Barriers to enhance efforts on GHG mitigation in Vietnam

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Twenty-third Asia-Pacific Seminar on Climate Change
Kanazawa, 25-26 August2014

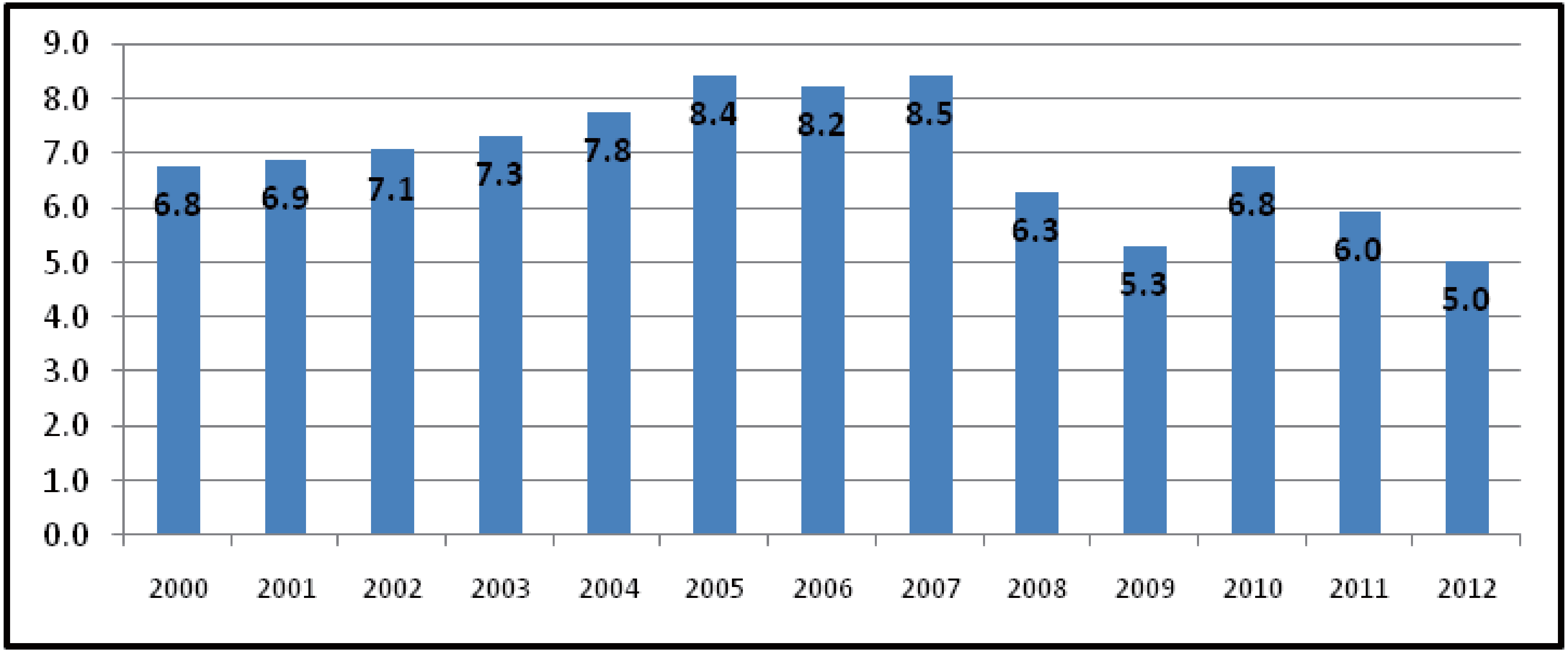
Outline

1. Vietnam: Development & Climate change policies
2. Obstacles and challenges in being ready for newly developed carbon markets
3. How NAMA/MRV to be structured for carbon market development
4. Organization, Communication, Consultation and Engagement
5. Conclusions and ways forward

