

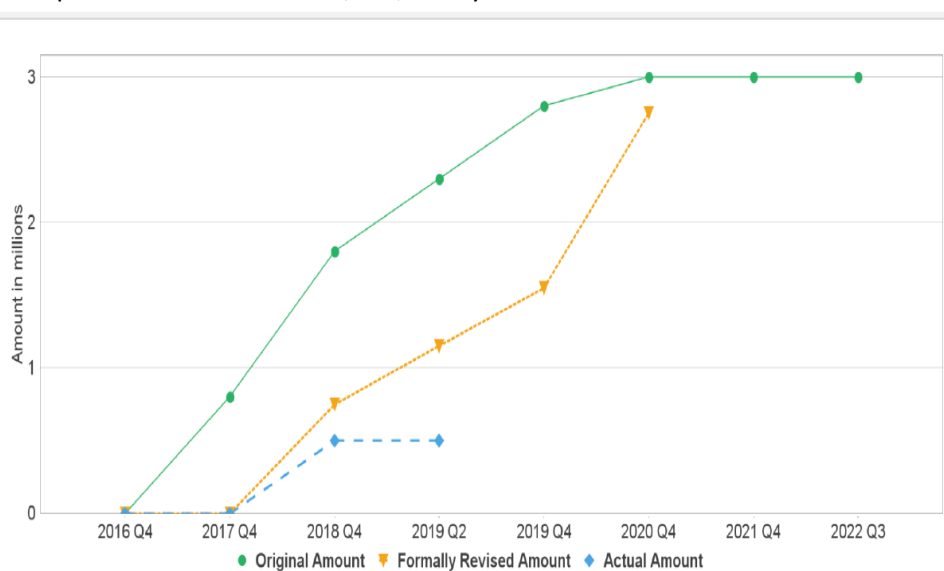
## PMR PROJECT IMPLEMENTATION STATUS REPORT (ISR)

### 1. SUMMARY INFORMATION

Implementing Country/Technical Partner:	Viet Nam
Reporting Period:	From 04/04/2018 to 04/15/2019
Report Date:	04/15/2019
Implementing Agency:	The Ministry of Natural Resources and Environment (MONRE) as the Project Management Unit (PMU) of the Viet Nam Partnership for Market Readiness Project (VNPMR). Main coordinating agencies include: the Ministry of Planning and Investment (MPI), the Ministry of Finance (MOF), the Ministry of Industry and Trade (MOIT), and the Ministry of Construction (MOC).
Contact Person:	Dr. Truong Duc Tri Dr. Luong Quang Huy

Grant Executed By:	Viet Nam
Grant Effectiveness and Closing Dates:	08/20/2017 - 12/31/2019
Grant Amount (USD):	USD 3,000,000
Funding Mobilized (USD):	USD 500,000
Funding Committed (USD)	USD 2,508,000

The first disbursement is 17% (\$500,000). The actual disbursement corresponds to 4% (\$120,000). This low disbursement is expected to increase to \$1,500,000 by the end of 2019.



## 2. OVERVIEW

### 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.

Specifically, the VNPMR objective is to provide capacity building for the development, implementation and publishing of policies, state management instruments for Nationally Appropriate Mitigation Actions (NAMAs), establishing MBI, piloting credited NAMAs and developing a roadmap for participating in the domestic and international carbon markets.

### Specific objectives

The Project Detailed Outline developed by MONRE and the other main implementing agencies aims at the following specific objectives:

- 1) Improve quality and effectiveness of state management for NAMAs, credited NAMAs through the review, supplement and issue of a number of policies and state management instruments related to carbon markets;
- 2) Establish MBIs, a database system on GHG emissions and a roadmap for participating in the carbon markets in the field of solid waste management;
- 3) Pilot credited NAMAs, develop a reporting system for GHG emission reduction activities and a roadmap for participating in the carbon markets in the field of steel production industry; and
- 4) Raise awareness, knowledge management for organizations' management from center to province levels, monitoring activities related to carbon markets, and organizations and individual's participation in the carbon markets.

### Indicators

PDO level results indicators are as follows:

- i) Submission by MONRE of **2 core national GHG emissions data management readiness building blocks for crediting NAMAs** for Government's consideration.
- ii) Submission by MONRE of an **action plan for carbon pricing approaches** for Government's consideration
- iii) Submission by MONRE of **at least one designed sectoral crediting NAMA and Measuring, Reporting and Verification (MRV) system** for Government's consideration

### Components

The project comprises of four components:

- 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.

