean technology content, high energy efficiency and low emissions, thereby contributing to local green growth, environmental protection and sustainable development goals.

2.2.2. Objectives and principles of green foreign direct investment attraction by provincial governments

Objectives of attracting green foreign direct investment

First, green FDI attraction aims to increase the volume of capital attracted in conjunction with restructuring investment towards sustainability.

Second, green FDI attraction aims to improve the quality of FDI. Traditional FDI projects may transfer environmental costs to host-country governments or move from jurisdictions with stricter environmental standards to those with weaker regulation in order to reduce compliance costs.

Third, green FDI attraction aims to generate green technology spillovers and to leverage the comparative advantages of the locality.

Fourth, green FDI attraction aims to help the locality achieve its green growth and sustainable development goals.

Principles of green foreign direct investment attraction by provincial governments

First, FDI attraction must remain within the powers devolved to provincial authorities.

Second, FDI attraction must not sacrifice ecological integrity or social welfare for short-term economic growth.

Third, the transition towards green FDI must support high-quality growth.

Fourth, projects must be selected on the basis of technological quality and environmental standards.

Fifth, attraction objectives must be compatible with the locality's sustainable development objectives.

Sixth, absorptive capacity and the diffusion of green value must be ensured.

2.2.3. Main activities involved in attracting green foreign direct investment by provincial governments

Creating an enabling environment for green FDI attraction by provincial governments

Issuing investment incentive policies for green FDI attraction by provincial governments

Organising investment promotion

Screening and appraising projects and monitoring the fulfilment of green commitments in green FDI attraction by provincial governments

2.2.4. Criteria for evaluating green foreign direct investment attraction by provincial governments

2.2.4.1. Qualitative criteria for evaluating green foreign direct investment attraction by provincial governments

(i) Criteria on institutions for green FDI attraction

(ii) Criteria on policy instruments and the investment environment for green FDI attraction

(iii) Criteria on the screening, selection and monitoring of green FDI projects

(iv) Criteria on green practices and the role of leadership

(v) Criteria on value-chain development and ecosystem linkages

2.2.4.2. Quantitative criteria for evaluating green foreign direct investment attraction by provincial governments

(i) Criteria on the scale and structure of green FDI flows

(ii) Criteria for evaluating economic contribution and operational performance

(iii) Criteria for evaluating social impact and technology spillovers

(iv) Criteria for evaluating environmental impact

2.2.5. Factors influencing green foreign direct investment attraction by provincial governments

2.2.5.1. Internal factors

- Administrative capacity of the provincial government
- Extent of technology adoption in local government management
- The locality’s green development orientation
- Extent of administrative procedure reform by the provincial government

2.2.5.2. External factors

- The locality’s competitive advantages in green FDI attraction
- Maturity of the host country’s investment institutions
- The locality’s level of economic development
- International integration

2.3. EXPERIENCE OF SELECTED DOMESTIC AND FOREIGN LOCALITIES IN ATTRACTING GREEN FOREIGN DIRECT INVESTMENT AND LESSONS FOR NGHE AN PROVINCE

2.3.1. Experience of selected localities in attracting green foreign direct investment

As the global economy faces major challenges related to climate change and energy security, FDI flows have shifted markedly towards green economic sectors, renewable energy and sustainable supply chains. Domestic localities such as Quang Ninh and Thanh Hoa recognised this trend early and adopted strategies to attract this investment. Foreign localities, such as Jiangsu province (China) and the provinces of the Eastern Economic Corridor (EEC, Thailand), have prioritised attracting green FDI in strategic sectors.

2.3.2. Lessons for Nghe An province

- Maintaining a consistent orientation towards sustainable development without trading off the environment for short-term growth.

- Pursuing administrative reform based on green governance principles (PGI).

- Strengthening the role of professional industrial park infrastructure developers.

- Shifting the focus of investment incentive policies from blanket tax incentives to support for infrastructure costs and training of green technical human resources, while ensuring timely site clearance.

- Combining efforts to attract green FDI with measures to green existing FDI projects.

