

# Presenter: Mr. Phạm Nam Hưng

Officer at Department of Climate Change, MONRE

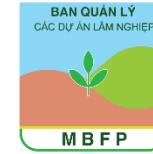
Mr. Hung has many working experiences in the sector of climate change. He was a member of technical working group in COP26 Conference. He involved in developing policies and legal documents such as:

- ✓ Nationally Determined Contribution (NDC) 2015 and 2020
- ✓ contents relating to climate change in the Law on Environmental Protection 2020.
- ✓ Decree 06/2022/ND-CP on greenhouse gas emission mitigation and ozone layer protection,
- ✓ Decision 01/QD-TTg on promulgating the List of greenhouse gas emitting sectors and facilities for greenhouse gas inventory





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# CURRENT REGULATIONS ON GREENHOUSE GAS INVENTORY, MRV AND ROADMAP FOR CARBON MARKET DEVELOPMENT IN VIETNAM

Mr. Phạm Nam Hưng

Officer at Department of Climate Change, MONRE





NDC ...

MRV ...

ETS ...

???



# Decree 06/2022/ND-CP on mitigation of greenhouse gas emissions and protection of the ozone layer

## Chapter I. General provisions

## Chapter II. Mitigation of greenhouse gas emissions, organization and development of the domestic carbon market

- Section 1. Mitigation of greenhouse gas emissions
- Section 2. Organization and development of the domestic carbon market

## Chapter III. Ozone layer protection

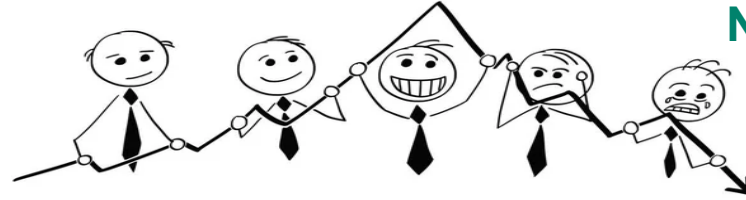
## Chapter IV. Measures to accelerate action on mitigating greenhouse gas emissions and protecting the ozone layer

## Chapter XIV. Terms of Enforcement

## Annexes



# GREENHOUSE GAS EMISSION MONITORING



Envi. Protection Law DECREE 06

## NATIONAL GREENHOUSE GAS INVENTORY

2018 ~ 350 Mt CO<sub>2</sub>

2020 ~ 420 Mt CO<sub>2</sub>

## ABSORPTION OF GREENHOUSE GASES FROM FOREST LAND

2018 ~ 52.7 Mt CO<sub>2</sub>

2020 ~ - 50 Mt CO<sub>2</sub>

## DECISION 01/2022 OF THE PRIME MINISTER

Thermal power plants and industrial factories annually consume 1,000 TOE or more;

Freight companies annually consume fuel 1,000 TOE or more;

Commercial buildings annually consume 1,000 TOE or more;

Solid waste treatment enterprises with a capacity of 65,000 tons or more.

**1912** enterprises

expected to increase to ~2500 enterprises



## INVENTORY OF GREENHOUSE GASES IN ENTERPRISES



# GREENHOUSE GAS EMISSION MONITORING

## RESULTS OF NATIONAL GREENHOUSE GASES INVENTORY



## GREENHOUSE GAS INVENTORY OF ENTERPRISES

- Policy Adjustment & Development
- International reports
- Implementation of programs and projects
- Exchange of emission reduction results
- Quota allocation

- Develop a plan on emission reduction
- Report to the authorities
- Exchange of carbon credits and quotas





# GREENHOUSE GAS EMISSION MONITORING

## Responsibilities of authorities

### Greenhouse Gas Inventory

Ministries: industry & trade, construction, transportation, natural resources and environment implement GHG inventory by sector

MARD collects data, **calculate greenhouse gas absorption** in forest ecosystem areas based on forest surveys, synthesize in the greenhouse gas inventory report of the sector

### Issuance of technical guidelines on GHG inventory

MARD: Circular 23/2023/TT-BNNPTNT (Forestry)

Ministry of IT: Circular 38/2023/TT-BCT (waste management)

MONRE



# GREENHOUSE GAS EMISSION MONITORING



## Responsibilities of enterprises under Decision 01

### Greenhouse Gas Inventory

Collect data and conduct inventory of greenhouse gases under the guidance of the Ministry by the sector

Verify greenhouse gas inventory results of enterprises is organized and implemented by the Provincial People's Committee.

