

ICSUD 2026 · INTERNATIONAL CONFERENCE ON SUSTAINABLE URBAN
DEVELOPMENT

Public Policy to Promote SME Participation in Green Building Material Supply Chains for Sustainable Housing: International Experiences and Implications for Ho Chi Minh City

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THE HOUSING QUESTION

Housing for all also means sustainable supply chains

ICSUD 2026 frames housing through **affordability, inclusivity, and sustainability.**

The question is not only how to build greener homes, but who can participate in delivering them.

SMEs as active suppliers



WHY MATERIALS MATTER

Why building materials are a policy lever

Material choices connect climate impact, resource efficiency, and the affordability of sustainable housing.

39%

**Energy-related CO₂
emissions**

Construction generates
approximately 39% of
energy-related CO₂
emissions.

50%

**Extracted raw
materials**

Construction consumes
nearly 50% of extracted raw
materials.

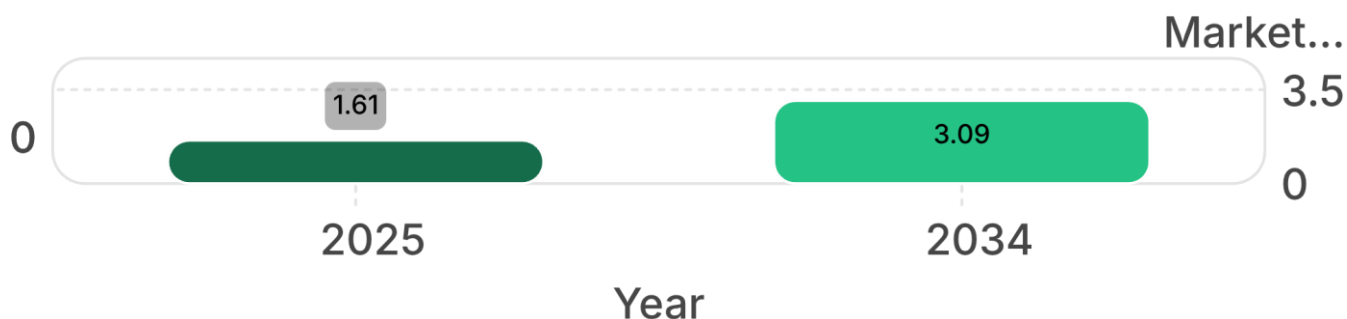
Priority categories

Fly-ash cement · recycled
steel · low-VOC paints ·
energy-efficient insulation
panels

HO CHI MINH CITY · OPPORTUNITY AND RISK

HCMC concentrates both the opportunity and the risk

Vietnam's green building materials market is projected to grow from about **USD 1.61 billion** in 2025 to **USD 3.09 billion** by 2034.



HCMC accounted for 35.67% of Vietnam's construction output value in 2024.

With more than 900,000 registered SMEs nationwide, their exclusion from green supply chains weakens the transition's reach and resilience.



THE SME PARTICIPATION GAP

The SME participation gap is structural, not motivational

40%

Access to finance

About 40% of construction SMEs reported difficulty accessing bank loans in 2023.

Green certification

Lifecycle assessment, traceability, and environmental product declarations raise requirements.

Operating capacity

Fragmented production, limited digital capacity, weak market information, and compliance costs.

Large developers and foreign suppliers capture more of the high-value green supply chain