Linked to the above-mentioned components the VNPMR Project tendered during 2018 the following packages to hire consultancy firms and individual positions to perform the work and support the overall implementation of the VNPMR Project:

- CS 1.1: Research and propose policies and guidance on credited NAMAs and develop a database system for credited NAMA (firm)
- CS 1.2: Research on market-based carbon pricing approaches, investment and financial policies (firm)
- CS1.3: Technical expert on carbon pricing (MONRE) (individual position)
- CS1.4: Policy expert on carbon pricing (MONRE) (individual position)
- CS 1.5: Development of training materials on NAMA, credited NAMA, MRV protocol, carbon pricing, market-based instruments and carbon market (firm)
- CS 2.1: Develop feasibility study for credited NAMA, propose carbon pricing instruments and roadmap for applications of MBIs in solid waste sector (firm)
- CS 2.2: Pilot credited NAMA projects, propose carbon pricing instruments and roadmap for applications of MBIs in steel sector (firm)
- CS2.3: Technical expert for steel sector (MOIT) (individual position)
- CS2.4: Coordinator for steel sector (MOIT) (individual position)
- CS2.5: Technical expert for solid waste sector (MOC) (individual position)
- CS2.6 Coordinator for solid waste sector (MOC) (individual position)
- NCS3.1: Communication materials for startup workshops (documents, leaflets, videos) and use at other workshops of the project (firm)
- CS 3.2: Financial auditor (individual position)
- CS 3.3: International Technical Expert for Annual Program Planning and Review (individual position)
- CS 3.4: Implement the dissemination and propaganda for NAMAs policies, technologies, carbon markets and other key outcomes of the project to enhance stakeholder engagement (firm)

At the end of March-beginning of April 2019, a mission was organised by the World Bank (WB) and MONRE-PMU to meet with the different implementing agencies and the consulting firms awarded to implement the packages of the VNPMR Project, to agree on a way forward and discuss the planning for the subsequent months with regards to the implementation of the project. The meetings that took place are listed below:

- March 26: Kick-off meeting with the consulting firm of work packages CS 1.1, and CS 2.1
- March 27: Pre-mission meeting with the WB, PMU and the International Technical Reviewer (CS 3.3)
- April 1: Kick-off meeting for an implementation update (including work plan and procurement plan review, progress against results and intermediate indicators, review of proposed work plan for workshops and trainings on carbon pricing and discussion on potential future work on carbon pricing in Viet Nam. During the same day, the kick-off meeting with the consulting firm of work package CS 1.2 was organized.
- April 2: Kick-off meeting with the consulting firm of work package CS 2.2.
- April 4: Procurement ex-post review
- April 5: Wrap-up meeting

During the meetings, the PMU suggested to organize an **inception workshop at the end of April 2019** to present the findings of the different Inception missions performed by the consulting firms of work packages CS 1.1, CS 1.2, CS 2.1 and CS 2.2, so all the implementation agencies and the consulting firms are aware of the information related to VNPMR Project.

### 3. IMPLEMENTATION REPORT BY COMPONENT

***Differences between the Objectives/Activities in the Market Readiness Proposal and the Grant Agreement***

<p>Are there any important and material differences between the objectives/activities proposed in the Market Readiness Proposal and endorsed by the Partnership Assembly of the PMR and those agreed to in the Grant Agreement with the Delivery Partner and described in the Project's Results Framework?</p>	<p>No</p>
<p>There are no substantive differences between the objectives/activities proposed in the Market Readiness Proposal (2014) endorsed by the PA of the PMR and those agreed to in the Grant Agreement with the WB as a Delivery Partner.</p>	

### Implementation Progress by Component

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

Status: **Ongoing**

This component focuses on assessing the overall institutional, policy, and technical gaps and opportunities for designing and implementing carbon pricing approaches in Viet Nam and also developing the main building blocks for recommended market-based carbon pricing approaches at the national level, with focus on data collection, MRV-related components and the crediting process.

This component focuses on the following activities:

- **Activity 1: Research on market-based carbon pricing approaches and developing midterm report to propose policies related to carbon pricing in Viet Nam**

This activity includes several tasks listed below:

- Review policies, mechanisms and state management instruments related to NAMAs; propose GHG emission mitigation policies and state management tools for adjustment and supplement;
- Provide an overview of the world's carbon pricing approaches, market-based instruments and analyse the suitability of these carbon-pricing approaches, market-based instruments applicable for Viet Nam;
- Develop a technical map of mitigation potentials and define relevant sectoral scopes for implementation;
- Identify policy, legal, institutional, arrangements needed to establish and implement market-based instruments and carbon pricing approaches in accordance with Viet Nam's context;
- Analyse barriers and limitation for those arrangements and clarify under which scenario/assumptions such approaches will function well;
- Research, develop policies and mechanisms of investment from the private sector, banks, domestic and international credit funds for GHG emissions and carbon credits in Viet Nam;
- Research and propose financial policies and mechanisms in order to develop and implement credited NAMAs, carbon pricing and MBIs in Viet Nam;
- Develop a mid-term report on (i) proposing policy mechanisms for carbon pricing and application of market-based instruments, and (ii) a roadmap for carbon pricing, application of MBIs to improve mechanisms and policies proposals on carbon pricing and market-based instruments in Viet Nam.