**Enterprises carry out GHG inventories every two years, the first time to be done in 2024 and send to the Ministry of Natural Resources and Environment before December 1, 2025**





# MITIGATION OF GREENHOUSE GAS EMISSIONS

## Decree 06/2022-ND-CP

For mitigating greenhouse gas emissions, it is regulated that:

- 1. Subjects** implement mitigation of greenhouse gas emissions;
- 2. Targets, roadmaps and measures** for mitigating greenhouse gas emissions;
- 3. National GHG and MRV systems** for mitigating GHG emissions
4. Allocation, adjustment and recall of **GHG emission quotas**;
- 5. GHG emission mitigation plan** and GHG emission mitigation results;
6. Responsibilities of inspection and monitoring of GHG emission mitigation activities.



# MITIGATION OF GREENHOUSE GAS EMISSIONS

## DEVELOP A GREENHOUSE GAS EMISSION MITIGATION PLAN

### MINISTRIES

1. Develop based on NDC
2. Select GHG emission mitigation measures that are suitable with national conditions and applicable for **MRV**;
3. Targets of GHG emission mitigation for each year for the period from 2026 to 2030



### ENTERPRISES

1. Develop based on the nature, scope of operations, capacity, existing technology and production and business plans of the facility; **GHG inventory results** and estimation of (**BAU**) GHG emissions
2. Select GHG emission mitigation measures that are suitable with **technology, finance, readiness of application** and applicable for **MRV**;
3. Targets of GHG emission mitigation for each year for the period from 2026 to 2030;



# MITIGATION OF GREENHOUSE GAS EMISSIONS

## Allocation of greenhouse gas emission quotas

**From 2026 to 2030:**

A. MONRE allocates GHG emission quotas for the period of 2026 – 2030 and annual GHG emission quotas for enterprises under the Decision 01.