Vietnam: Development & Climate change policies

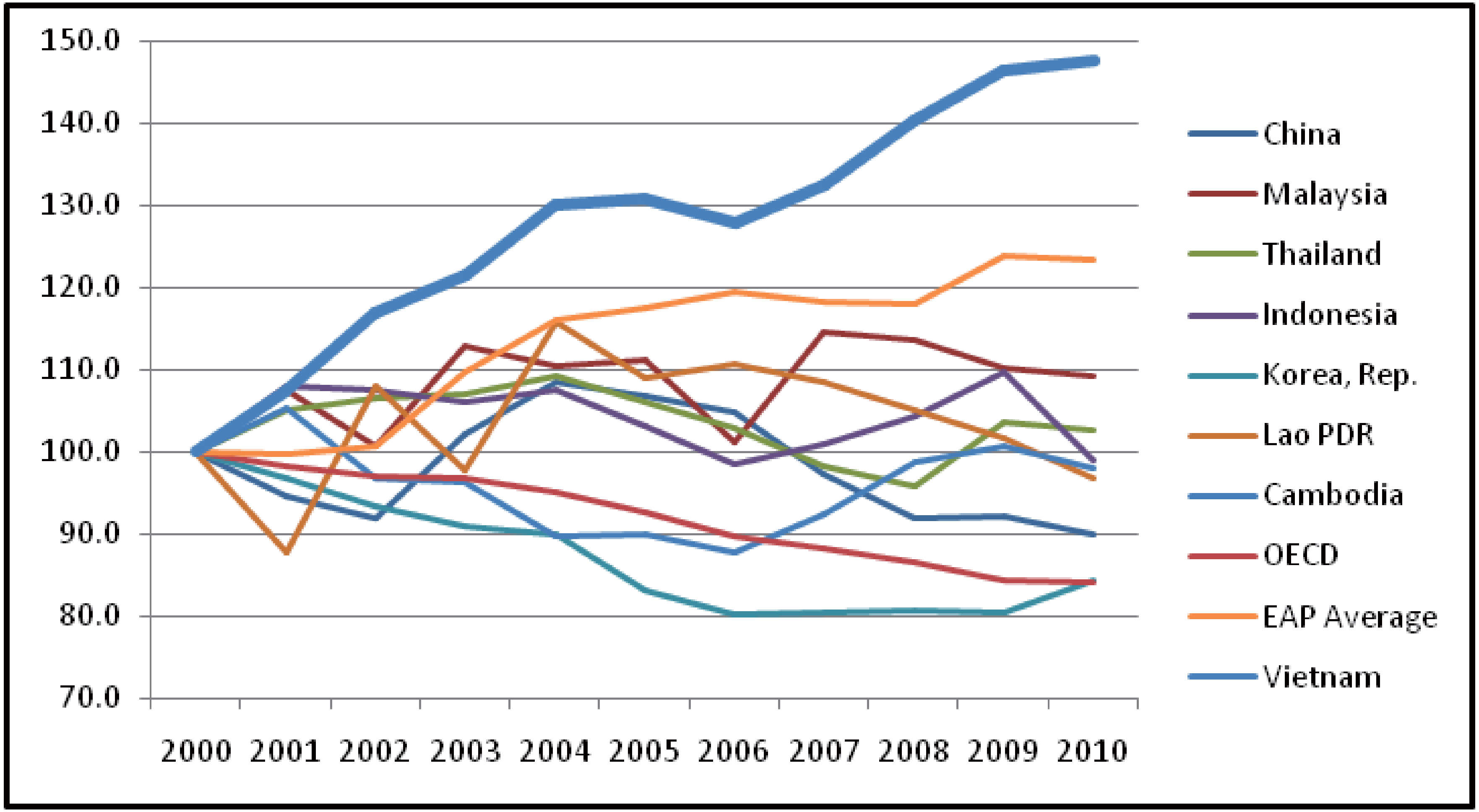
- Vietnam has experienced very high growth rates in the past decades
- Lately, growth has been less impressive

GDP Growth Rates (annual %)



