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The Role of International Capital Flows in Promoting the Circular Economy Model in Vietnam

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ABSTRACT: This study aims to provide an in-depth analysis of the multifaceted role of international capital flows in initiating, promoting, and scaling up the circular economy (CE) model in Vietnam. Using a qualitative research method, the paper conducted 23 semi-structured in-depth interviews with five key stakeholder groups, including policymakers, international organizations, FDI enterprises, domestic enterprises, and experts. The findings reveal that international capital is not only a key financial driver for large-scale CE projects but also serves as a channel for transferring advanced technology ("hardware") and managerial knowledge, including ESG standards ("software"). Notably, these capital flows create positive pressure, compelling Vietnamese enterprises to comply with green standards through demands from supply chains and investors. However, this potential is hindered by significant barriers, including an unclear legal framework, an underdeveloped market for recycled products, and weak domestic enterprise capacity. Therefore, the study emphasizes that to optimize the role of international capital, Vietnam must urgently refine the legal framework, particularly by issuing a national Green Taxonomy, while concurrently implementing market-creation policies and enhancing the capacity of domestic enterprises. These findings offer important implications for policymakers and businesses in building a sustainable CE ecosystem.

KEYWORDS: Circular economy, international capital flows, foreign direct investment (FDI), green finance, sustainable development, public policy.

1. INTRODUCTION

In recent decades, Vietnam has been regarded as one of the most dynamic and impressive economies in Asia. However, the traditional growth model based on a linear economy, which focuses on resource extraction, production, and disposal, has been creating serious challenges for the nation's sustainable development. The depletion of natural resources, rising levels of environmental pollution, and the negative impacts of climate change are creating an urgent imperative for a transformation of the economic development model (World Bank, 2022). In this context, developing a circular economy has been identified as a strategic direction and an inevitable solution to simultaneously address the goals of economic growth, environmental protection, and social equity.

Recognizing this importance, the Vietnamese government has demonstrated strong political commitments, exemplified by the declaration to achieve net-zero emissions by 2050 at COP26. These commitments have been institutionalized through key legal documents such as the 2020 Law on Environmental Protection, which for the first time incorporated the circular economy into law, and subsequently the National Action Plan on Circular Economy (Prime Minister, 2022). Nevertheless, realizing these ambitious goals requires immense financial resources. It is estimated that the capital demand for Vietnam's green and circular transition is enormous, far exceeding the capacity of the state budget and the domestic private sector (United Nations Development Programme, 2021). This financing gap highlights the potential and indispensable role of international capital flows, including foreign direct investment, official development assistance, and green financial instruments.

However, while previous studies in Vietnam on the circular economy have primarily focused on describing models and analyzing policies (Herrador et al., 2023), and studies on international capital flows have often only assessed their general impact on economic growth and technology transfer (Anwar & Nguyen, 2013), a significant research gap remains. There is a lack of in-depth, empirically-based analyses of the multifaceted roles and specific impact mechanisms of international capital flows in initiating, promoting, and scaling up circular economy models in Vietnam. Understanding the opportunities, challenges, and practical barriers from the perspectives of various stakeholders is still limited.

Therefore, this study was conducted to fill that gap. By employing a qualitative research method with in-depth interviews, the paper aims to answer the central research question: How do international capital flows contribute to the initiation, promotion, and scaling up of circular economy models in Vietnam? More specifically, the study will address the following sub-questions: (i) What are the primary and most effective channels for mobilizing international capital for the circular economy in Vietnam? (ii) What opportunities and challenges does international capital present for stakeholders in the transition process? (iii) What conditions and policies are needed to optimize the role of international capital for the goal of circular economy development?

To answer these questions, the study sets out the following main objectives: (i) To analyze and systematize the roles of international capital flows in relation to the circular economy; (ii) To identify the main channels for mobilizing international capital and assess their potential; (iii) To determine the barriers and facilitators in attracting and utilizing international capital; and (iv) To propose practical policy implications.