B. GHG emission quotas are allocated based on:

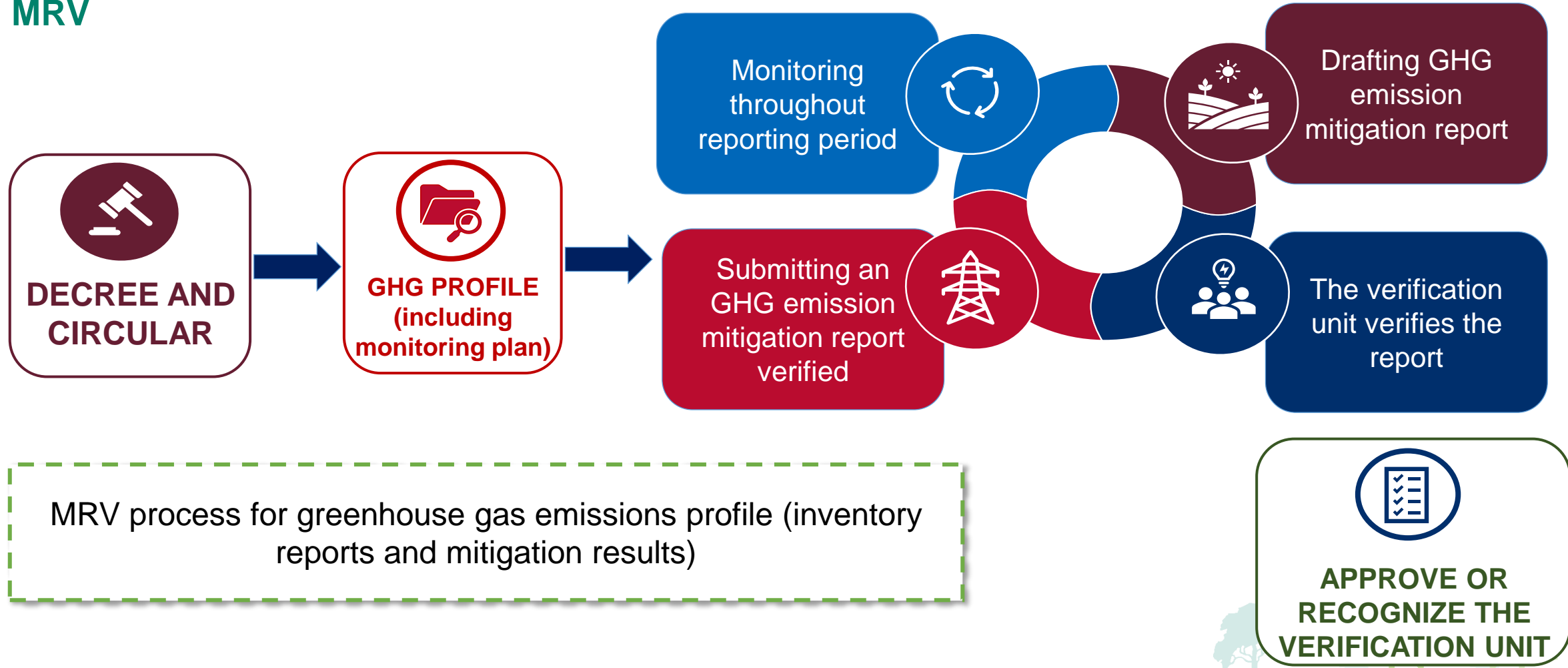
- Total national GHG emission quotas
- Results of emission reduction of enterprises
- Results of GHG inventory of enterprises
- GHG emission intensity/GHG emission norms

**Objective: to ensure that enterprises with high emission fulfill their responsibilities to reduce GHG emissions to contribute to national goals on the principle of fairness, transparency and suitability to enterprises' conditions**



# MITIGATION OF GREENHOUSE GAS EMISSIONS

## MRV



# DEVELOPMENT OF CARBON MARKETS

## Organization and Development of Carbon Market

The domestic carbon market includes activities of exchanging **greenhouse gas emission quotas** and **carbon credits** obtained from domestic and international carbon credit exchange and offsetting mechanisms

### 1. Period by the end of 2027:

- a) Develop regulations on management of carbon credits, exchange of carbon quotas and credits; develop regulations on the operation of carbon credit exchange;
- b) Pilot the mechanism of exchanging and offsetting carbon credits for potential sectors and provide guidelines on implementation;
- c) Establish and organize the operation of piloting carbon credit trading exchange in 2025;
- d) Capacity building and awareness raising on carbon market development.

### 2. Period from 2028:

- a) Organize and operate the official carbon credit exchange in 2028;
- b) Regulate activities of connecting and exchanging domestic carbon credits with regional and world carbon markets.