Vietnam: Development & Climate change policies

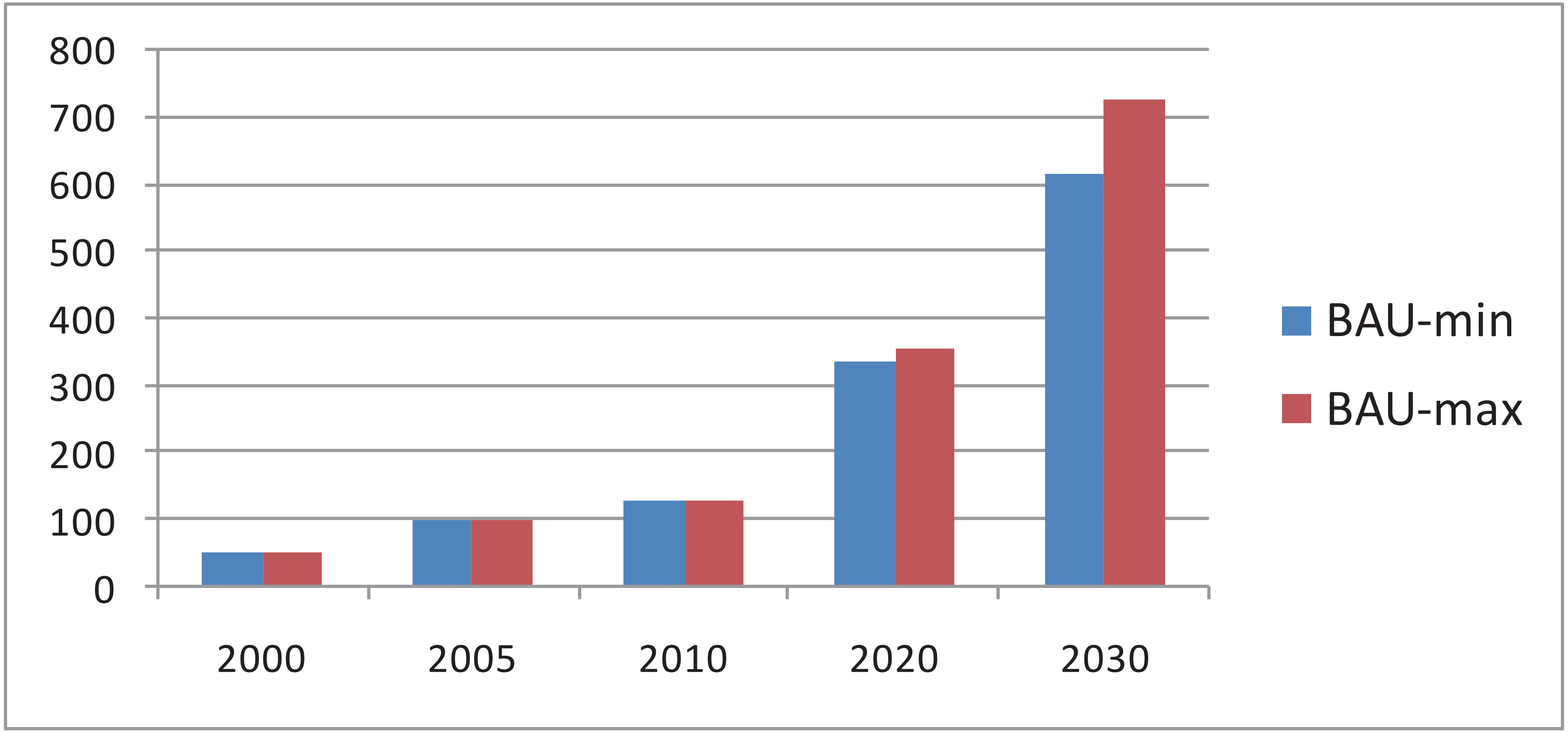
Evolution of Vietnam's CO_2 Emissions/GDP Relative to Other Countries



- **One of the fastest growth of GHG emission in the region**
- **Carbon intensity of GDP increased more than that of regional average**