The novelty of this study lies in its systematic approach to the issue from an international finance perspective and its use of primary qualitative data to explore complex, multidimensional aspects that quantitative methods can hardly capture. It thereby provides a comprehensive and profound picture of the interaction between international capital and the transition to a circular economy in Vietnam.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. Literature Review

Internationally, research on financing the circular economy (CE) has grown significantly over the past decade, but has primarily focused on the context of developed countries. Many works have analyzed new circular business models and the financial barriers they face, such as higher perceived risks and longer payback periods compared to linear models (Ritzén & Sandström, 2017). Other studies have explored the role of financial institutions, from commercial banks providing green credit to venture capital and private equity funds financing circular startups (Ghisellini et al., 2016). However, these studies often pay little attention to the specific role of international capital flowing into developing economies to drive this transition.

Furthermore, another important branch of theory examines the link between international capital flows and the environment, highlighted by two opposing hypotheses: the "pollution haven" hypothesis, which suggests that foreign direct investment (FDI) tends to flow to countries with lax environmental regulations; and the "pollution halo" hypothesis, which argues that FDI can bring cleaner technology, higher environmental management standards, and promote sustainable practices in the host country (Copeland & Taylor, 2004; Eskeland & Harrison, 2003). This connection provides a useful perspective for examining the dual impact of international capital on the CE but has not yet been systematically applied.

In Vietnam, research on the CE is still in its early stages and is largely descriptive and summative. Many studies focus on clarifying concepts, analyzing state policy frameworks, or introducing pilot models in specific sectors such as agriculture, construction, or packaging (Central Institute for Economic Management, 2021; Hai et al., 2019). These studies have laid an important foundation but often do not delve into the financial aspects, especially the mobilization and use of external capital. Concurrently, studies on international capital flows like FDI and ODA in Vietnam are abundant, but they mainly analyze their impacts on economic growth, labor productivity, and technology transfer in general (Anwar & Nguyen, 2013), without a direct and deep connection to promoting CE principles and practices.

From this overview, a clear research gap can be identified: the absence of a comprehensive study using in-depth qualitative methods to explore the complex, multidimensional role and specific impact mechanisms of different international capital flows (FDI, ODA, green finance) on the formation and development of the CE model in Vietnam. In particular, investigating the issue from the perspectives of multiple stakeholders (state management agencies, FDI enterprises, domestic enterprises, financial institutions) to clarify the opportunities, challenges, and practical barriers is an underexplored avenue.

2.2. Theoretical Framework

This study is built upon foundational concepts and theories of the circular economy and international capital flows.

First, the concept of the circular economy is understood according to the definition by the Ellen MacArthur Foundation (2013), a global pioneer, as a system that is restorative and regenerative by design. It replaces the "end-of-life" concept of the traditional linear economy (extract - produce - consume - dispose). The CE is based on three core principles: (i) designing out waste and pollution from the outset; (ii) keeping products and materials in use for as long as possible at their highest value; and (iii) regenerating natural systems. In Vietnam, this concept was codified into the 2020 Law on Environmental Protection, which defines the CE as "an economic model in which the design, production, consumption, and service activities aim to reduce the extraction of raw materials, extend product lifecycles, limit waste generation, and minimize adverse environmental impacts."

Second, the study classifies and clarifies the characteristics of the main relevant international capital flows.

(i) **Foreign Direct Investment (FDI)** is a long-term private capital flow where an investor in one country invests in an enterprise in another country to gain control or significant influence over its management (United Nations Conference on Trade and Development, 2019). FDI not only brings capital but is often accompanied by the transfer of technology, advanced management skills, and access to global supply chains, which are key factors for adopting CE models.

