DEVELOPMENT OF VIET NAM’S CARBON MARKET: EXPERIENCES AND ROADMAP

Nguyen Thanh Cong
Department of Climate Change
Ministry of Natural Resources and Environment of Viet Nam
Viet Nam reviewed and updated NDC, submitted to UNFCCC in 2020

- **Unconditional target:** Reduce 9% in 2030 compared to BAU
- **Conditional target:** Reduce 27% in 2030 compared to BAU

Business as usual scenario
“...we will make use of our own domestic resources, along with the cooperation and support of the international community, especially from the developed countries, in terms of finance and technology, including through mechanisms under the Paris Agreement, in order to achieve net-zero emissions by 2050...”

Prime Minister Pham Minh Chinh at High Level Segment of COP26
POLICY FRAMEWORK

Mitigation
- Government Decree on GHG reduction and Ozone layer protection*
- Scheme to develop the carbon market in Viet Nam*
- Green Growth Strategy (2021)

Adaptation
- National Strategy on Disaster Prevention and Control (2021)
- National Adaptation Plan (2020)
- Socio-economic Development Plan (2010 – date)
- National Climate Change Strategy (2011)

Resolution No.55/NQ-TW (2020) on energy development strategy to 2030, vision to 2045
Resolution 24/NQ/TW (2013) on responding to climate change by Central Party Committee
Resolution No.50/NQ-CP (2021) on Plan of the Government to implement the Resolution of 13th Party Congress
Law on Environment Protection (2020)
Law on Natural Disaster Prevention and Control (2013)
Law on Hydrology and Meteorology (2015)
Law on Environment Protection (2020)
Law on Natural Disaster Prevention and Control (2013)
Law on Hydrology and Meteorology (2015)

*: to be approved/updated by the end of 2021
Developing a carbon market in Viet Nam to mitigate greenhouse gas emissions at *low costs* to businesses and society, promoting the development of *low-emission technologies*, contributing to *improving competitiveness* of Vietnamese private sector.

**Scope:**
- Large GHG emitters
- Mitigation project developers
- Investors
Viet Nam is one of the countries that actively participates in the CDM, with 254 projects and 11 Programs (PoA).

Viet Nam is ranked fourth in the world in terms of the number of registered CDM projects. Total GHG reductions is over about 140 million tons of CO2 equivalent.
Joint Crediting Mechanism:

14 registered projects with the potential to reduce greenhouse gas emissions reaching 15,996 tCO2 equivalent/year.

06 projects have been monitored, verified, issued carbon credits.

4,415 carbon credits issued.
CURRENT STATUS OF CARBON MARKET

Other crediting mechanism:

• **Gold Standard (GS):** 20 projects registered and issued with carbon credits. The total amount of credits issued under GS is 3,270,444 credits.

• **Verified Carbon Standard (VCS):** 17 registered projects. The total amount of credits issued under VCS is 603,417 credits.

• **Renewable Energy Certification (REC):** 4 projects registered with a total of 192,045 certificates issued.

• **Emission Reductions Payment Agreement:** reduction of 10.3 mil CO2.

Viet Nam has the potential and experience in implementing GHG emission reduction activities as well as participating in international carbon market.
Government of Viet Nam received support from the Partnership for Market Readiness through the World Bank for the “Partnership for Market Readiness Project in Viet Nam” project (VNPMR):

- **strengthening capacity** for developing carbon pricing approaches, including through supporting priority building blocks for market-based instruments (MBIs).

- **readiness to pilot** selected market-based instruments in selected sectors of steel and solid waste.

Asian Development Bank has been collaborating with Ministry of Natural Resources and Environment to formulate the support for Viet Nam through its **Establishing a Support Facility for Article 6**

- **Policy support** in reviewing policy framework and developing recommendations.

- **Capacity building** for relevant stakeholders to enhance their readiness to implement Article 6.
CARBON MARKET ROAD MAP

1. From now to 2025:
   - Establishing an information and data system.
   - Developing National Crediting Program and guideline for international mechanisms.
   - Building technical infrastructure.
   - Piloting the Emission Trading Scheme.
   - Capacity building for business and relevant stakeholders.

2. From 2026 to 2030:
   - Official launching of Emission Trading Scheme.
   - Connecting with regional and international carbon market.
Way Forward

Finalizing institutional and policies framework

Research and development

International cooperation

Capacity building and raising awareness
THANK YOU!