Vietnam: Development & Climate change policies

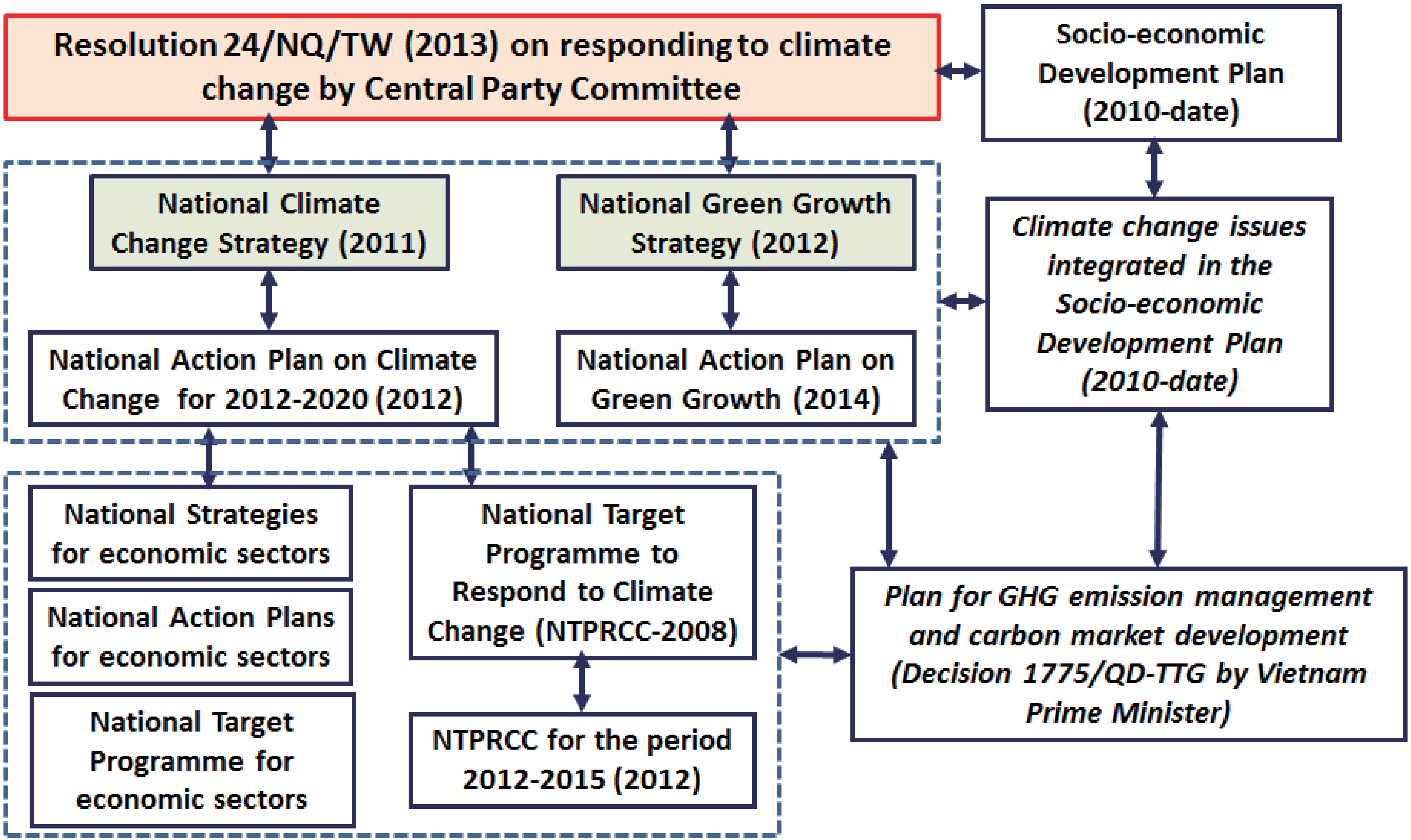
GHG Emission Scenarios for Viet Nam's Energy Sector to 2030 ($MtCO_2e$)



- **Forecasts of GDP growth to 2020 range from 4% to 7.5% annually**
- **Viet Nam will experience sharp growth in both the economy and GHG emission**

Vietnam: Development & Climate change policies

Evolution of climate change policies in Viet Nam



Vietnam: Development & Climate change policies

Viet Nam's pledges on GHG emission reduction

2011-2020

- Reduce intensity of GHG emissions by 8-10% as compared to 2010
- Reduce energy consumption per unit of GDP by 1-1.5% per year
- Reduce GHG emissions in the energy sector by 10% relative to BAU (further 10% with international support)

2020-2030

- Reduce GHG emissions by 1.5-2% per year
- Reduce GHG emissions in the energy sector by 20% relative to BAU and (further 10% with international support)

Towards 2050

- Reduce GHG emission by 1.5-2% per year

Obstacles and challenges in GHG mitigation

Gaps in monitoring and enforcement of energy conservation and efficiency policy

Legislation

- Legislation for Energy Efficiency developed but inadequate
- Enforcement remains weak due to lack of capacity

Institutional arrangement

- Overlaps amongst governmental agencies and stakeholders
- Capacity of implementing institutions are significantly limited

Financing and implementation

- Highly limited financial resources for energy efficiency
- Capacity for implementation remain limited