(ii) **Official Development Assistance (ODA)** consists of financial flows provided by official agencies (governments and multilateral organizations) to developing countries, with the primary objective of promoting economic development and welfare, and containing a significant grant element (Organisation for Economic Co-operation and Development, 2021). ODA capital often has preferential interest rates, long grace periods, and is frequently accompanied by technical assistance components, policy advice, and capacity building, thus playing a role as "catalytic capital" to create a favorable environment for the transition to a CE.

(iii) **Green Finance** is a broad term encompassing financial instruments designed to deliver environmental benefits. It includes green credit, green bonds (which raise capital for specific green projects), and capital from impact investment funds (Climate Bonds Initiative, 2022). The distinguishing feature of green finance is its clearly defined environmental objectives and its mechanisms for monitoring and measuring impact, making it an ideal and increasingly important source of capital for CE projects.

3. RESEARCH METHODOLOGY

3.1. Research Design

To answer the central research question about the multifaceted role of international capital flows in Vietnam's circular economy, this study adopts a qualitative research method. This choice is appropriate as the study's goal is not to measure or test causal relationships, but to deeply and comprehensively explore the processes, impact mechanisms, and complex practical experiences that quantitative methods can hardly capture. Specifically, the study uses an interpretive approach, focusing on understanding the meanings, perceptions, and perspectives that participants attribute to the role of international capital, as well as the opportunities and challenges in the context of the transition to a circular economy.

3.2. Data Collection

The study's primary data were collected mainly through semi-structured in-depth interviews. This tool allowed the researcher to adhere to a set of guiding questions designed based on the research objectives, while also being flexible enough to ask probing questions and explore new and important themes that emerged during the dialogue with participants.

The selection of interview subjects was carried out using purposive sampling, combined with the snowball technique. The research sample was intentionally selected based on their expertise, professional position, and practical experience directly related to international capital flows and the circular economy. To ensure a multidimensional and comprehensive perspective, the sample included 23 subjects divided into five main groups:

- (i) A group of policymakers (n=5) from agencies directly involved in developing the legal framework and policies for attracting capital for the circular economy.
- (ii) A group of representatives from international organizations and donors (n=3) from multilateral and bilateral financial institutions implementing support programs in Vietnam.
- (iii) A group of leaders of FDI enterprises (n=7) from corporations pioneering circular economy practices.
- (iv) A group of leaders of domestic enterprises (n=4) that are transitioning or intending to transition to a circular economy model.
- (v) A group of experts and academics (n=4) with deep expertise in international finance, environmental economics, and sustainable development in Vietnam.

All interviews were conducted with the participants' consent, were audio-recorded, and lasted an average of 60 to 90 minutes to ensure the collection of complete and detailed information.

3.3. Data Analysis

The interview data, after being transcribed, were analyzed using thematic analysis, a common method in qualitative research for identifying, analyzing, and reporting patterns (themes) within the data. The analysis strictly followed the six-step process proposed by Braun & Clarke (2006). Specifically, the process began with thoroughly reading and familiarizing oneself with the entire dataset. Next, data segments relevant to the research questions were systematically coded. These codes were then grouped and classified to form preliminary themes. In the subsequent steps, these themes were reviewed, cross-referenced with the original data and the generated codes to be refined, scoped, and formally named. Finally, the complete themes were interpreted, analyzed in-depth, and connected to the theoretical framework to write the research findings report. To ensure authenticity and to clearly illustrate the arguments, direct (anonymized) quotes from participants will be used in the presentation of the findings.

4. FINDINGS

Through an in-depth analysis of data from 23 interviews with stakeholders, the study identified four main themes that reflect the multifaceted role, opportunities, and challenges of international capital flows in promoting the circular economy (CE) in Vietnam. These themes not only clarify the mechanisms of impact but also reveal the complex interplay between financial, technological, policy, and market factors.

4.1. Theme 1: International Capital as a Catalyst and Key Financial Driver for CE

The analysis shows a high degree of consensus among the stakeholder groups that international capital plays an indispensable financial role, especially in the initiation and scaling-up phases of the CE in Vietnam. This role is clearly manifested through two main channels: ODA and FDI/Green Finance.