- Establishing a clear set of quantitative screening criteria at the licensing appraisal stage, combined with a digitalised post-licensing emissions monitoring mechanism.

Chapter 3
THE CURRENT STATE OF ATTRACTING GREEN FOREIGN DIRECT INVESTMENT IN NGHE AN PROVINCE

3.1. OVERVIEW OF THE NATURAL AND SOCIO-ECONOMIC CONDITIONS AND THE CURRENT STATE OF GREEN FOREIGN DIRECT INVESTMENT IN NGHE AN PROVINCE

3.1.1. Overview of the natural and socio-economic conditions of Nghe An province

Geographical location

Nghe An is centrally located in Vietnam's North Central region and is the fourth-largest province in the country by area. Its geographical location provides favourable natural conditions for developing solar and wind power, which could form a green energy supply chain and ensure energy security for high-technology industrial parks.

Population

Nghe An ranks fourth nationwide in population, which provides the province with a large labour pool, although creating sufficient employment remains a challenge.

Economic growth and structure of Nghe An province, 2018-2024

During 2018-2024, the economy of Nghe An province underwent a structural shift reflecting the process of industrialisation and modernisation in line with the province's development orientation.

3.1.2. The current state of green foreign direct investment in Nghe An province, 2018-2024

Number of projects and volume of green foreign direct investment in Nghe An province, 2018-2024

Within the overall trend of FDI attraction, green FDI has increased markedly, with a clear increase in the number of green FDI projects. However, Nghe An remains heavily dependent on individual large-scale green projects rather than a diversified green investment ecosystem, and its mechanism for screening green projects remains unclear.

Structure of green foreign direct investment in Nghe An province, 2018-2024

By sector, FDI inflows into Nghe An are concentrated mainly in processing and manufacturing. Among these, green projects are concentrated mainly in projects employing high-technology or green-technology processes.

By investment partner, Nghe An has attracted FDI from 21 countries and territories, mostly from Asia. Green FDI projects come mainly from investors in Hong Kong, followed by Singapore.

Disbursement of green foreign direct investment in Nghe An province, 2018-2024

The low disbursement rate of green FDI is a warning sign: without measures to accelerate it, green FDI will remain only on paper, leaving land resources underused.

Impact of green foreign direct investment on economic growth and development in Nghe An province, 2018-2024

- Green FDI has become an important driver of Nghe An's economic growth

- Green FDI projects have played an important role in improving labour quality.

- Green FDI has strongly promoted industrialisation and modernisation.

- Green FDI has generated spillover effects for domestic supporting-industry enterprises.

3.2. THE CURRENT STATE OF GREEN FOREIGN DIRECT INVESTMENT ATTRACTION IN NGHE AN PROVINCE, 2018-2024

3.2.1. Creating the environment for attracting green foreign direct investment in Nghe An province, 2018-2024

During 2018-2024, Nghe An improved the environment for attracting green FDI through planning international-standard industrial park infrastructure (VSIP, WHA), administrative reform and digital transformation. Although governance indices have improved, the province still faces bottlenecks in logistics, renewable energy and waste treatment.

3.2.2. Implementation and specification of green investment incentive policies in Nghe An province, 2018-2024

During 2018-2024, Nghe An implemented tax incentives together with support policies on land lease, infrastructure and labour training for green FDI. Although all surveyed enterprises benefited from incentives, the province remains constrained by labour quality and green screening conditions.

3.2.3. Organisation of investment promotion for attracting green foreign direct investment in Nghe An province, 2018-2024

During 2018-2024, Nghe An intensified green FDI promotion by strengthening its administrative structures, cooperating with VSIP and WHA, applying the "five readiness" principles and digitalising data. Nevertheless, the province still has weak linkages with domestic enterprises, limited ESG-compliant data and few partners from Europe and the Americas.

