

Implementation Status Report - Viet Nam



20th Partnership Assembly Meeting
Brussels, 29-30 May 2019



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1. Summary information

PMR Project Implementation Status Report (ISR)

Reporting period	From 04/04/2018 to 15/04/2019
Implementing Agency	Ministry of Natural Resources and Environment (MONRE) as the Project Management Unit (PMU) of the Viet Nam Partnership for Market Readiness Project (VNPMPR). Coordinating agencies: <ul style="list-style-type: none">- Ministry of Planning and Investment (MPI)- Ministry of Finance (MOF)- Ministry of Industry and Trade (MOIT)- Ministry of Construction (MOC)
Contact person	Dr. Truong Duc Tri; Dr. Luong Quang Huy
Grant effectiveness	20/08/2017 - 31/12/2019
Grant amount	USD 3,000,000
Funding mobilized	USD 500,000
Funding committed	USD 2,508,000



2. Overview - Project Development Objective

The Project Development Objective (PDO) is to **strengthen the capacity of Viet Nam's Government to develop market-based instruments (MBI) to reduce greenhouse gas (GHG) emissions in Viet Nam.**

Specific objectives:

- 1) Improve **quality and effectiveness of state management instruments related to carbon markets;**
- 2) Establish MBIs, a database system on GHG emissions and a roadmap in the **solid waste management;**
- 3) Pilot credited NAMAs, develop a reporting system for GHG emission reduction activities and a roadmap in the field of **steel production industry;**
- 4) **Raise awareness, knowledge management** for organizations and individuals participating in the carbon markets.



2. Overview - Components and indicators

Component 1

Research, propose and develop policies and state management instruments related to carbon markets

Component 2

Develop a database system on GHG emissions, establish market-based instruments and a roadmap for participating in the carbon markets in the field of **solid waste management**

Component 3

Develop and pilot credited NAMAs, develop a reporting system on NAMAs and a roadmap for participating in the carbon markets for the **steel production industry**

Component 4

Strengthen capacities on management, monitoring, evaluation and implementation of NAMA and credited NAMA activities

Level Results Indicators

- Submission by MONRE of **2 core national GHG emissions data management readiness building blocks for crediting NAMAs**
- Submission by MONRE of an **action plan for carbon pricing approaches**
- Submission by MONRE of **at least one designed sectoral crediting NAMA and MVR system**



3. Implementation report by component

Component 1: Research, propose and develop policies and state management instruments related to carbon markets

Ongoing

Activities	<ol style="list-style-type: none"> 1) Research on market-based carbon pricing approaches and developing midterm report to propose policies related to carbon pricing in Viet Nam 2) Developing implementing instruments and guidelines on policy mechanisms for carbon pricing and national-level MBIs
Intermediate indicators	<p>IRI 1.1: An option study for carbon pricing approaches</p> <p>IRI 1.2: The development of national principles and criteria for credited NAMAs</p>
Results indicators	<p>I.1: Submission by MONRE of 2 core national GHG emissions data management readiness building blocks for crediting NAMAs for Government's consideration</p> <p>I.2: Submission by MONRE of an action plan for carbon pricing approaches for Government's consideration</p>
Work packages	<p>CS 1.1: Research and propose policies and guidance on credited NAMAs and develop a database system for credited NAMA (contract signed 03/19) / (Draft Inception Report 04/19)</p> <p>CS 1.2: research on market-based carbon pricing approaches, investment and financial policies (contract signed 03/19) / (Draft Inception Report 04/19)</p> <p>CS1.3: Technical expert on carbon pricing</p> <p>CS1.4: Policy expert on carbon pricing</p> <p>CS1.5: Development of training materials on NAMA, credited NAMA, MRV protocol, carbon pricing, market-based instrument and carbon market</p>

3. Implementation report by component

Component 2: Develop a database system on GHG emissions, establish market-based instruments and a roadmap for participating in the carbon markets in the field of solid waste management

Ongoing

Activities	<ul style="list-style-type: none">Developing a feasibility study for credited NAMAs, propose carbon pricing instruments and a roadmap for applications of MBIs in solid waste sector activities
Intermediate indicators	<p>IRI 2.3: A case study on solid waste landfill sectors in pilot cities for solid waste sector is completed</p> <p>IRI 2.4: Guidelines on GHG emissions data collection and management system, relevant reporting forms, and MRV protocol for the solid waste sector are developed</p>
Results indicators	I.3: Submission by MONRE of at least one designed sectoral credited NAMA and MRV system for Government's consideration
Work packages	<p>CS 2.1: Develop feasibility study for credited NAMA, propose carbon pricing instruments and roadmap for applications of MBIs in solid waste sector (contract signed 03/19) / (Draft Inception Report 04/19)</p> <p>CS 2.5: Technical expert for solid waste sector</p> <p>CS 2.6: Coordinator for solid waste sector</p>



3. Implementation report by component

Component 3: Develop and pilot credited NAMAs, develop a reporting system on NAMAs and a roadmap for participating in the carbon markets for the steel production industry

Ongoing

Activities	<ul style="list-style-type: none">• Piloting credited NAMA projects, propose carbon pricing instruments and develop a roadmap for applications of MBIs in the steel sector
Intermediate indicators	IRI 2.1: Guidelines on GHG emissions data collection and management system, relevant reporting forms, and MRV protocol for the steel sector are developed IRI 2.2: An option study and action plan are developed for mid-to long-term market-based carbon pricing approaches applicable to steel industry
Results indicators	I.3: Submission by MONRE of at least one designed sectoral credited NAMA and MRV system for Government's consideration
Work packages	CS 2.2: Pilot credited NAMA projects, propose carbon pricing instruments and roadmap for applications of MBIs in steel sector (contract signed 03/19) / (Draft Inception Report 04/19) CS 2.3: Technical expert for steel sector CS 2.4: Coordinator for steel sector