First, ODA and grants from international organizations are seen as "catalytic capital." This capital does not directly finance large-scale business activities but focuses on building foundations and creating a favorable environment. A policymaker from the Ministry of Agriculture and Rural Development shared:

"In the early stages, when the CE concept was very new, we had almost nothing. It was the technical assistance from the UNDP and WB that helped us study international experiences, organize workshops, and, most importantly, draft the initial criteria for CE to be included in the law. Without this non-profit capital, the institutionalization process would have been much slower."

This "pathfinding" role is also demonstrated through the funding of pilot projects, which help prove the feasibility of circular models, thereby reducing perceived risks and attracting the interest of the private sector.

Second, as CE models need to be scaled up, FDI and green finance instruments from international investment funds become the key financial drivers. Circular infrastructure projects such as high-tech recycling plants, waste-to-energy systems, or eco-industrial parks require extremely large initial investments, far beyond the capacity of most domestic enterprises. A leader of a company in the plastic recycling industry stated:

"To build a PET plastic bottle recycling plant that meets food-grade safety standards for export to Europe or the US, the investment cost can be up to \$25-30 million. Domestic bank loans for these projects are very difficult to obtain because they are considered high-risk, while our own capital is insufficient. We are forced to seek out foreign investment funds or form joint ventures with FDI partners."

4.2. Theme 2: Transfer of "Hardware" and "Software" for the Circular Economy

A key finding of the study is that the role of international capital extends beyond purely financial aspects. It brings a comprehensive solution package that includes both "hardware" (technology) and "software" (knowledge, governance).

Regarding "hardware," FDI is a direct channel for transferring advanced production and recycling technologies that Vietnam has not yet mastered. FDI enterprises bring resource-efficient production lines, emission-reduction technologies, and advanced recycling technologies that help create high-value secondary products. A factory director, a partner of a multinational electronics corporation, remarked:

"They didn't just ask us to collect electronic waste; they also transferred the technology and processes for extracting rare earth metals from old circuit boards. This was technology we had previously only read about in books. Thanks to that, we turned discarded items into valuable raw materials."

Regarding "software," international capital flows are accompanied by the transfer of modern management knowledge, circular business models, and international standards. This includes green supply chain management processes, material traceability systems, new business models like "Product-as-a-Service," and especially governance practices according to ESG (Environmental - Social - Governance) standards. A leader of a domestic enterprise collaborating with an FDI company in the consumer goods sector emphasized:

"The most valuable thing we learned wasn't about money, but about mindset. They didn't just bring money; they brought their brains. They taught us how to design product packaging for easy sorting and recycling from the outset, how to calculate our carbon footprint, and how to prepare sustainability reports. That knowledge is priceless."

4.3. Theme 3: International Capital as an Instrument for Imposing and Promoting Standards

The study shows that international capital flows, especially from developed markets, are creating strong pressure, forcing Vietnamese enterprises to transition to a circular model to survive and compete. This pressure comes from two directions: investor requirements and market demands.

International investors and financial institutions are increasingly integrating ESG criteria into their disbursement decisions. Projects that do not meet environmental and social standards will find it difficult to access preferential capital or may even be rejected for investment. A representative from an impact investment fund stated: *"We have a very strict ESG filter. A project with high profitability but that harms the environment or uses unfair labor practices will never make it into our portfolio."*

More importantly, pressure from global supply chains is the most powerful driver of change. Major brands from Europe and North America, under pressure from consumers and new regulations (such as the Carbon Border Adjustment Mechanism - CBAM), are demanding that their entire supply chains comply with green and circular standards. A director of an export-oriented textile company shared his experience:

"About five years ago, they only cared about price and quality. Now, the first question from a customer is: 'What percentage of recycled fiber do you use? Where does it come from? What certifications does your factory have for wastewater treatment?'. If we don't have certifications for recycling and material origin, we can't get the order. It's pressure, but it's positive pressure; it forces us to change."