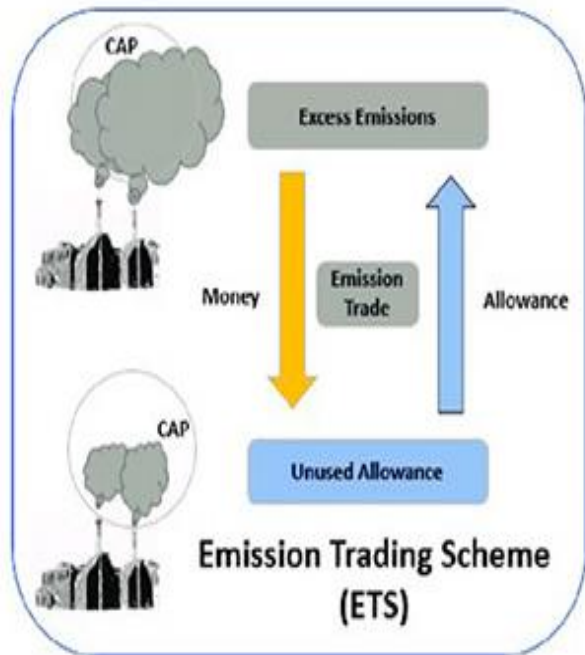




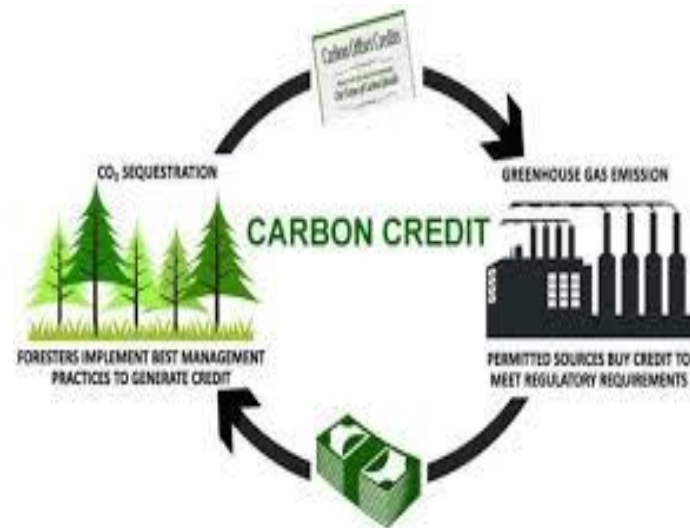
# DEVELOPMENT OF CARBON MARKETS

## Organization and Development of Carbon Markets

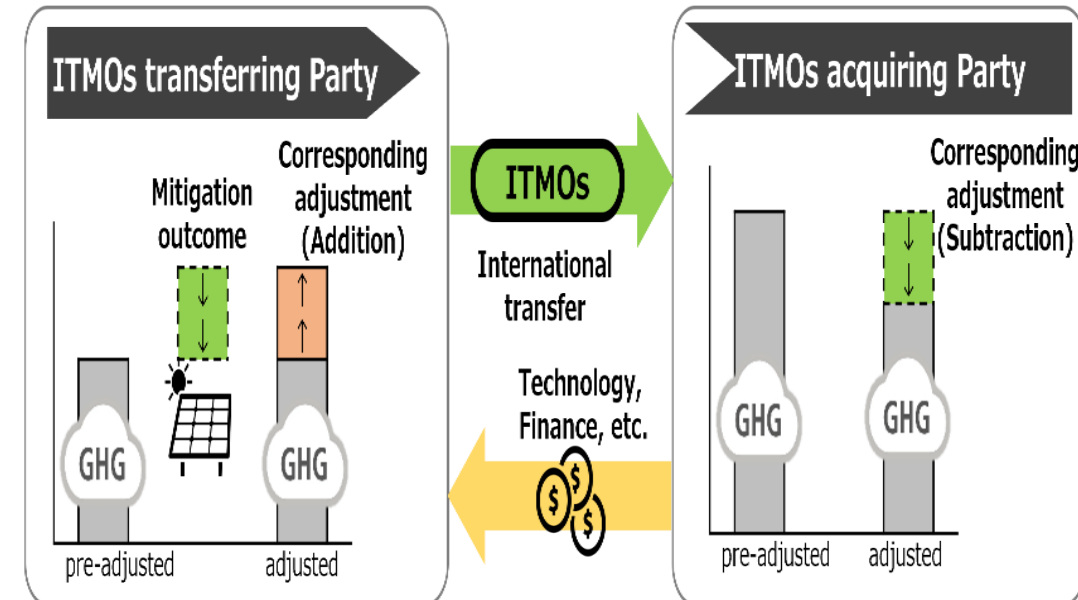
Quota exchange



Credits trading and exchange



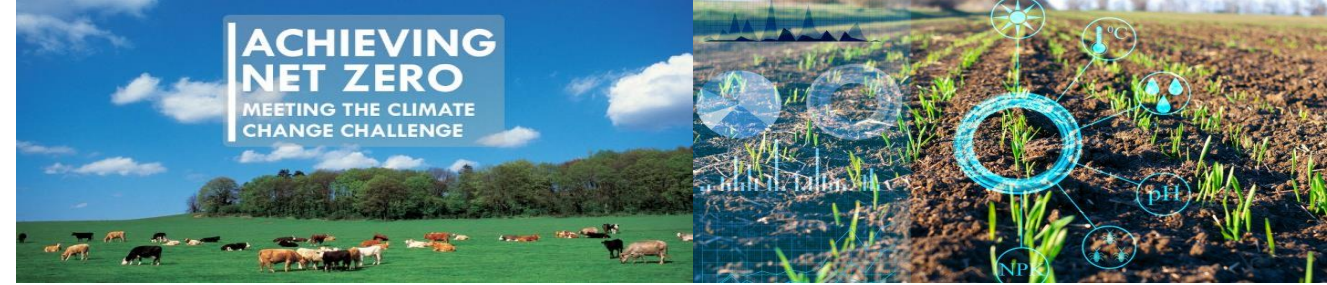
International credit trading



Harmonizing national and business benefits  
Transparency and fairness  
Sustainable Development



# Difficulties & Limitations



## Limited capacity of authorities

1. Have not issued guidelines on GHG and MRV inventory for enterprises in a timely manner yet
2. Have not developed appropriate tools for GHG emission management and have not effectively provided guidance for enterprises
3. Legal documents have not been developed synchronously

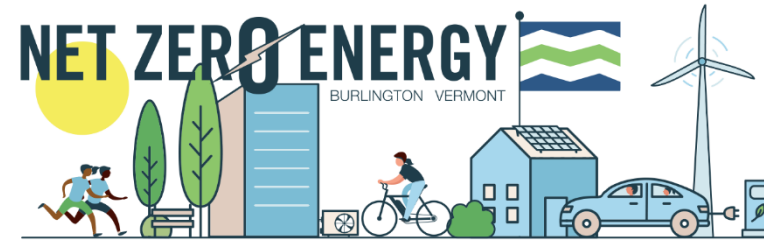
## Some provisions in Decree 06 are not really in line the actual situation, facing difficulties in implementation

1. Not suitable with the capacity of local agencies
2. The GHG inventory roadmap is not in accordance with the requirements
3. Difficulties in implementing GHG emission quota allocation
4. Enterprises face difficulties in implementing regulations related to GHG inventory, developing & implementing GHG emission reduction plans (Quota, MRV, carbon credit exchange, financing emission reduction);



# Policy orientations and legal regulations

## Adjustment and supplementation of Decree 06/2022/ND-CP



### ***Regulations on enhancing greenhouse gas inventories for the allocation of greenhouse gas emission quotas to prepare for carbon markets***

1. Amending and supplementing regulations on the implementation of GHG inventory for enterprises with allocated quotas
2. Amending and supplementing regulations on units that are in charge of appraising GHG inventory results for quota allocation and appraisal of GHG emission mitigation results to create carbon credits
3. Amending regulations on appraisal of GHG emission mitigation plans at grassroots level and results of GHG emission mitigation at grassroots level

### ***Regulations on the allocation of greenhouse gas emission quotas***

1. In the first phase, quotas will be allocated for enterprises with high emissions in 03 sectors: thermal power, iron and steel production, cement production. (about 200 enterprises, accounting for about 45% of the total emissions of enterprises under Decision 01)
2. Assign responsibilities to ministries for aggregating and proposing a list of enterprises and the quotas allocated annually for each enterprise to the Ministry of Natural Resources and Environment and submit to the Prime Minister for approval



# Policy orientations and legal regulations

**Adjustment and supplementation  
of Decree 06/2022/ND-CP**



## ***Regulations on management of carbon credits***

1. Amending and supplementing regulations on management of international exchange and trading of carbon credits **(A.6, VCM)**
2. Supplementing regulations on management and exchange of carbon quotas and credits in the domestic carbon exchange
3. Amending and supplementing regulations on subjects taking part in the carbon market



**THANK YOU FOR LISTENING!**

