



**MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT
DEPARTMENT OF METEOROLOGY, HYDROLOGY AND
CLIMATE CHANGE**



National greenhouse gas emissions mitigation and the role of private sector

Consultation and Dialogue on Low Carbon Technology Assessment

Hanoi, August 28, 2017



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Viet Nam's perspective on GHG emissions mitigation



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- **Aiming towards low carbon economy, green growth and industrial nation in a modern direction.**
 - **Vietnam's NDC:**
 - ✓ **Self implementation: Until 2030, reduce 8%.**
 - ✓ **With international support: Until 2030, reduce 25%.**
 - **This is the best opportunity for institutional improvement on mitigation.**



International situation on promoting emissions mitigation



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- **Target 2°C, effort 1,5°C;**
 - **Commitment submitted by all Parties through NDCs;**
 - **Report on emissions volume and Monitoring with international procedures;**
 - **NDC updated once per 5 years;**
 - **National Determined Contribution of developing countries;**
 - **100 billion USD / year for the period 2020-2025;**
 - **Business on international emissions credits;**
 - **Development of domestic carbon market;**
 - **Development of new business mechanism for carbon credits.**



International situation on promoting emissions mitigation



Requirements for developing countries like Vietnam

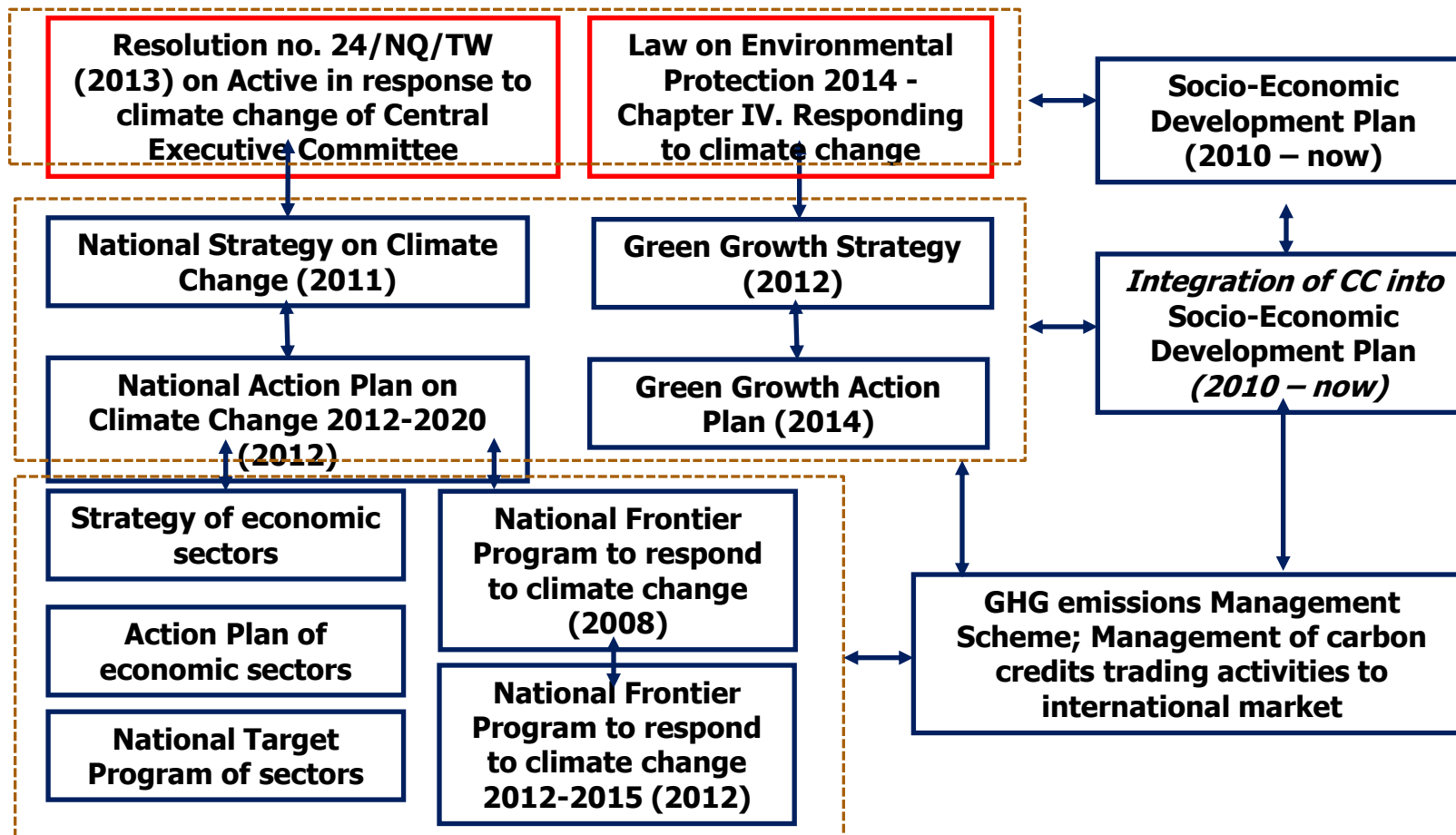
1. Clear commitment (Prime Minister's announcement at COP21);
2. NDC needs to be updated, and comes up with implementation plan → needs to finalize research, clarification on responsibilities and obligations of stakeholders;
3. The implementation process of mitigation should be monitored with international standards → **the need for institutions and policies that meet both national and international requirements;**
4. To develop the domestic carbon credits market and be ready to participate in international carbon market → **the need for legal documents on mitigations, mitigation target allocation, carbon price.**



