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Industry Spotlight

VIETNAM'S CARBON MARKET STRATEGY: GREEN TRANSITION TOWARDS NET ZERO COMMITMENT

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Decision 232/QD-TTg

On 24 January 2025, the Deputy Prime Minister signed Decision No. 232/QD-TTg approving the Proposal for the Establishment and Development of the Carbon Market in Vietnam (“Decision 232/QD-TTg”), which sets out six general objectives.

Vietnam's Carbon Market General Objective (According to Decision 232/QD-TTg)

Net-Zero by 2050

Goal to achieve net-zero emissions by 2050

Financial Flows

New financial streams for emission reduction activities

Greenhouse emission reduction

Achieve the NDC target cost-effectively for businesses and society

Green Transition

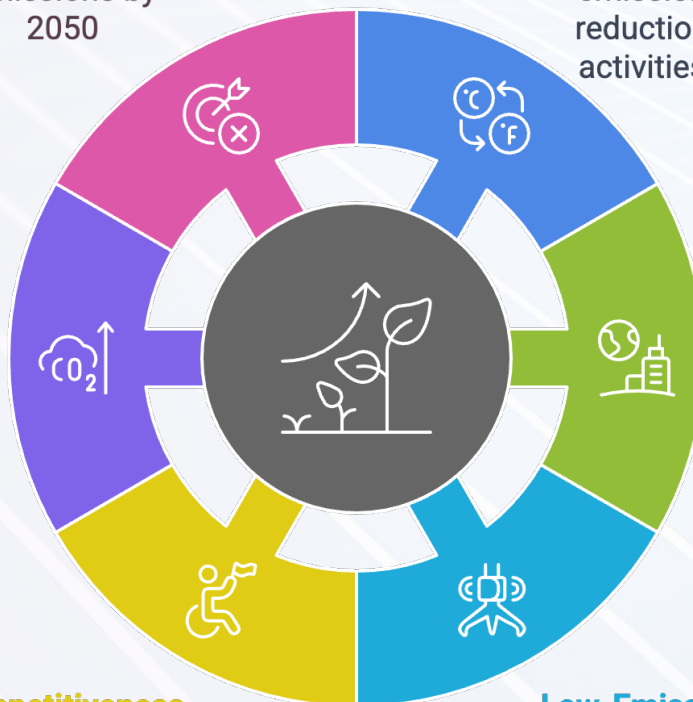
Shift towards sustainable and eco-friendly practices

Competitiveness Enhancement

Boosting Vietnam's market position globally

Low-Emission Technologies

Advancement of technologies that reduce emissions



Phase 1 (2025 – 2028): Pilot Period

Develop Legal Framework

Government Decree on the domestic carbon trading exchange.

Regulations on the purchase, transfer, borrowing, repayment, and revocation of greenhouse gas emission quotas.

Regulations on the conditions for organizations and individuals participating in the investment and trading activities of carbon credits.

Regulations on intermediary institutions supporting transactions in the carbon market.

Regulations on taxation, fees, service charges, and other financial mechanisms related to the carbon market and the trading/transfer of greenhouse gas emission quotas and carbon credits.

Phase 1 (2025 – 2028): Pilot Period

Build infrastructure - Prepare management, organizational and operational capacity

National registry system for greenhouse gas emission quotas and carbon credits (to be established by 2025).

Electronic portal for the domestic carbon market (to be launched by 2025).

Programs to enhance human resource capacity for carbon market development in Vietnam.

Training, workshops, and capacity-building initiatives to improve knowledge and expertise.



Until the end of 2028, pilot the domestic
Carbon Trading Exchange

Phase 2 (from 2029): Official Operation —

Official operation of the Domestic Trading Exchange

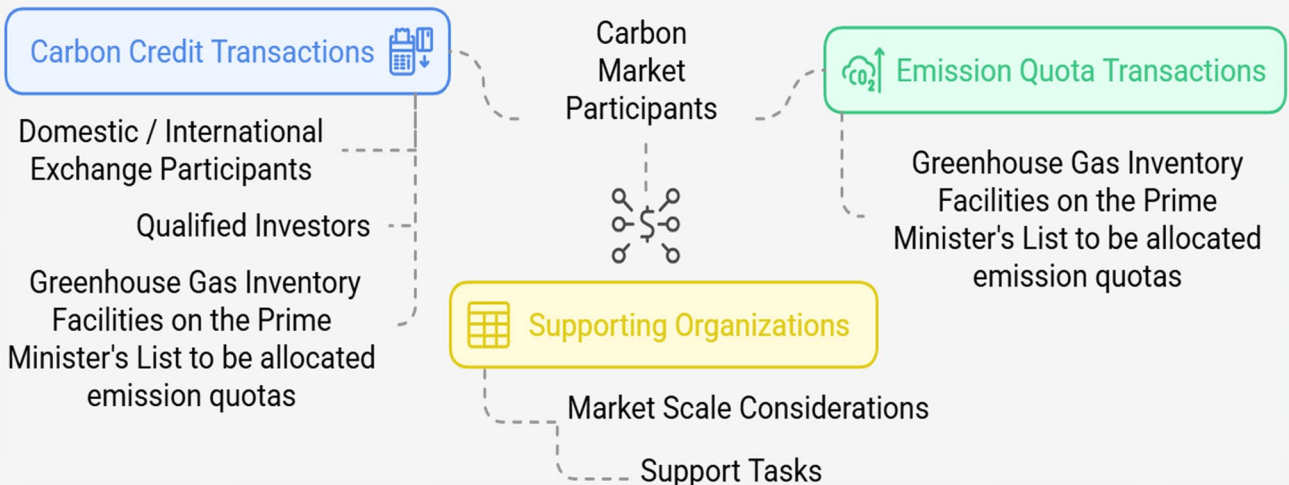
- Strengthen the national legal and infrastructural foundation.
- Develop capacity-building initiatives and awareness enhancement.
- Facilitate connections with regional and global carbon credit markets.

