

IJGlobal ESG Award – Biomass, APAC – Binh Duong

Angus Leslie Melville

19/10/2023

Binh Duong Water Project – a challenging sector in a challenging region – wins the IJGlobal ESG Award 2023 for biomass transactions in the Asia Pacific region.

One of the independent panel of judges said of the transaction: “Waste to energy projects are extremely difficult to close – so extra credit should be given to all the parties involved, especially in markets like Vietnam.”

In this project, Mayer Brown represented ADB and JICA as lenders providing financing to [Binh Duong Water Environment \(BIWASE\)](#) for the construction of a composting plant with a capacity of 840 tons/day and a WtE incinerator with a capacity of 8,400 kg/hour.

Both developments are located at the South Binh Duong Solid Waste Treatment Complex in Binh Duong Province, Vietnam.

BIWASE was founded in 1975 as a government-owned entity and is one of the largest industrial solid-waste treatment providers for industrial and commercial users in Vietnam. It became a joint-stock company in 2016 and was listed on the Ho Chi Minh Stock Exchange in 2017.

BIWASE is the sole provider of municipal solid waste treatment for the Binh Duong province including collection, recycling, treatment, and final disposal.

This project is significant as it supports Vietnam’s continuous efforts to improve the overall waste management system and will provide a model for other Vietnamese provinces and neighbouring countries seeking to reduce waste through modern processing systems.

The long-term impact of this project is to demonstrate the viability of private sector commercial financing in the country's water sector – transitioning from reliance on sovereign financing to standalone private sector financing.

ESG components

Beyond waste to energy management, the Binh Duong Water project also incorporates measures to promote gender quality and women's empowerment by enhancing gender-inclusive initiatives in the project design.

Equal pay and benefits to all employees is one of the key initiatives brought to the local communities.

Additionally, the project is part of ADB’s Country Partnership Strategy with Vietnam 2023-26 which focuses on supporting Vietnam's transition to a green economy, harnessing the country's private sector and promoting social equity.



IJGlobal
ESG
AWARDS 2023

The project is also aligned with the operational priorities of ADB's Strategy 2030 of tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; making cities more liveable; and addressing remaining poverty and reducing inequalities.

This water project in Binh Duong – one of Vietnam's fastest developing provinces – marks the first private sector water supply project in Vietnam.

It opens the door for ADB to provide financial support for Vietnam to privatise the water sector and may serve an example for wider adoption and acceptance with growing appetite from the market.

Building on the success of BIWASE, ADB is exploring the option to finance the second and third private sector-financed transaction involving other utility services in Vietnam.

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through www.ijglobal.com/sign-in, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.