Decision on Roadmap and Option for GHG emissions mitigation



Current policies on mitigation





Decision on Roadmap and Option for GHG emissions mitigation



1. **Strongest politic commitment to international community.**
2. **To regulate clearly the responsibilities** of Ministries and related agencies, local units.
3. GHG emissions mitigation targets (from NDC) **shall have legal base for Ministries, agencies and local units to develop Schemes, plans and guiding instructions on implementation;**
4. Requirement on updates, monitoring and international evaluation shall **have grounds to allocate responsibilities and resources for Ministries, agencies and local units**
5. Ministries and agencies shall **have grounds to develop Specific Technical Guidance;**
6. **Mechanism for domestic carbon trading and legal framework to participate into international market** shall have basis for development and implementation.



Remarks for private sector in GHG emissions mitigation



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- 1. Inventory on GHG emissions;**
 - 2. Mitigation potential in sectors;**
 - 3. Suitable mitigation options;**
 - 4. Measurement, Reporting, Verification (MRV)
system at project, sectorial, provincial/city scales;**
 - 5. GHG emissions mitigation Scheme.**



Remarks for private sector in GHG emissions mitigation

1. Inventory on GHG emissions

- ✓ **Regular** GHG emissions inventory plan, including quality control, quality assurance;
- ✓ Selection of **methodology** for GHG emissions inventory, emissions factor and related guidance on GHG emissions inventory;
- ✓ To develop **data collection form** on activities, information relating to GHG emissions inventory;
- ✓ **To coordinate with PSO** for collection of operational data and information for GHG emissions inventory;
- ✓ **To organize** GHG emissions inventory, quality control, quality assurance, to develop the Technical report on GHG emissions inventory;
- ✓ To develop **Technical report** on GHG emissions inventory for the development of provincial/city GHG emissions Mitigation Scheme.



Remarks for private sector in GHG emissions mitigation



2. Mitigation potential of sectors

- **Main sectors**
 - ✓ Energy,
 - ✓ Agriculture,
 - ✓ Land use, land use change and forestry (LULUCF)
 - ✓ Waste Management
 - ✓ Related and high potential Subsectors
- **Potential identification**
 - ✓ Based on inventory results
 - ✓ Development plan of sectors/ sub-sectors
 - ✓ Investment Resource
 - ✓ ***Cost / benefits***



Remarks for private sector in GHG emissions mitigation



3. Suitable mitigation options

- **Identification of suitable options for each sector**
 - ✓ Energy,
 - ✓ Agriculture,
 - ✓ Land use, land use change and forestry (LULUCF)
 - ✓ Waste Management
 - ✓ Related and high potential Subsectors
- **Roadmap for implementation of those options**
 - ✓ Business/ Investment Plan
 - ✓ Incentives
 - ✓ Mechanism/policy
 - ✓ ***Cost / benefits***



Remarks for private sector in GHG emissions mitigation



4. Measurement, Reporting, Verification (MRV)

- **MRV at project scale**
 - *Monitoring according to approval methods*
 - *Reporting process to internal and management agency*
 - *Verification on request/ demand*
 - **MRV at sectorial scale**
 - *Sectorial regulatory agency to collect the List of monitoring methods*
 - *Guidance on reporting process/methods*
 - *Guidance on verification process*
 - **MRV at provincial/ city scale**
 - *Provincial/city authorities to approve the measure method*
 - *Guidance on reporting process/methods*
 - *Guidance on verification process*
- **Orientation/ Target of the development of mitigation Scheme at Provincial/city scale**