4.4. Theme 4: Barriers and Challenges in Absorbing International Capital for CE

Besides the positive roles, the process of attracting and utilizing international capital for the CE in Vietnam faces significant barriers, pointed out by interviewees from various perspectives.

Legal and policy barriers were the most frequently mentioned issue. The lack of clarity and consistency in the definitions and criteria for CE creates a "gray area" that poses difficulties for both investors and businesses. An expert from a research institute analyzed:

"The law exists, the action plan has been issued, but the specific guiding sub-law documents are still slow to come. What constitutes a 'circular project' to be eligible for incentives? What are the quantitative criteria? Both businesses and local authorities are confused. This policy uncertainty is the biggest risk for long-term investors."

Market barriers are also a major challenge. The initial investment cost for circular technology is often very high, while the market for recycled products in Vietnam is not yet well-developed. Consumer awareness is still limited, making them unwilling to pay more for sustainable products. An entrepreneur of a startup in the field of environmentally friendly products lamented: *"Our products are made from recycled materials, and the production cost is 20-30% higher than conventional goods. But when we sell them on the market, it's very difficult to compete on price with single-use plastic products."*

Finally, the barrier of domestic enterprises' internal capacity is a serious bottleneck. Many businesses have good ideas but lack the capacity to develop financially viable (bankable) projects to convince international investors. A representative from a venture capital fund candidly shared:

"We have money, and we are very keen to invest in green projects in Vietnam. But we can't find enough good projects to invest in. They present very nice ideas, but when we ask about detailed business plans, financial models, and environmental and social impact assessment reports according to international standards, they are very weak. This is a huge capacity gap."

5. DISCUSSION

The qualitative research findings not only answer the central research question but also open up profound discussions when juxtaposed with the theoretical framework and Vietnam's practical context.

First, the study's findings provide strong empirical evidence supporting the "pollution halo" hypothesis. Contrary to fears that international capital flows might turn Vietnam into a "pollution haven" by exploiting lax environmental regulations, the interview data reveal an opposite trend. International investors, financial institutions, and major global brands are proactively bringing to Vietnam not only clean technology and resource-efficient production processes ("hardware") but are also imposing strict ESG standards ("software"). Pressure from global supply chains and demands from capital providers are becoming a crucial external driver, pushing domestic enterprises to transition to a circular model as a prerequisite for integration and competition.

Second, the study highlights the dual, complex role of international capital flows. It is not merely a financial supply to fill the capital gap for circular projects but also an agent of institutional and capacity change. This relationship is not one-way, where international capital unilaterally bestows benefits, but a complex interactive process. To absorb this capital, Vietnamese enterprises are forced to enhance their own capacity, learn international best practices, and increase transparency in their operations. This helps solve the classic "chicken-and-egg" problem in policy development. Instead of a linear sequence where "policy must come first to attract capital," the research findings suggest a mutually reinforcing loop. The government's initial political commitments attracted a first wave of pioneering investors and international organizations. The challenges, requirements, and practical experiences from this pioneering group, in turn, provide invaluable feedback, helping policymakers refine the legal framework in a more substantive and effective manner, thereby creating a more attractive environment for the next wave of investment.

Finally, a deeper interpretation of the results, especially from the theme on barriers, underscores the importance of fostering a comprehensive "circular economy ecosystem" rather than just focusing on financing individual projects. International capital, however important, is only one component. The barriers of unclear policies, an underdeveloped market for secondary materials, and weak project development capacity in enterprises indicate a lack of synergy among other elements. Therefore, for international capital to fully realize its role, it needs to be placed within a holistically nurtured ecosystem that includes: a clear and stable policy framework, diverse financial instruments, a foundation of technology and innovation, a vibrant output market for circular products, and a skilled workforce. International capital can be a powerful catalyst, but it cannot substitute for building the solid foundation of this entire ecosystem.

