

Vietnam

General Information

ETS Description

In November 2021, Vietnam's government issued its revised "Law on Environmental Protection". This establishes a mandate for the Ministry of Natural Resources and Environment (MONRE) and the Ministry of Finance to design a national crediting mechanism (NCM) and a domestic ETS. The framework legislation empowers MONRE to set the ETS cap and determine the method of allowance allocation. It also allows for the inclusion of domestic and international offset credits in the ETS.

In July 2022, Vietnam issued an official decision to approve a National Strategy for Addressing Climate Change through 2050, "Decision 896/QD-TTg", in which the country commits to achieving net-zero GHG emissions by 2050, with a mid-term target of 43.5% below BAU levels by 2030. This follows "Decree 06/2022/ND-CP", which provides regulations under the Law on Environmental Protection and outlines a roadmap for the implementation of the NCM and the ETS. The decree requires facilities with annual GHG emissions above 3,000 tCO₂e to submit a biennial inventory report of their emissions from 2025 onwards (i.e., in 2025, facilities must submit an inventory report covering emissions from 2024). The accompanying "Decision 01/2022/QD-TTg" lists the sectors and facilities with emissions inventory obligations.

In January 2025, Vietnam's Prime Minister approved Decision 232/QD-TTg, which establishes the framework for developing the ETS and carbon credit market. MONRE is responsible for regulatory development, governance, and the national registry, while the Hanoi Stock Exchange (HNX) will operate the carbon exchange. The Decision mandates the development of regulation for sectoral decarbonization plans, allocation mechanisms, and integration of Certified Carbon Credits (CCCs) from domestic and international sources, including the Clean Development Mechanism, the Joint Crediting Mechanism, and the Article 6.4 mechanism of the Paris Agreement.

A pilot phase is set to begin in June 2025. In preparation, MONRE will issue regulations on GHG emission limits, allocation methodologies, carbon credit recognition, and trading rules, alongside developing the needed infrastructure and capacity-building activities. During the pilot phase (2025–2028), emissions allowances will be allocated for free to high-emitting sectors, with CCCs permitted for compliance within defined thresholds. The market will become fully operational in 2029, potentially expanding sectoral coverage, implementing auctioning mechanisms, and refining regulatory frameworks to enhance market efficiency and long-term functionality.

ETS Status

under development

Jurisdictions

Viet Nam

Emissions & Targets

Overall GHG Emissions excl. LULUCF (MtCO₂e)

356.2 MtCO₂e (2016)

GHG reduction targets

By 2030: Reduce emissions by 43.5% compared to BAU levels (National Strategy for Addressing Climate Change through 2050 [Decision No. 896/QD-TTg])

By 2050: Net-zero domestic GHG emissions (National Strategy for Addressing Climate Change through 2050 [Decision No. 896/QD-TTg])

Other Information

Institutions involved

Ministry of Natural Resources and Environment: Responsible for rulemaking for the carbon credit and ETS markets; organizing the pilot and official operation of the carbon trading floor; allowance allocation, exchange, and surrender; monitoring and supervision of the carbon market; and administering the national GHG inventory.

Ministry of Finance: Responsible for developing and establishing a carbon trading exchange floor and promulgating a financial management mechanism for the operation of the carbon market.

Regulatory Framework

[Law No. 72/2020/QH14 on Environmental Protection, 133-139'20/OG](#)

[Decision No. 896/QD-TTg dated July 26, 2022](#)

[Decision 01/2022/QD-TTg](#)

[Decree 06/2022/ND-CP](#)

[Decision 232/QD-TTg](#)

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