

REGULATIONS ON GREENHOUSE GAS EMISSION MITIGATION AND CARBON MARKET IN VIETNAM

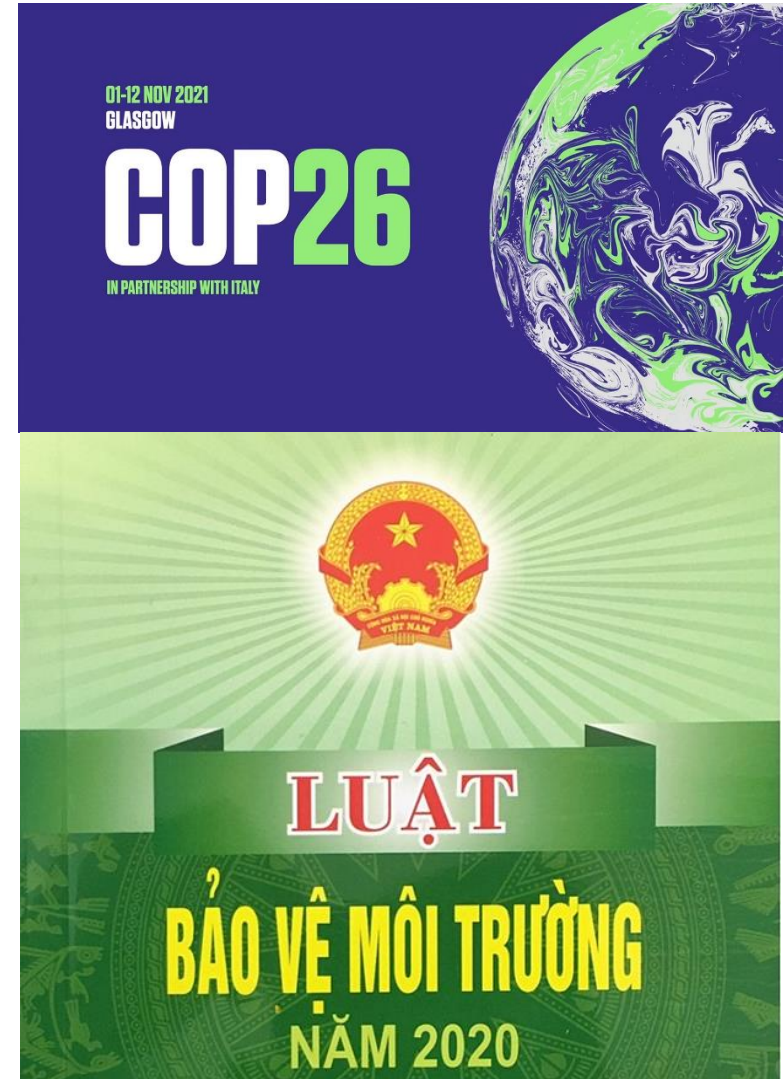


AGENDA

Part I: Global trends in climate change negotiations

Part II: Law on Environmental Protection 2020 and legal documents guiding its implementation

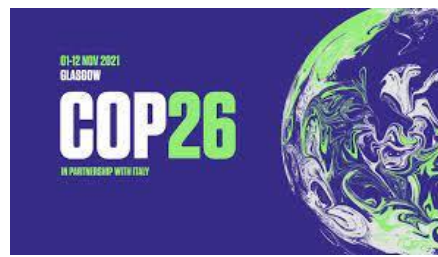
Part III: Perspective in climate negotiation of Vietnam at COP28



PART I

GLOBAL TRENDS IN CLIMATE CHANGE NEGOTIATIONS





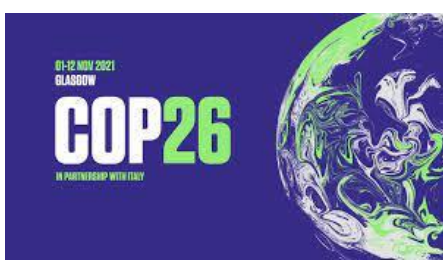
Commitment to Reach Net-Zero Emissions by 2050

“...Viet Nam will capitalize on its advantage in renewable energy and take stronger measures to reduce greenhouse gas emission. To this end, 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's speech at COP26



As stated in the updated NDC 2022, with domestic resources, by 2030 Vietnam will reduce its total GHG emissions by **15.8%** compared to the BAU. With international support the reduction in GHGs could reach **43.5%**.