• **Activity 2: Developing implementing instruments and guidelines on policy mechanisms for carbon pricing and national-level MBIs**

This activity includes several tasks listed below:

- Develop national systems for data collection, reporting and management system through the improvement of the national GHG emissions inventory process to support the design and development of market-based carbon pricing approaches;
- Research, develop guidelines on measuring, reporting, verification (MRV) activities for credited NAMAs in order to ensure transparency and to facilitate monitoring and aggregation;
- Develop national principles and criteria for credited NAMAs, including the participation requirements, approval processes, accreditation of independent verification entities.

This component includes two intermediate result indicators:

**IRI 1.1: An option study for carbon pricing approaches**  
**IRI 1.2: The development of national principles and criteria for credited NAMAs**

And the following result indicators:

**I.1: Submission by MONRE of 2 core national GHG emissions data management readiness building blocks for crediting NAMAs for Government's consideration**  
**I.2: Submission by MONRE of an action plan for carbon pricing approaches for Government's consideration**

Under this component 1, the following work packages are envisaged:

- **CS 1.1: Research and propose policies and guidance on credited NAMAs and develop a database system for credited NAMA**
- **CS 1.2: Research on market-based carbon pricing approaches, investment and financial policies**
- CS 1.3: Technical expert on carbon pricing
- CS 1.4: Policy expert on carbon pricing
- CS 1.5: Development of training materials on NAMA, credited NAMA, MRV protocol, carbon pricing, market-based instruments and carbon market

Most of these work packages terms of reference – at least the ones referring to consulting firms (CS 1.1, CS 1.2 and CS 1.5) – were elaborated during 2018 (June). The procurement process and evaluation were executed during the same year, from June to November 2018. Finally, the contracts were signed on the 12 of March 2019 for CS 1.1 and 15 March 2019 for CS 1.2.

It is expected that the consulting firms for work packages CS 1.1 and CS 1.2 will submit their draft inception reports in April 2019, with the main findings from the inception missions conducted during this month.

The main outputs expected under work package CS 1.1 and CS 1.2 are listed in the table below:

<b>CS 1.1</b>	
<b>Tasks</b>	<b>Deliverables</b>
Task 1: Review and recommendations for the improvement of the national GHG emissions inventory process to support the design and development of market-based carbon pricing approaches	<b>Analytical report on the GHG inventory system</b>  <b>A draft action plan consulted with stakeholders to improve the national GHG emissions inventory process</b> to support the design and development of carbon pricing approaches.
Task 2: Developing the guiding principles for the national MRV, registry systems and developing the credited NAMA database system to ensure transparent accounting and tracking use of emission reductions that could be achieved through implementation of market-based carbon pricing approaches, mainly the crediting programs in Vietnam	<b>Analytical report and recommendations on operationalization of the national MRV system</b> including the national emission registry and credited NAMA database system to support the crediting programs in Vietnam
Task 3: Proposing the national principles and criteria for crediting programs, including the participation requirements, and key design elements for crediting programs. This task shall be implemented in coordination with the implementation of the other assignments of this project, including carbon pricing policy, the design and development of methodology of the crediting program feasible in urban solid waste sector and the development of pilot crediting program for steel industry	<b>Analytical report and the national principles and key criteria for crediting program in Vietnam</b>
Task 4: Stakeholder consultation, policy dialogue, and capacity building on the above three activities (namely GHG inventory, registry, MRV and national crediting system) for relevant actors	<b>Reports on recommendations and other outcomes from stakeholders' consultations</b> that are conducted dialogues, workshops and conferences.