3.2.4. Project screening and appraisal and monitoring of green commitments in Nghe An province, 2018-2024

During 2018-2024, Nghe An screened FDI projects under the "three nos" principle, conducted rigorous environmental appraisal and developed clean energy. Although most enterprises expressed satisfaction, the province still lacks quantitative criteria, green supply chains and highly skilled human resources.

3.3. GENERAL ASSESSMENT OF GREEN FOREIGN DIRECT INVESTMENT ATTRACTION IN NGHE AN PROVINCE, 2018-2024

3.3.1. Achievements

First, the volume of FDI inflows has increased dramatically, and its structure has begun to shift towards a greater share of projects with clean technology content and low pollution.

Second, the green investment environment has improved substantially by integrating green growth orientations into planning and attracting new-generation industrial park infrastructure developers.

Third, investment incentive and support policies have been specified in a timely manner, and investment promotion has shifted decisively towards a targeted approach that accompanies investors throughout the project life cycle.

Fourth, an initial framework for screening projects before licensing has been established, and environmental compliance control has been maintained in key industrial parks.

3.3.2. Limitations

First, the green orientation has not yet been clearly translated into the selection, support and monitoring of projects.

Second, environmental and low-carbon infrastructure has not kept pace with the expansion of industrial parks, and the overall quality of the business environment remains unstable.

Third, the volume of investment that meets robust green criteria remains modest, the project structure across the two types of green FDI is unbalanced, and green technology linkages and spillovers to domestic enterprises remain very limited.

Fourth, incentive policy instruments are not yet tied to environmental performance conditions, and investment promotion lacks a dedicated database on environmental performance.

3.3.3. Causes of the limitations

Internal causes

- The green orientation has not been fully translated into a set of implementation instruments. The development of detailed plans for green sectors and the design of quantitative criteria and province-specific green incentives have been slow.

- The administrative system’s implementation capacity and officials’ expertise in green governance at the departmental, sectoral and local levels are uneven, leading to difficulties both in pre-licensing technology appraisal and in post-licensing inspection.

- The application of digital technology and database interoperability in investment, environmental and land management remains limited.

- Local financial and budgetary resources for investment in shared green infrastructure remain constrained.

External causes

- The quality of technical human resources and the development of the supporting-industry ecosystem and domestic supply chains in the province remain at a low level.

- The national legal and institutional framework for green taxonomy and green finance remains under development and lacks a coherent framework.

- Vietnam's green financial market is at an early stage, and mechanisms for carbon credits and green bonds remain incomplete, making it difficult for FDI enterprises to access resources supporting sustainable development.

- Competition among localities in attracting FDI is intense, and the costs of green transition investment are high amid a volatile global economy. Fierce competition among domestic provinces and among countries in the region creates pressure to compromise environmental standards.

Chapter 4
SOLUTIONS FOR STRENGTHENING THE ATTRACTION OF GREEN FOREIGN DIRECT INVESTMENT IN NGHE AN PROVINCE

4.1. THE EMERGING CONTEXT AFFECTING GREEN FOREIGN DIRECT INVESTMENT ATTRACTION IN NGHE AN PROVINCE THROUGH 2030, WITH A VISION TO 2045

4.1.1. External context

- Tightening carbon standards in export markets, creating pressure to "green" supply chains

- A period of intensive implementation of Vietnam's commitments on Net Zero, the Emissions Trading System (ETS) and the Just Energy Transition Partnership (JETP). Environmental protection has become a central task alongside socio-economic development, as stated in the Draft

Documents of the 14th National Congress of the Communist Party of Vietnam.

- The acceleration phase of the Green Growth Strategy and the Foreign Investment Cooperation Strategy

- Implementation of the North Central and Central Coastal Regional Plan for the 2026-2030 period.

4.1.2. Internal context of Nghe An from 2026 onwards

- The strategic orientation of Nghe An province, in which green FDI is an important factor in implementing the provincial plan and establishing a new growth model

- Stringent FDI attraction requirements for implementing the province's Green Growth Action Plan to 2030

- Expansion of industrial zones and upgrading of logistics infrastructure

- A shift in the approach to attracting FDI from "rolling out the red carpet" to "green selectivity", which will affect green FDI attraction in the coming period.