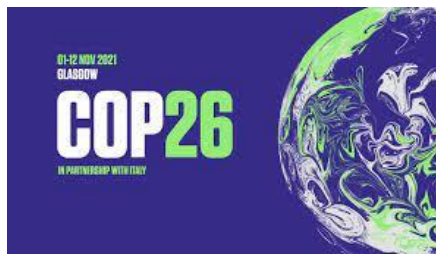


THE GLOBAL METHANE PLEDGE

*Committed by over 100
countries*



- Commit to a collective goal of reducing global methane emissions at least **30 percent from 2020** levels by 2030
- Mitigate agricultural emissions through technological innovation, incentives and the establishment of partnerships with farmers.
- Continuously improve the **accuracy, transparency, consistency and integrity** of reporting national GHG inventories to UNFCCC
- Rice production and aviation take lead in terms of GHG emissions (2.5%), yet the agricultural sector accounts for 12% of global methane due to anaerobic decomposition.



GLOBAL COAL TO CLEAN POWER TRANSITION STATEMENT

Coal-fired power
generation

—

The major cause of
global temperature rise

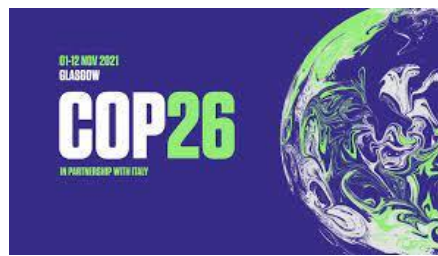
Scaling up deployment
Clean power
development

Coal phasing down
in the years 2030-2040
(or as soon as possible
thereafter)

Coal-fired power
No new licenses issued
No new constructions
No direct incentives

Available financial and
technical support

Supported by
46 Countries
5 City/State
26 organizations



GLASGOW LEADERS' DECLARATION OF ON FORESTS AND LAND USE *signed by 141 countries*

- Conserve forests and other terrestrial ecosystems and accelerate their restoration
- Promote sustainable commodity production and prevent deforestation and land degradation
- Facilitate the alignment of financial flows with international goals to reverse forest loss and degradation
- 141 nations representing over 90.94% of the world's forests promised to "strengthen" their efforts to conserve forests
- Run a project, of the 1 billion trees to be planted by the end of 2025, 690 million will be grown in urban and rural areas, and 310 million planted in protected, special, and production forests



The updated NDC 2022

- ***Unconditional Contribution:*** the emissions reduction target increasing from **9% to 15.8%** (compared to BAU) with contributions from state budget, loans, investment of domestic and foreign enterprises, and civil contributions and investment of the people
- ***Conditional Contribution:*** the emissions reduction target increasing from **27% to 43.5%**. This target possible with additional international resources through grants, preferential loans, other financial resources, technology and capacity building under bilateral and multilateral international cooperation mechanisms, especially under framework of UNFCCC and the Paris Agreement.

NATIONAL CLIMATE CHANGE STRATEGY

Objective

- Effective adaptation to climate change;
- Reduction of vulnerability losses, and damage caused by climate change;
- **Reduction of GHG emission following net zero emission target by 2050;**
- Positive contribution and responsibility to international community in protection the global climate;
- Harnessing of opportunity brought by climate change adaptation to shift growth model, increase of resistance and competitiveness of the economy.



NATIONAL CLIMATE CHANGE STRATEGY



GOALS AND MEASURES ACTIONS

By 2030:

- Develop and implement an action plan to reduce methane emissions by **30%** compared to 2020 levels
- From 2026, develop **total GHG emission quotas** and allocate quotas to emitters at the facility level which must carry out GHG inventories

By 2050:

- Develop and implement an action plan to reduce methane emissions by **40%** compared to 2030 levels
- It is a must to conduct GHG inventories and GHG emission reductions by any entities having annual GHG emissions of 2,000 tons of CO2 equivalent or higher from 2030 onward, 500 tons of CO2 equivalent or higher from 2040 onward 200 tons of CO2 equivalent or higher from 2050 onward. Any public entities must perform a GHG inventory and reduce GHG emissions.
- Mainstreaming GHG emissions reduction in daily activities into business ethics and social responsibility of organizations and enterprises.