6. CONCLUSION AND POLICY IMPLICATIONS

6.1. Conclusion

This study, through in-depth qualitative methods, has analyzed and clarified the multifaceted and indispensable role of international capital flows in initiating, promoting, and scaling up the circular economy model in Vietnam. The results confirm that international capital is not merely a financial resource to fill a budget gap but also serves as a critical catalyst through four main mechanisms: (i) being a key financial driver for large-scale circular projects; (ii) acting as a channel for transferring "hardware" (advanced technology) and "software" (managerial knowledge, business models); (iii) serving as an instrument to create pressure, promoting compliance with international environmental and social standards; and (iv) providing initial "catalytic capital" for policy development activities and pilot projects.

However, the study also indicates that this enormous potential is being constrained by significant barriers. The process of effectively absorbing and leveraging international capital for the circular economy can only be realized if Vietnam simultaneously addresses three core challenges: the lack of clarity and consistency in the legal framework, the immaturity of the market for secondary products and materials, and the capacity gap of domestic enterprises in developing bankable projects and managing according to international standards.

6.2. Policy Implications

Based on these conclusions, the study proposes several practical policy implications, targeted at relevant stakeholders, to optimize the role of international capital for circular economy development in Vietnam:

For the Government and State Management Agencies

(i) Urgently refine the legal framework: The top priority is to develop and issue a national Green/Circular Finance Taxonomy. This taxonomy needs to be clear, quantifiable, and harmonized with international standards, serving as a common language and a solid legal basis for investors, financial institutions, and businesses to identify eligible projects for incentives and capital access.

(ii) Proactively create a market: The state needs to use strong policy tools to stimulate aggregate demand for circular products. Specifically, this includes issuing mandatory regulations on green public procurement, effectively implementing the Extended Producer Responsibility (EPR) mechanism to ensure an output market for the recycling industry, and implementing price support policies for products made from recycled materials in the initial phase.

(iii) Diversify and develop financial instruments: It is necessary to soon complete the legal framework for issuing green bonds and sustainable bonds. At the same time, the government should coordinate with international financial organizations to establish credit guarantee funds or co-financing funds to mitigate risks and encourage domestic commercial banks to lend more boldly to circular economy projects of small and medium-sized enterprises.

(iv) Invest in national capacity building: Implement large-scale technical assistance and training programs focused on helping domestic enterprises enhance their capacity to develop bankable projects, manage their businesses according to ESG standards, and practice transparent reporting.

For Vietnamese Enterprises

There is a need to proactively shift their mindset, viewing the circular economy not just as a compliance cost but as a competitive opportunity. Enterprises need to invest in research and development (R&D), improve governance capacity, and particularly enhance transparency by preparing sustainability reports according to international standards. This is a prerequisite for becoming attractive partners and "speaking the same language" as international investors.

For International Investors and Organizations

They should continue to leverage their role as strategic partners, not only providing capital but also closely partnering with the Vietnamese government in the process of policy consultation and refinement. More importantly, it is necessary to strengthen technical assistance packages accompanying financial investments, specifically designed to address the "capacity gap" of local enterprises and officials, helping projects to be implemented effectively and sustainably.

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APPENDIX

SEMI-STRUCTURED INTERVIEW GUIDE

Objective / Key Theme	General Questions (Applicable to most groups)	Probing / Specific Questions for each Stakeholder Group
A. Introduction & General Perceptions (To establish context and understand foundational viewpoints)	1. Could you please introduce your role, position, and your experience related to the circular economy (CE) and/or international finance in Vietnam? 2. From your perspective, what is the significance of the circular economy for Vietnam's sustainable development in the current context?	- PM: Could you share insights into the process of incorporating the CE concept into legal documents like the 2020 Law on Environmental Protection? - DE/FDI: What was the primary motivation for your company to become interested in and start transitioning towards a CE model?
B. Role & Channels of International Capital (To explore Theme 1: Catalytic & Primary Financial Driver)	3. How do you assess the role of international capital flows (FDI, ODA, green finance, etc.) in promoting the CE in Vietnam? Is it an indispensable factor? 4. In your opinion, which international capital channel (ODA, FDI, investment funds, green credit, etc.) is currently the most dominant and effective for CE projects in Vietnam? Why?	- PM: How have ODA and international technical assistance acted as "catalytic capital" in policy development and pilot projects for the CE? - IO: What is your organization's primary focus in supporting the CE in Vietnam? (e.g., technical assistance for policymaking, funding pilot projects, or financing large-scale projects?) - DE: When seeking capital for CE projects, why does your company turn to international sources