Market characteristics

- Industrial and power sector dominated by State-Owned Enterprises

Obstacles and challenges in GHG mitigation

Current capacity in developing NAMA/MRV

Advantages

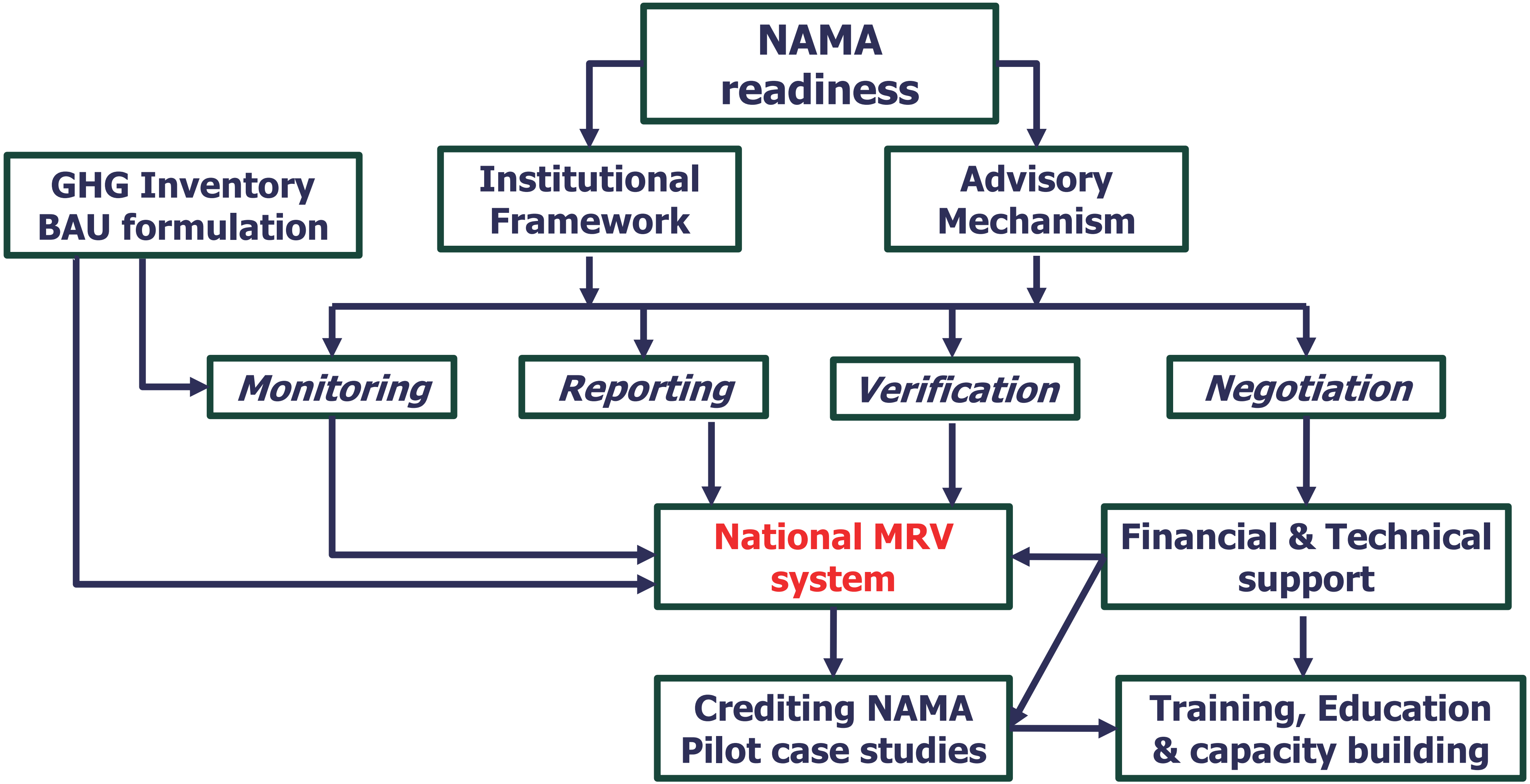
- High priority from the Government
- High potential of GHG emission reduction in various sectors
- Ready participation from private sector and community
- Bilateral and multilateral cooperation