VIETNAM'S POLICY BASE

Vietnam has policy building blocks, but they do not yet connect

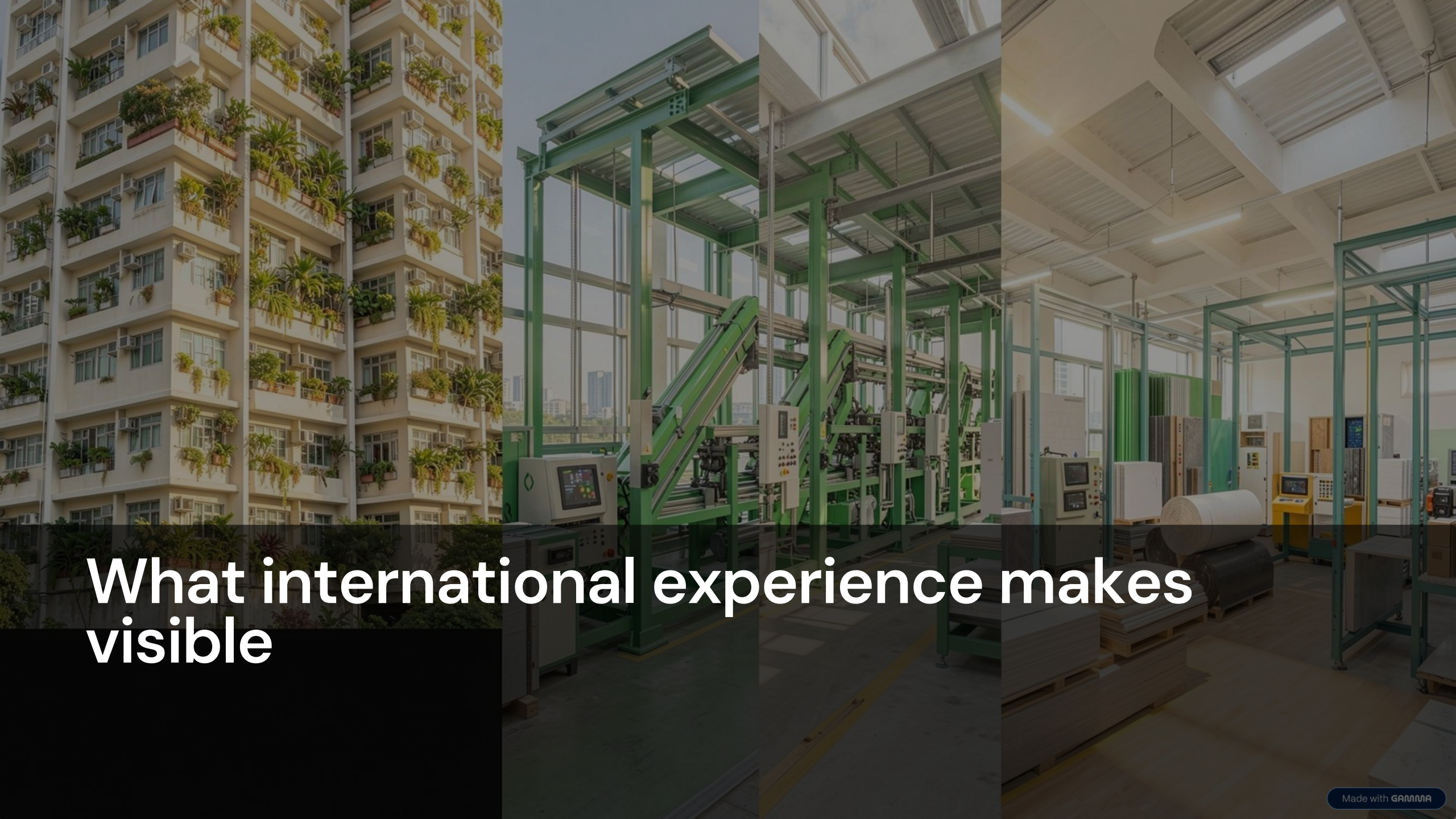
Law on Housing 2023 links housing access with sustainability objectives.

Decree 175/2024 provides the current construction-management framework with resource and energy efficiency provisions.

Decision 21 and Decree 08/2022 create a basis for green credit and incentives.

Decree 112/2026 opens a city-level corridor for green finance and carbon-market mechanisms in HCMC.

The missing link is an explicit SME-to-green-housing supply-chain mechanism.



What international experience makes visible

THE RECURRING POLICY LOGIC

Three policy pillars recur across successful models



Demand

Public procurement, quotas, and mandates create a reliable market signal.



Supply

Grants, concessional finance, shared testing, and technical assistance build SME capability.



Governance

Tiered certification, digital matching, and proportionate reporting reduce transaction costs.

International lesson: SME participation is designed into the system; it does not emerge automatically.

COMPLEMENTARY INTERNATIONAL LESSONS

Singapore, South Korea, and the EU offer complementary lessons

Singapore: "80-80-80 by 2030," tiered Green Mark pathways, EDG co-funding, and green procurement in public housing

South Korea: Green technology grants and loans, public green procurement, GreenBiz Korea, and large-firm–SME linkages

European Union: Green Public Procurement, taxonomy alignment, innovation clusters, and graduated compliance for SMEs



THE POLICY CLIMAX

HCMC's five gaps point to one integrated policy package

- 01** No demand-side anchor in social and affordable housing procurement.
- 02** Finance and SME support remain fragmented across administrative silos.
- 03** No accessible tiered certification or shared compliance infrastructure.
- 04** No digital platform for supplier discovery, market matching, and regulatory guidance.
- 05** No dedicated SME supply-chain pillar with measurable city-level KPIs.

One integrated policy package



From Consumer of Best Practice to Regional Pioneer



The Culmination

The historic convergence of **Decree 112/2026**, the urgent social housing pipeline, and the innovation mandate of **Resolution 98** grants **Ho Chi Minh City** a rare, brief policy window.

The Vision

By intentionally wiring **small and medium enterprises** into the foundation of green building policy, HCMC will not only build sustainable housing—it will build a **sustainable urban economy**.

Thank You.

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Questions & Discussion.