		instead of domestic ones? (e.g., scale of capital, interest rates, or other factors?) - FDI: What were the reasons for your corporation's decision to invest in circular projects/technologies in Vietnam?
C. Non-Financial Impacts of International Capital (To explore Theme 2: Transfer of "Hardware" & "Software")	5. Beyond the financial aspect, what other non-financial values do international capital flows bring to the CE transition in Vietnam? 6. More specifically, can you share examples of the transfer of technology, management knowledge, circular business models, or international standards (such as ESG) that accompany these investments?	- FDI: What specific cleaner production or advanced recycling technologies has your company transferred to your partners in Vietnam? - DE: When collaborating with foreign partners, what has been the most valuable lesson your company has learned? (e.g., technology, management processes, circular design thinking, or sustainability reporting?) - EA: From your observation, how significant are the knowledge and technology spillover effects from internationally-funded projects to the broader domestic enterprise ecosystem?
D. International Capital as a Driver/Pressure for Change (To explore Theme 3: A Tool for Imposing & Driving Standards)	7. Have you observed pressure from international investors or global supply chains requiring Vietnamese enterprises to comply with green and circular standards? 8. Is this pressure a "barrier" or a "positive driver" that compels businesses to change in order to survive and compete? Please share a practical example.	- DE (especially in export sectors): How have the demands from your international buyers regarding sustainable products (e.g., recycled content, environmental certifications) changed over the last 5 years? How has this impacted your company's strategy? - IO / Investment Fund: What are the key criteria (e.g., ESG) your organization uses for due diligence when deciding to invest in a project in Vietnam? - FDI: How does your company ensure that suppliers within your supply chain in Vietnam also adhere to the corporation's circular standards?
E. Barriers & Challenges (To explore Theme 4: Obstacles to Capital Absorption)	9. In your view, what are the biggest barriers to attracting and effectively utilizing international capital for the CE in Vietnam? 10. Specifically, could you comment on the barriers related to: (i) The legal and policy framework; (ii) The market for recycled products/secondary materials; and (iii) The internal capacity of Vietnamese enterprises?	- PM: Why has the issuance of detailed guiding regulations and a clear taxonomy for circular projects been challenging and slow? - DE: Does your company face difficulties in developing a "bankable project" to present to international investors? If so, what are the specific challenges? - Investment Fund: When reviewing potential projects in Vietnam, what are the most common weaknesses you find in local proposals (e.g., business model, financial projections, environmental & social impact assessment)? - EA: What do you consider the most critical "bottleneck" in Vietnam's current circular economy ecosystem?
F. Conclusion & Policy Implications (To gather recommendations and future outlook)	11. To optimize the role of international capital, what priority actions should the Government, Vietnamese enterprises, and international organizations take in the near future? 12. Is there anything else you would like to add or share on this topic?	- PM: What do you believe is the breakthrough policy needed to create a robust market for secondary materials? - DE: What support would your business most want from the Government and international organizations to better access this type of capital? - IO / Investment Fund: What policy recommendations do you have for the Vietnamese Government to improve the investment climate for the circular economy?

Note: **PM**: Policymakers; **IO**: International Organizations / Donors; **FDI**: FDI Enterprises; **DE**: Domestic Enterprises; **EA**: Experts / Academics