

**Asia LEADS Forum 2016: Mobilizing Finance for
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Status of Carbon Market in Vietnam

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Structure of Presentation

1. Crediting market overview in Vietnam

- Current status
- Perspectives

2. NAMAs in Vietnam

- Current status
- Perspectives

3. What we can learn?

VNEEC's profile: facts and figures

- **Founded in 2006**
- **Developed and managed 125 CDM projects with 2 PoAs and > 1.5 mil CERs issued to date**
- **National/International consultant for NAMAs in Vietnam:**
 - Support the planning and implementation of NAMAs in an MRV manner (SPI-NAMAs), 2015-2018
 - Creation of an overarching framework for NAMA and MRV in Vietnam, 2015-2018
 - Developing NAMAs in **cement, building, rice husk and lighting sectors** in Vietnam funded by different donors

VNEEC's profile: facts and figures

- **National consultant for JCM activities** in Vietnam from 2012-2014:
 - Develop methodologies in renewable energy and energy efficiency
 - Conduct the potential assessments
- Participated in **other researches/surveys**:
 - Pilot Sectoral New Market Mechanisms, 2015 funded by EU
 - National surveys on HCFCs, HFCs and ODS alternatives funded by WB
 - Other assignments funded by Swiss governments of Switzerland, Germany, Denmark and Japan
- Conduct **the carbon footprinting** for private sectors in Vietnam

1. Market based mechanisms – Major components

NAMA
National Appropriate
Mitigation Action

Sectoral
(Economy – wide)
approach

REDD+
Reducing Emissions
from Deforestation and
Forest Degradation

Mechanisms

**Crediting: CDM,
VCS and Gold
Standard**

- Issuance of credit
after emission
reductions

Governance

Centralized

**Supervisory
Board**

**Common
framework**

Decentralized

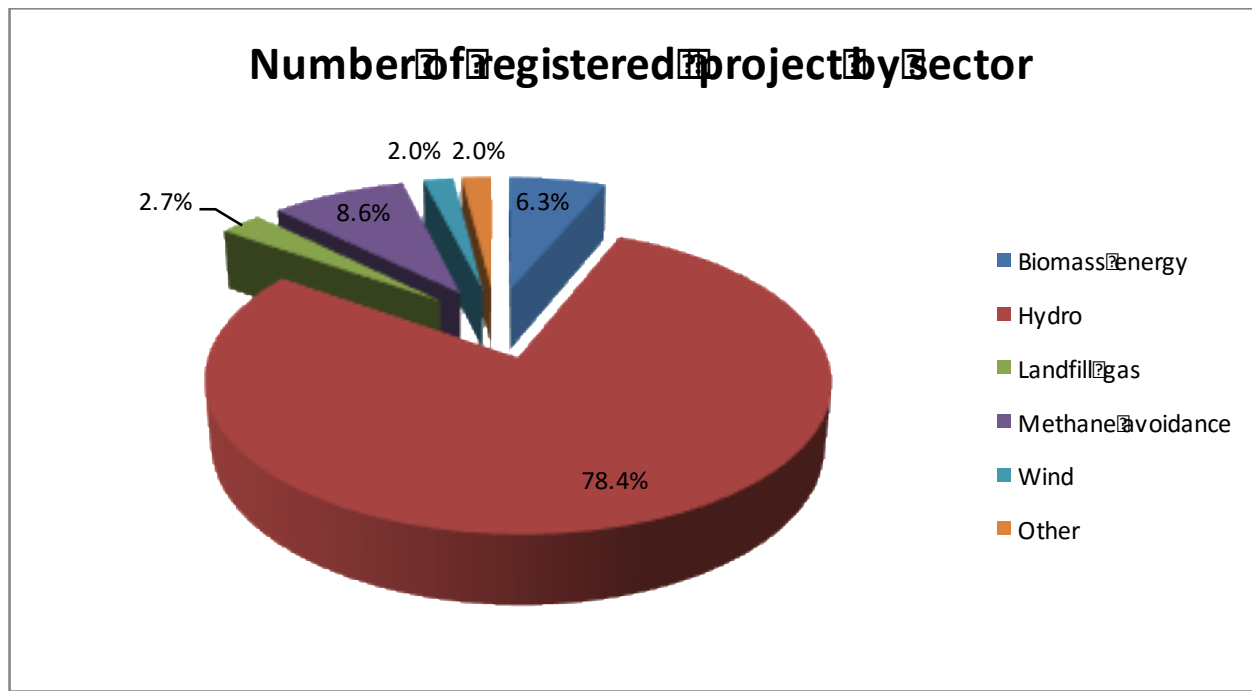
Bilateral

Unilateral

1. Crediting mechanism status – CDM (1)

CDM overview: Registration (255 projects)