4.2. GUIDING PRINCIPLES AND OBJECTIVES FOR ATTRACTING GREEN FOREIGN DIRECT INVESTMENT IN NGHE AN PROVINCE

4.2.1. Guiding principles for attracting green foreign direct investment in Nghe An province

The author proposes the following guiding principles as the basis for the proposed solutions:

First, green FDI attraction must be linked to green comparative advantages and be consistent with the province's sustainable development goals and orientations

Second, green FDI attraction must be linked to stringent environmental institutions

Third, green FDI attraction must be closely integrated with the greening of existing FDI

Fourth, green FDI attraction must be aligned with the governance capacity of the provincial government

Fifth, green FDI attraction must aim to spread the benefits of green investment to the local private sector and improve the quality of life of local residents.

4.2.2. Objectives for attracting green foreign direct investment in Nghe An province

Based on these guiding principles, the author proposes the following objectives for green FDI attraction in Nghe An province:

- Increasing the volume of green FDI while improving the quality and structure of capital flows.

- Promoting economic restructuring towards a greener and more modern structure.

- Enhancing technological capacity, labour productivity and the quality of local human resources.

- Increasing supply-chain linkages between green FDI firms and domestic suppliers.

- Enhancing the green governance capacity of the provincial government.

4.3. SOLUTIONS FOR STRENGTHENING GREEN FOREIGN DIRECT INVESTMENT ATTRACTION IN NGHE AN PROVINCE FOR THE 2026-2030 PERIOD, WITH AN ORIENTATION TO 2045

4.3.1. Developing a green investment ecosystem and increasing local content

The provincial government should shift from a project-by-project approach to building a green investment ecosystem, positioning green FDI within a linkage structure comprising lead firms, satellite enterprises, domestic suppliers, eco-industrial parks, environmental treatment infrastructure, a skilled green workforce, green financial services and other components.

4.3.2. Reforming integrated administrative procedures and reducing institutional uncertainty

The provincial government should improve the province’s Provincial Competitiveness Index (PCI) ranking to strengthen investor confidence;

reduce time and informal costs for enterprises, improve operational efficiency and position the province as a transparent, secure and efficient investment destination; and enhance its competitive advantage in attracting green and high-technology FDI projects.

4.3.3. Enhancing capacity to appraise and assess the impact of green foreign direct investment

Building on the general set of criteria for appraising applications for investment policy approval of FDI projects that is being finalised at the national level, the Provincial People's Committee should develop a dedicated set of appraisal criteria for green FDI projects consistent with the province's development orientation.

4.3.4. Developing a highly skilled workforce, particularly in green industries

During 2025-2030, Nghe An should develop high-quality human resources for green FDI through planning based on labour-market demand, university-industry linkages, skills and foreign-language training and policies to attract skilled professionals. This solution will help raise productivity and promote technology transfer.

4.3.5. Reforming investment incentive policies

In accordance with the 2025 Law on Investment, Nghe An should make its incentives more selective by tying them to emission-reduction outcomes and time-bound conditions, while tailoring them to different zones, combining them with green finance instruments and ensuring information transparency.

4.3.6. Refining the investment promotion strategy

The refinement of Nghe An's green FDI promotion strategy is based on four grounds: global green investment trends, the orientations set out in Resolution No. 50-NQ/TW, the Provincial Plan for the 2021-2030 period and local realities, so as to ensure consistency, coherence and feasibility.

4.4. RECOMMENDATIONS

4.4.1. Recommendations to the Government

The Government is recommended to issue detailed measures to implement Resolution No. 50-NQ/TW in conjunction with green-growth objectives, harmonise investment and environmental legislation and integrate green indicators into planning, while supporting Nghe An in developing infrastructure and clean energy, inter-sectoral coordination and access to green capital.

4.4.2. Recommendations to the Ministry of Finance

The Ministry of Finance is recommended to develop conditional tax and land-lease incentive packages linked to green investment outcomes; to coordinate in-depth training for local officials; and to strengthen national-level green FDI promotion while integrating data from Nghe An into national promotion systems.