Limitations

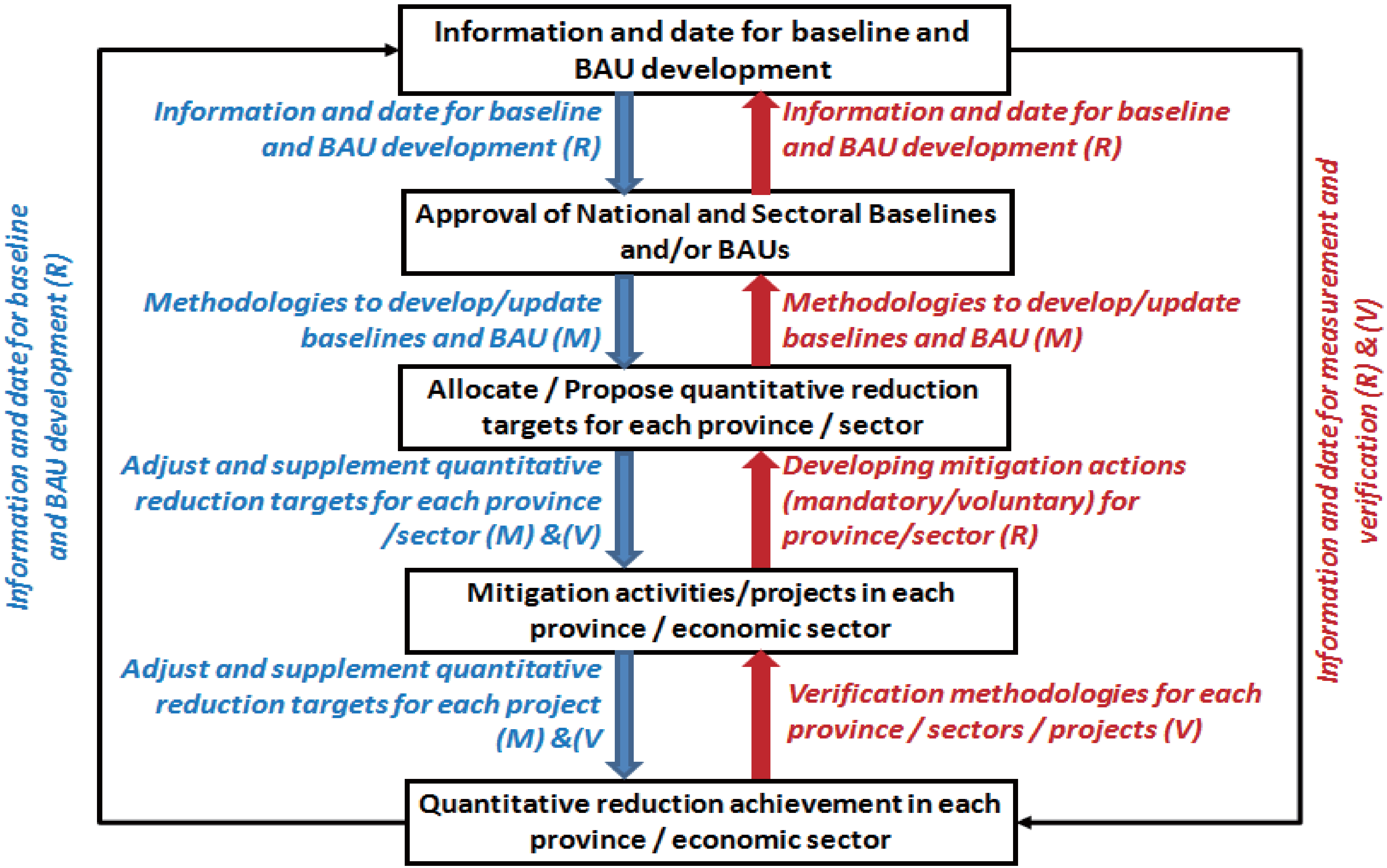
- Highly limited understanding and human resources
- Uncertainty in international negotiations
- Lack of NAMA readiness in current governance and policy systems
- Few research and studies on NAMA/MRV
- Incomplete GHG inventory and BAU research

