

Vietnam

General Information

ETS Description

In November 2021, Vietnam's government issued its revised "Law on Environmental Protection". This law 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 also 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.

Decree 06 also includes provisions for developing a national ETS, focusing initially on the steel, cement, and thermal power sectors, with a declining cap that corresponds to Vietnam's NDC. The roadmap for the ETS states that regulations and a trading platform should be in place by 2025. A pilot ETS is planned for 2027. The ETS should be implemented from 2030, and provisions will allow for participation under Article 6 of the Paris Agreement.

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 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](#)

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