4.4.3. Recommendations to the Ministry of Agriculture and Environment

The Ministry of Agriculture and Environment is recommended to issue unified guidance on the green taxonomy in accordance with Decision No. 21/2025/QĐ-TTg, to develop a digital toolkit for the rapid assessment of FDI projects, and to support Nghe An in verifying environmental outcomes and strengthening its monitoring capacity.

4.4.4. Recommendations to the State Bank of Vietnam

The State Bank of Vietnam is recommended to complete the legal framework for green credit, promptly issue the green taxonomy list and guidelines on environmental risk management, and support research into medium- and long-term funding sources and appropriate risk-sharing mechanisms.

4.4.5. Recommendations to the Ministry of Science and Technology

The Ministry of Science and Technology is recommended to develop a national data subsystem for tracking emissions, energy use and technology transfer of green FDI projects, and to design programmes supporting green innovation and connecting Nghe An with relevant funds.

CONCLUSION

Based on a literature review, theoretical systematisation, analysis of secondary data and surveys of policy-implementing officials and FDI enterprises, the dissertation has achieved the following main results:

First, the dissertation clarifies the concept, characteristics and role of green FDI and the main components of attracting green FDI at the local level. The analytical framework developed covers attraction measures, evaluation criteria and influencing factors, emphasising the need to link capital attraction with the technological quality, resource efficiency and environmental outcomes of projects.

Second, the dissertation analyses the current state of green FDI attraction in Nghe An during 2018-2024. The results show that improvements in the investment environment, stronger administrative procedure reform, the development of industrial park infrastructure and investor support have created certain conditions for attracting green-oriented projects. However, the dissertation also shows that Nghe An's green FDI attraction outcomes do not match either the province's potential and advantages or the development requirements of the new period; the sectoral structure has not yet shifted clearly towards greener industries; and value-chain linkages and green technology spillovers to domestic enterprises remain weak.

Third, the dissertation proposes solutions for attracting green FDI in Nghe An in line with the need to shift from a quantity-based approach to one based on quality, efficiency and sustainability. The focus is on improving the orientations, planning and policies for green FDI attraction; developing project screening criteria consistent with the province's green development goals; improving the quality of the investment and business environment; and developing technical infrastructure and related measures. The dissertation also offers several recommendations to central authorities aimed at further improving institutions for green investment, green development and green finance, as well as coordination mechanisms to support localities in attracting high-quality investment flows.

LIST OF THE AUTHOR'S PUBLICATIONS RELATED TO THE DISSERTATION

1. Hoang Thi Thuy Hang, Truong Thi My Nhan (2024), "Experience of countries in attracting green foreign direct investment and relocation trends", *Economy and Forecast Review*, No. 14, July 2024 (880), Year 57, pp. 199-201.
2. Hoang Thi Thuy Hang (2025), "Improving the quality of foreign direct investment in Nghe An province", *Review of Finance*, Issue 2, March 2025 (845), pp. 172-174.
3. Hoang Thi Thuy Hang (2026), "Strengthening FDI attraction for green industrial development in Nghe An province", *Journal of Economics and Finance, Economic and Financial Research online section*, No. 102, January 2026. https://nghiencuu.tapchikinhtetaichinh.vn/tang-cuong-thu-hut-fdi-vao-phat-trien-cong-nghiep-xanh-tinh-nghe-an-140101.html
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5. Hoang Thi Thuy Hang (2026), "Attracting green foreign direct investment in the Red River Delta region in the new context", *State Management Review*, https://www.quanlynhanuoc.vn/2026/01/26/thu-hut-dau-tu-truc-tiep-nuoc-ngoai-xanh-vung-dong-bang-song-hong-trong-boi-canh-moi/
6. Hoang Thi Thuy Hang (2026), "Attracting new generation of foreign direct investment in Nghe An", *Vietnam Economic Financial Review*, Vol. 2, Issue 1, February 2026.