Obstacles and challenges in GHG mitigation

Readiness for NAMA/MRV formulation and implementation

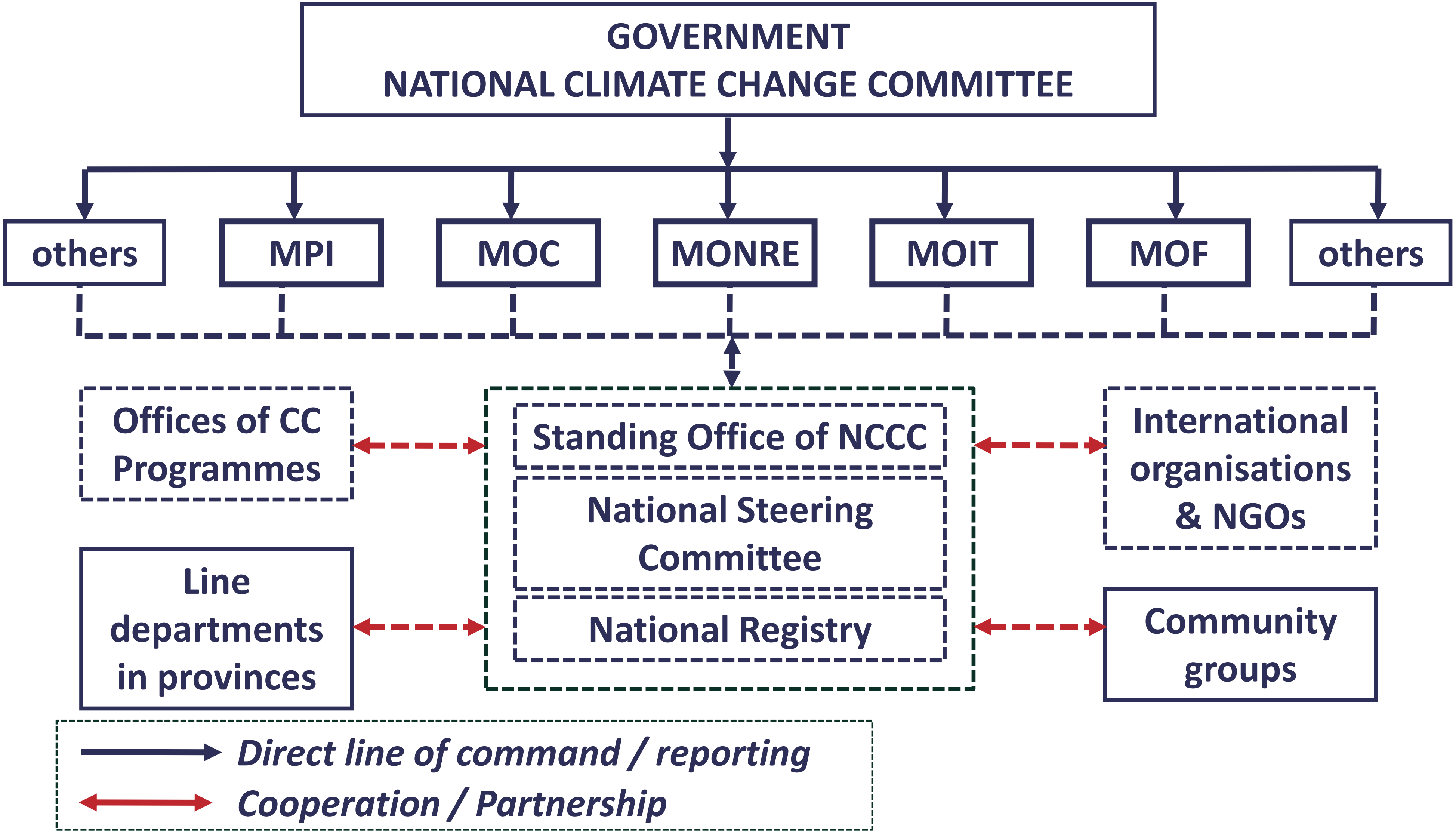


Obstacles and challenges in GHG mitigation



Challenges in Organization, Communication, Consultation and Engagement

Consultation and Stakeholder Engagement



Organization, Communication, Consultation and Engagement

Questions being asked

- **How to manage mitigation to the best interest of the country?**
  - Adaptation vs. Mitigation
  - Food/water security vs. Energy security
- **How to engage private sectors to do (crediting) NAMAs?**
  - Who are the buyers? How much they want to buy?
  - What values attached with carbon credits?
  - How much do we rely on international/global markets
- **What are the role of carbon markets?**
  - Current and under-development institutions and policies
  - Perception of private sector and communities
  - Integration into current systems
- **What's next for country's development?**
  - Impacts on development?
  - Impacts on communities?

Conclusions and Ways Forward

Areas of work to be prioritised (til 2020)

- ✓ *Studies on Carbon pricing, Fossil fuel pricing & Green Finance*
- ✓ *Institutional structure and policies for NAMA/MRV*
- ✓ *Accreditation / Verification standards*
- ✓ *NAMA/Methodologies Registry/database*
- ✓ *Data management and reporting*
- ✓ *Piloting voluntary reporting*
- ✓ *Preparation for cap-and-trade*
- ✓ *Market-based instrument development*
- ✓ *Awareness raising & Capacity building*

Thank you!

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