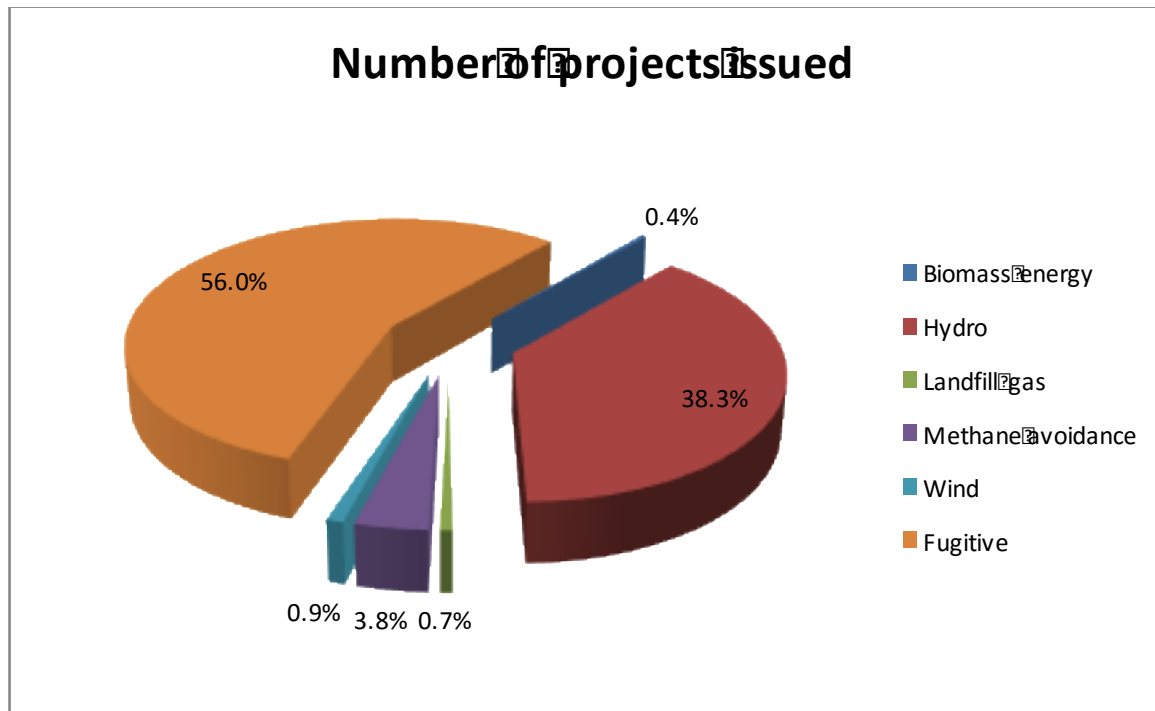
Type	Number of registered project	
	%	Number
Biomass energy	6.3%	16
Hydro	78.4%	200
Landfill gas	2.7%	7
Methane avoidance	8.6%	22
Wind	2.0%	5
Other	2.0%	5
Total		255



1. Crediting mechanism status – CDM (2)

CDM overview: Issuance (64 projects)

Type	Number of projects issued	
		(kCERs)
Biomass energy	0.4%	61
Hydro	38.3%	6,054
Landfill gas	0.7%	106
Methane avoidance	3.8%	597
Wind	0.9%	143
Fugitive	56.0%	8,857
Total		15,818



1. Crediting mechanism status – VCS (3)

Voluntary Crediting Scheme (VCS) overview

Type	Number	Total issuance (VERs)
Energy efficiency	1	32,897
Hydro	12	364,153
Biomass energy	2	56,367
Total	15	453,417

1. Crediting mechanism status – GS CDM (4)

Gold Standard CDM (GS CDM) overview

Type	Number	Total issuance
Hydro	9	256,081
Total	9	256,081

1. Crediting mechanism status – JCM (5)

- Signed Japan – Vietnam Joint Statements in 2010 and 2011
- Four projects registered:
 - Introduction of amorphous high efficiency transformers in power distribution systems in the southern part of Viet Nam, 610 tones of CO2 eq reductions (average)
 - Low carbon hotel project in Vietnam: Improving the energy efficiency of commercial buildings by utilization of high efficiency equipment, 272 tones of CO2 eq reductions (average)
 - Promotion of green hospitals by improving efficiency / environment in national hospitals in Vietnam, 515 tones of CO2 eq reductions (average)
 - Eco-Driving by Utilizing Digital Tachograph System, 296 tones of CO2 eq reductions (average)
- Very small amount of emission reductions

1. Crediting mechanism perspective (5)

- Only less than $\frac{1}{4}$ of CDM registered projects have been issued CERs
- Most contracts to buy CERs from CDM projects that have CERs issued will be ended by 2020
- VSC and GS CDM depend heavily on the demand and GS requires additional investment
- Registered JCM projects have very small amount of emission reductions – trading of emission reductions created is still questionable in terms of size and regulation

2. NAMA – Status in Vietnam

- Two on-going framework projects on NAMAs in Vietnam:
 - Support the planning and implementation of NAMAs in an MRV manner (SPI-NAMAs), 2015-2018 funded by Japanese Government
 - Creation of an overarching framework for NAMA and MRV in Vietnam, 2015-2018 funded by German government
- Several on-going NAMAs in Vietnam in different sectors with the involvement of public, private sector:
 - NAMA in cement sector with MOC
 - NAMA on EE in building sector, in waste and wind farm sectors with MONRE
 - NAMAs in steel and fertilizer sectors with MOIT
 - NAMA in lighting in Hue
 - NAMA in rice husk in Mekong Delta
 -
- No NAMA has been in implementation yet

2. NAMA – Perspective in Vietnam

- No NAMA **has been able to** get finance for implementation yet
- **The competition to get the finance is high**
- International finance sources **are expected to come from:**
 - Multilateral sources: NAMA Facility, GCF..
 - Bilateral/Regional: Nordic funds, European governments
 - Hybrid: combination of the above two sources
 - Domestic sources:
 - State budget: mainly for readiness phase
 - Private sector investment: will be the major source

2. Other market based mechanisms

- Sectoral trading:
 - A small study in a international project funded by EU
- REDD+:
 - Studies have been conducted
 - A REDD+ readiness project financed by the WB

3. What can we learn?

- ⇒ Private sector has been experienced the crediting mechanisms via CDM, VCS and GS
- ⇒ Expertise, institutions and management experience in implementing the CDM and others will be helpful for the new market based mechanisms in the future
- ⇒ To be successful NAMAs and JCMs should involve private sectors in early stage

Thank you very much!

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