Remarks for private sector in GHG emissions mitigation



5. GHG emissions mitigation Scheme

- ✓ To identify **targets and plan** of GHG emissions mitigation;
- ✓ To identify the **resources and reservoirs** of GHG emissions of the sector, GHG emissions **inventory** of the management sector/area;
- ✓ To analyze, identify the **future GHG emissions trends** and estimate the **potential GHG emissions reduction**;
- ✓ Review, **prioritization mitigation options** for GHG emissions;
- ✓ Contributions to **national mitigation targets/ NDC**;
- ✓ Strengthen competitiveness/ investment resources for province/city;
- ✓ Development towards **a low carbon economy**.



Current mitigation policy and the development of carbon market



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- **To promote the implementation of national determined contribution**
 - ✓ Mobilizing greater mitigation potential of potential sectors;
 - ✓ Strengthening the implementation of available policies in different sectors;
 - ✓ Contributing to reduce the national mitigation cost in long-term.
 - **To serve polivies targets of wider goals and with more benefits**
 - ✓ To create readiness to approach different climate support types of financing;
 - ✓ Paving the way for more comprehensive application of market-based tools.
 - **Bringing opportunities to design and pilot mechanism in the future**
 - ✓ Develop base on experiences through implementation;
 - ✓ Overcome the limitations of current approaches.



Current mitigation policy and the development of carbon market



Potential market and non-market mechanisms that “increase the scale” of GHG emissions mitigation actions

MARKET-BASED MECHANISMS

- 1. Domestic ETS**
- 2. Carbon fee**
- 3. Credit tool**
 - Credit recognized by international (e.g NMM or FVA)
 - Voluntarily national credit program
 - National credit program in accordance with ETS/domestic tax

NON-MARKET-BASED MECHANISMS & FINANCIAL MECHANISMS

- 1. Direct regulation (eg performance standards)**
- 2. Policy, mechanism for investment on low carbon technologies/ economy**
- 3. Financing tools**
 - Funded as financing tools for international climate
 - NAMA (with credits)
 - Other traditional financing options



Current mitigation policy and the development of carbon market



Foundation for transferring from NON-CREDIT → CREDIT mitigation results

- Policy measure analysis
- Option design
- Mitigation potential Assessment

- Data collection
- Data management
- MRV

- Regulation framework and institutions and coordination

- Quantitative methods (including establishment basis)
- Methodology and procedures for accreditation / credit issuing
- Methods to achieve net emission reductions

- Registration for project and credit issuing unit

- Forming or promoting domestic demand
- Financing means

- Capacity building, participation and engagement of beneficial stakeholders
- Pilot activities

- Implementation actions



Current mitigation policy and the development of carbon market



Feasible roadmap for expanding credit scale

- **By sectors with target for each sector;**
- **Credit approach method under policy**
 - **Base on national MRV manner (GHG inventory related)**
 - **Adopt standards across all sectors of the economy**
- **Approach to integrated credit**
 - **Scale below national scale Phà (city level, affiliate programs) can range from many sectors**
 - **The scope of credit programs may depend on the authority and domestic/international climate policies**



Current mitigation policy and the development of carbon market



Example on the expansion of credit scale

- **Integration method - policy addition**
 - ✓ **Energy recovery of buildings + mandatory energy efficiency standards**
 - ✓ **Incentive loans for renewable energy + incentive tariff system**
 - ✓ **Non-refundable financing for fuel saving vehicles + fuel economy standards**
- **Policy-driven approach - increased ambition**
 - ✓ **Energy efficiency standard**
 - ✓ **Incentive tariff system**
 - ✓ **Increased ambition in domestic carbon pricing: promoting the removal of fossil-fuel dependency, increasing carbon taxes, enhancing ETSETS**
- **Based on the target of the sector- to promote the target (method appointed by the country)**
 - ✓ **Power Generation Sector**
 - ✓ **Industrial sectors such as steel, cement**
 - ✓ **Waste sector**



Conclusion



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- **Greenhouse gas emissions reduction has become an urgent need / responsibility;**
 - **Mechanisms and policies for greenhouse gas emissions mitigation are rapidly formed;**
 - **The carbon market is seen as a tool for enhancing greenhouse gas emissions mitigation;**
 - **It is important that the transition from non credit to credits of the mitigation result;**
 - **Expanding mitigation activities in parallel with developing carbon market;**
 - **Selection of approaches to develop national and sectorial policies and capacity building is essential.**



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**Thank you very much for your
attention!**