3. Implementation report by component

Component 4: Strengthen capacities on management, monitoring, evaluation and implementation of NAMA and credited NAMA activities

Ongoing

Activities	<ul style="list-style-type: none"> Strengthening capacities on management, monitoring, evaluation and implementation of NAMA and credited NAMA activities and overall VNPMR Project implementation
Intermediate indicators	<p>IRI 3.1: Number of consultations evidencing that stakeholder engagement and communications strategy on promoting carbon pricing approaches in key GHG emitting sectors is implemented</p>
Results indicators	<p>I.1: Submission by MONRE of 2 core national GHG emissions data management readiness building blocks for crediting NAMAs for Government’s consideration</p> <p>I.2: Submission by MONRE of an action plan for carbon pricing approaches for Government’s consideration</p> <p>I.3: Submission by MONRE of at least one designed sectoral credited NAMA and MRV system for Government’s consideration</p>
Work packages	<p>CS 3.1: Administrative / Procurement officer for the PMU</p> <p>CS 3.2: Financial auditor</p> <p>CS 3.3: International Technical Expert for Annual Program Planning and Review</p> <p>CS 3.4: Implement the dissemination and propaganda for NAMAs policies, technologies, carbon markets and other key outcomes for the project to enhance stakeholder engagement (contract to be signed 05/19)</p> <p>NCS 3.1: Communication materials for startup workshops (documents, leaflets, videos) and use at other workshops of the project (terms of reference elaborated during 03/19)</p>

3. Implementation report by component

Inception missions, March-April 2019 of components 1, 2 and 3

Comments	<ul style="list-style-type: none">• The coordination and synergies among the consulting firms under the different work packages is very important, to ensure smooth delivery of works. PMU suggested:<ul style="list-style-type: none">- Sharing inception reports (draft and finals) with all work packages so all the consulting firms implementing are fully aware of the other's progress- Setting regular update meetings (quarterly) to discuss with all the work packages (1.1, 1.2, 2.1 and 2.2)• All work packages ongoing have done the inception missions end of March / beginning of April, hence the PMU organised a meeting on the 26 of April 2019 to present the results of the inception missions and the main takeaways of the inception reports• Important to stick to timelines expected in the contracts and have quality reports
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4. Progress, challenges and lessons learned

Important **policy and regulatory developments** related to the Grant's objectives and activities

Developments:

- National Strategy on Climate Change (issued in December 2011)
- National Strategy for Green Growth (issued in September 2012)
- Nationally Determined Contribution (NDC) submitted to UNFCCC in September 2015
- Plan for implementation of the Paris Agreement approved by the Prime Minister in October 2016

Challenges:

- Addressing unprecedented growth of GHG emissions
- Viet Nam steel sector is one of the largest electricity consumers in the country
- The solid waste generation has increased in recent years in the country and the trend is expected to continue

Proposing **the VNPMR project will contribute to the gradual realisation of the above mentioned policy and regulatory developments' objectives** and enhance its contribution to global action, targeting the main challenges Viet Nam faces.



4. Progress, challenges and lessons learned

Coordination with other carbon pricing initiatives, including those funded by other donors

Developments:

- Capacity building projects:
 - Capacity building and Co-Research on NAMAs (OECC, 2012-2015)
 - Partnership for Climate Change (VNCLIP) (DFID through WB, 2012-2014)
 - Capacity Building and support to the Implementation of the National Climate Change Strategy Project (CBICS), (UNDP, 2014-2017)
 - Capacity Building for Viet Nam industries and commerce to control GHG emission and reinforce ability for climate change adaptation (UNDP, 2012-2016)
 - Support to capacity building and institutional reforms to implement green growth and sustainable development in Viet Nam (USAID, EU, UNDP, 2015-2018)
- NAMA and climate change projects:
 - Support to develop Renewable Energy in Viet Nam (GIZ, 2012-2015)
 - Facilitating Implementation and Readiness for Mitigation (FIRM) (UNEP, 2013-2014)
 - Develop technical guidelines on NAMA and MRV in Viet Nam (UNDP, 2013)



4. Progress, challenges and lessons learned

Coordination with other carbon pricing initiatives, including those funded by other donors

Developments:

- Transforming waste into resources (UNESCAP, 2013-2015)
- Low carbon development in energy efficiency - LCEE (Denmark, through support to national budget for the National Target Program on Energy Efficiency and Conservation (VNEEP))
- Policy developments projects:
 - Support Nationally Appropriate Mitigation Actions (NAMAs) (GIZ, 2014-2018)
 - Research project on the development of low-emission economy (WB with co-financing by ADB)
 - PMR Policy Analysis Support

Challenges: N/A

Lessons Learned: N/A



4. Progress, challenges and lessons learned

Stakeholder engagement related to the Grant's activities

Developments:

- Training and workshop to be linked with the analysis and outputs of work packages 1.1, 1.2, 2.1 and 2.2
- Training and workshops under each work package need to be coordinated closely and shared amongst all the implementing agencies: MONRE, MPI, MOF, MOIT and MOC to maximise results and avoid duplication
- Study tours expected to inform the design of Viet Nam market-based instrument to put a price on carbon
- Participants in the stakeholder engagement should include not only line ministries and decision-makers, but also provincial officials, industries and private sector, where relevant.

Challenges: N/A

Lessons Learned: N/A



Contact details

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Implementation Status Report VNPMR: Report available