PART II

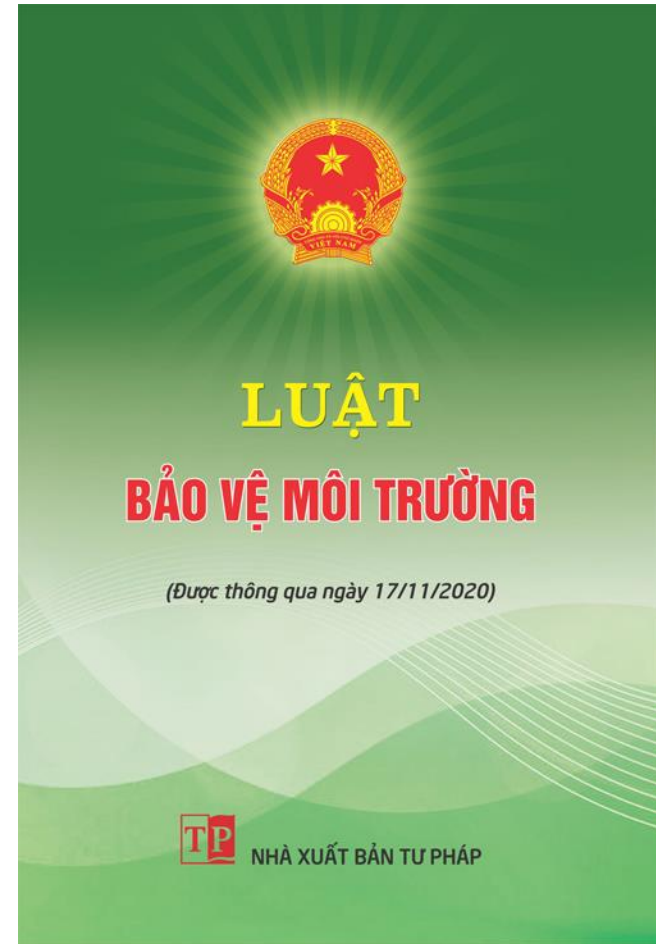
Law on Environmental Protection 2020 and legal documents guiding its implementation



Law on Environmental Protection 2020

CHAPTER VII. CLIMATE CHANGE RESPONSE

- Article 90. Climate change adaptation
- Article 91. GHG emissions mitigation
- Article 92. Ozone layer protection
- Article 93. Integration of contents of adaptation to climate change with strategies and planning
- Article 94. National climate change database
- Article 95. National climate change adaptation report
- Article 96. Implementation of climate change and ozone layer protection clauses
- Article 139. Organizing and developing domestic carbon market



LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Decree 06/2022/ND-CP stipulates
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 greenhouse gas emissions
- Section 2. Organization and development of the domestic carbon market

Chapter III. Ozone layer protection

Chapter IV. Measures to promote action on mitigating GHG emissions and protecting the ozone layer

Chapter XIV. Implementation

Annex



LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Decree 06/2022-ND-CP

Mitigation of GHG emissions

The decree stipulates:

- **Entities** for which GHG emission mitigation is mandatory
- **Targets, roadmaps and approaches** for mitigation of GHG emissions;
- **National GHG inventories and MRV systems** for mitigating GHG emissions;
- Allocation, adjustment and revocation of **GHG emission quotas**;
- **GHG emission mitigation plan** and GHG emission mitigation results;
- Responsibility for inspection and supervision of GHG emission mitigation activities.



LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Decision No. 01/2022/QĐ-TTg on the list of sectors and GHG emitting facilities that must conduct GHG inventories

- a) Thermal power plants, industrial production facilities with total annual energy consumption of 1.000 tonnes of oil equivalent (TOE) or more;
- b) Cargo transport companies with total annual fuel consumption of 1.000 TOE or more;
- c) Commercial buildings with total energy consumption of 1.000 TOE or more;
- d) Solid waste handling facilities with annual operating capacity of 65.000 tonnes or more.



LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Decree 06/2022-ND-CP

GHG inventory and GHG measurement, reporting, verification (MRV)

- Define **implementation scope and responsibilities of ministries and sectors**;
- **GHG MRV and inventory data** to be updated into online databases;
- **Appraisal of sectoral GHG inventory results** shall be organized by responsible line ministries.
- **Appraisal of national reports on sectoral GHG emission mitigation** implemented by MONRE on the basis of sectoral reports of responsible line ministries
- **Appraisal of facility GHG emission mitigation reports** to be carried out by qualified appraisal agency.



LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Circular No. 01/2022/TT-BTNMT on Guidelines for Implementation of Law on Environmental Protection regarding Response to Climate Change

Chapter I. General provisions;

Chapter II. Assessment of impacts, vulnerability, risks, loss and damage
caused by climate change

Chapter III. Verification of GHG inventory results and GHG emissions
mitigation

Chapter IV. List and guidelines on use, collection, transport, recycling,
reuse and treatment of controlled substances; and

Chapter V. Implementation

LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Circular 17/2022/TT-BTNMT stipulating techniques for measuring, reporting and verifying GHG emission mitigation and GHG inventory in the waste sector

- **Chapter I. General provisions:** Notify the scope of regulation, subjects of application and terms used in the Circular
- **Chapter II. Greenhouse gas inventory in the waste sector:** Specify technical details of GHG inventories in the waste sector at the sectoral and facility levels.
- **Chapter III. Measuring, reporting and verifying GHG emission mitigation:** Detail guidance for MRV for GHG emission mitigation activities in the waste sector at the sectoral and facility levels.
- **Chapter IV. Implementation**

LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Decree 06/2022-ND-CP

Organization and development of the domestic carbon market

To prescribe principles for the development and operation of carbon markets.

- Participants in the domestic carbon market;
- Development roadmap, timeline for the domestic carbon market;
- Confirmation of carbon credits traded on the exchange platform of the domestic carbon market;
- Exchange of GHG emission quotas and carbon credits on the domestic carbon market;
- Documents, orders and procedures for project implementation according to the mechanism of carbon credit exchange and offset;
- Responsibility for the development of the domestic carbon market.

LEGAL DOCUMENTS GUIDING THE IMPLEMENTATION OF THE LAW ON ENVIRONMENTAL PROTECTION 2020

Decree 06/2022-ND-CP

Organization and development of the domestic carbon market

"Domestic Carbon Market Development Scheme" focuses on the compulsory trading of GHG emission quotas by enterprises and trading in the domestic carbon market and orientation to connect with international markets.

Pilot in 2026

Official launch in 2028

In the upcoming time, MONRE will advise the Prime Minister to approve Vietnam's total quota and annually allocate it to facilities in the period of 2026-2030.

PART III

PERSPECTIVE IN CLIMATE NEGOCIATION OF VIETNAM AT COP 28



GENERAL VIEW

- Climate change response has to be adopted on the principles of justice and equity by using a global and universal approach; and based on consistent institutions, effective policies and legal regulations, science, technology, and technological breakthroughs to utilise domestic resources and international cooperation.
- The Loss and Damage Fund needs to be put into operation at the earliest opportunity with clear operating mechanisms, facilitating access for developing countries. Developed countries must take the lead and bear main responsibilities for climate change response; make stronger commitments on GHG emission reduction; achieve the objective of climate finance contribution set before 2020 and increase the commitments until 2025 and 2030; and provide substantive and effective support for developing countries to have a just transition and low-carbon development.
- Climate change adaptation is Vietnam's top priority; GHG emission reduction is both a responsibility and an opportunity for Vietnam to change its growth model, improving the competitiveness of the economy.

VIEW ON GHG EMISSION REDUCTION

- GHG emission reduction activities has to comply with the Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) of the Convention on Climate Change and the Paris Agreement.
- The Nationally Determined Contribution has to be respected; countries develop their own GHG emission reduction roadmap based on their conditions, circumstances, and priorities
- Shortcomings in emission reduction implementation before 2020 has to be acknowledged. Developed countries provide detailed roadmaps on implemented measures (finance, technology transfer, capacity building) in line with the United Nations Framework Convention on Climate Change and the Paris Agreement to support developing countries implementing their ambitions climate actions. Developed countries must take the lead in emission reduction targets and implementation progress, and provide implementation measures.
- The result of COP28 needs to reflect clear differences between GHG emission reduction actions and implementation measures between developed and developing countries. The target of achievement net-zero emissions by every country by 2050 is not stipulated in the Paris Agreement. To realise this target, countries need to further improve their GHG emission reduction targets until 2025 and 2030. The GHG emission reduction results should contribute to building confidence and trust between countries, creating favorable conditions for international cooperation.

VIEW ON CLIMATE CHANGE ADAPTATION

- COP28 should provide the clear and feasible Framework for Global Goal on Adaptation, ensure resources for climate change response, and include not only capacity building and information-sharing objectives but also focus on providing the means of implementation, including financial support from developed countries to developing countries.
- Support the acceleration of the development of organizational structure, and means of operation and management of the Loss and Damage Fund. Vietnam expects clear processes and procedures in approaching the Loss and Damage Fund so that parties can receive timely support and access to the fund's resources to handle their loss and damage issues.

THANK YOU