Domestic Carbon Market

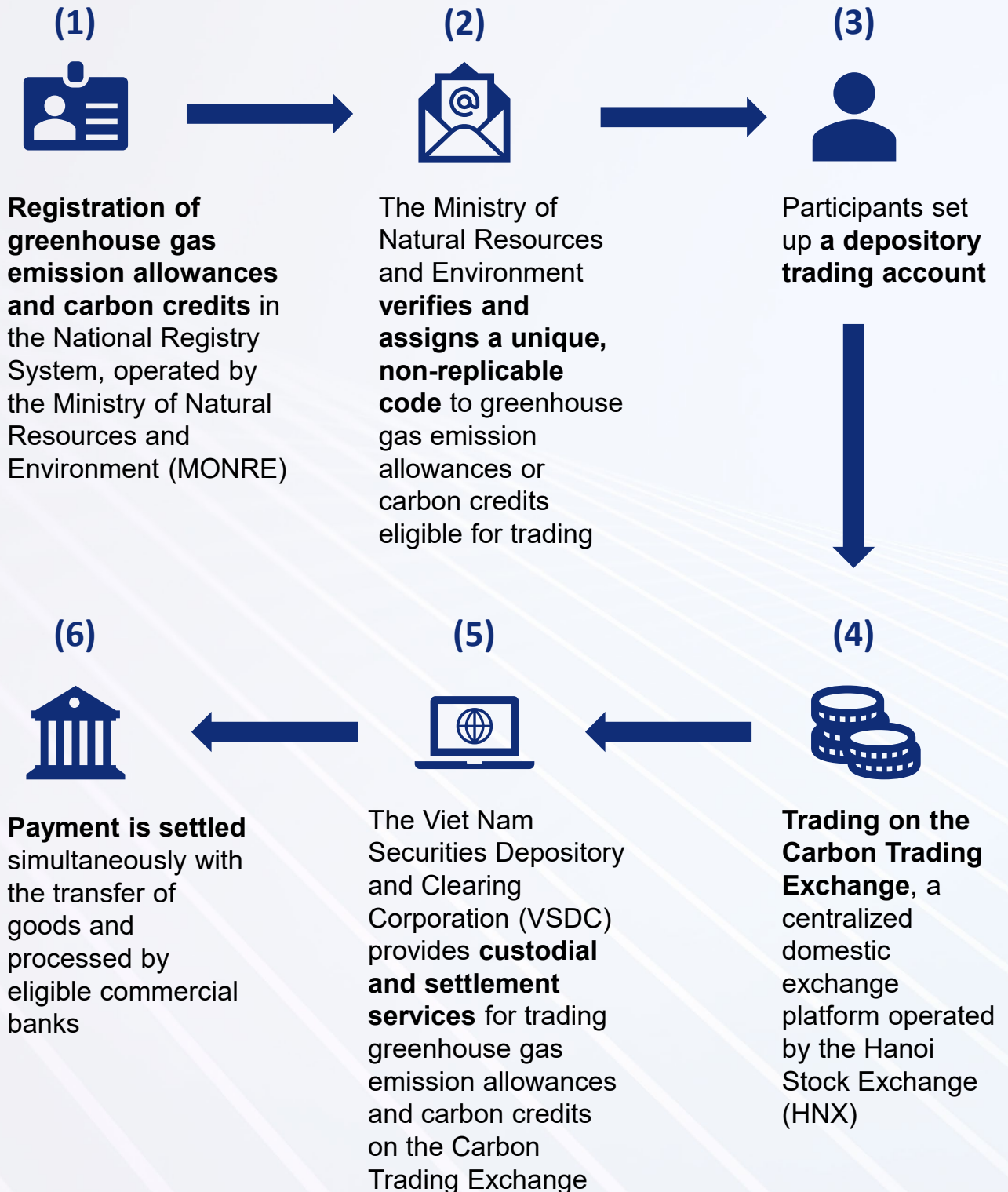
Goods in the Domestic Carbon Market

1. **Greenhouse gas emission quotas** allocated to facilities listed in the List of Sectors and Greenhouse Gas Emitting Facilities Required to Develop a Greenhouse Gas Inventory, issued by the Prime Minister (currently Decision No. 13/2024/QD-TTg).
2. **Carbon credits** generated from programs and projects under the exchange and offset mechanism, including:
 - Domestic programs and projects;
 - International programs and projects, such as:
 - ✓ Clean Development Mechanism (CDM);
 - ✓ Joint Crediting Mechanism (JCM);
 - ✓ Article 6 of the Paris Agreement.

Participants in the Domestic Carbon Market



Trading System



Conclusion —

Decision No. 232/QĐ-TTg of the Prime Minister of Vietnam dated 24 January 2025, approves the proposal for establishing and developing the carbon market in Vietnam. This marks a significant step forward in Vietnam's commitment to addressing climate change and promoting sustainable development, with a long-term goal of achieving net-zero emissions by 2050.

By developing a comprehensively regulated carbon market, Vietnam aims to position itself as a proactive player in global climate action while enhancing the competitiveness of Vietnamese enterprises both domestically and internationally as environmentally responsible businesses.

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