CS 1.2	
Tasks	Deliverables
Task 1: Analyze and compare different carbon pricing options applicable in Vietnam and their respective technical, legal, administrative, policy, institutional, economic, fiscal, and environmental implications and recommend the carbon pricing option(s) feasible in Vietnam	<b>Analytical Reports on carbon pricing options and recommended carbon pricing policy package relevant for MONRE and MOF to take action.</b>
Task 2: Develop a mid-term action plan for preparing and establishing the policy, legal, institutional, and administrative infrastructure needed to adopt the recommended carbon pricing policy package (as identified in Task 1)	<b>Analytical Report on mid-term action plan relevant for MONRE and MOF to take action</b>
Task 3: Develop recommendations and an action plan for policies and incentives to mobilize the private sector in support of conditional and unconditional NDC mitigation objectives.	<b>Analytical report on the private financial mobilization for Vietnam’s attainment of the NDC mitigation objectives.</b> Recommendations and Action Plan for the policy package in the selected sectors/subsector feasible for Vietnam
Task 4: Support stakeholder consultation for information gathering, policy dialogue, and consensus building	<b>Reports on recommendations and other outcomes from stakeholders’ consultations</b> that are conducted dialogues, workshops and conferences.
Comments:	<ul style="list-style-type: none"> <li>• <b>The coordination and synergies among the consulting firms under the different work packages is very important</b>, in order to ensure smooth delivery of works, go in the same direction and avoid overlaps when engaging key stakeholders. For this reason, the PMU suggested the following:                             <ol style="list-style-type: none"> <li>1. <b>Sharing inception reports</b> (draft and final) with all work packages so all consulting firms implementing the work packages are fully aware of others’ progress.</li> <li>2. <b>Setting regular update meetings</b> (quarterly) to discuss with all work packages (1.1, 1.2, 2.1 and 2.2)</li> </ol> </li> <li>• <b>Inception reports:</b> considering all consulting firms have had the chance to conduct the inception mission end of March/beginning of April 2019, all inception reports submissions are expected by end April. PMU, implementing agencies and the WB will provide a review of the reports which PMU will consolidate to send to the consulting firms within the 2 agreed weeks. <b>PMU will also organise a workshop on the 26 of April 2019 to present the results of the inception missions and the main take-aways of the inception reports</b>, so all stakeholders involve (WB, PMU and the main implementing agencies in Viet Nam) are kept informed of the results and the next steps planned under the VNPMR Project.</li> <li>• <b>Progress and Final reports</b> included in each work packages will have to follow the timelines expected in the contracts and be of quality.</li> </ul>



**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**

**Status:** Ongoing

Through this component, the Government of Viet Nam will lay the foundations for piloting and implementing market-based instruments through selected sectors, in this particular case, the solid waste management sector.

This component focuses on the main activity of **developing a feasibility study for credited NAMAs, propose carbon pricing instruments and a roadmap for applications of MBIs in solid waste sector activities.**

This activity includes several tasks listed below:

- Develop and operate the database and MRV process for GHG emission reduction activities in the field of solid waste management
- On-site examine solid waste landfill plant to (i) analyze and identify technical, legal, institutional finance barriers and its potential in credited NAMAs; and (ii) identify mitigation potential;
- Develop a feasible study report on credited NAMA projects, including collecting, summarizing, analyzing, evaluating, reporting on GHG emissions mitigation data, carbon credits generated and selecting proper carbon pricing approaches, MBIs for the selected landfill sites;
- Study and propose appropriate carbon pricing approaches for credited NAMA in the field of solid waste management, including: (i) potential carbon credits, (ii) carbon pricing approaches and MBIs, (iii) stakeholder engagement and implementation arrangements, (iv) policy mechanism for credited NAMA and the capability of applying carbon pricing approaches and MBIs in Vietnam; and
- Analyse and propose the roadmap for apply carbon pricing approached and MBIs appropriate to solid waste management

This component includes two intermediate result indicators:

**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**

**IRI 2.3: A case study on solid waste landfill sectors in pilot cities for solid waste sector is completed**

And the following result indicators:

**I.3: Submission by MONRE of at least one designed sectoral crediting NAMA and MRV system for Government's consideration**

Under this component 2, the following work packages are envisaged:

- **CS 2.1: Develop feasibility study for credited NAMA, propose carbon pricing instruments and roadmap for applications of MBIs in solid waste sector**
- CS 2.5: Technical expert for solid waste sector
- CS 2.6: Coordinator for solid waste sector

The CS2.1 work package terms of reference were elaborated during 2018 (June). The procurement process and evaluation were executed during the same year, from June to November 2018. Finally, the contract was signed on 19 March 2019.

It is expected that the consulting firm in charge of work package CS 2.1 will submit the draft inception report in April 2019, with the main findings from the inception mission conducted during this month.

Finally, the main outputs expected under work package CS 2.1 are listed in the table below:

<b>CS 2.1</b>	
<b>Tasks</b>	<b>Deliverables</b>
<p>Task 1: Identify and develop a crediting program feasible for the urban solid waste management sector in Viet Nam (excluding hazardous waste. The sector includes landfill and other waste treatment options, such as composting and waste reduction initiatives) and develop a GHG emissions data collection and management system enabling the implementation of the crediting program.</p>	<p><b>Case study report on carbon pricing instruments</b>, market -based instruments (including credited NAMA project) in solid waste management sector in Vietnam;</p> <p><b>Data collection and management system</b> for the crediting program;</p> <p><b>Consolidated report on the collection and processing of GHG emission data</b> in the solid waste sector; and</p> <p><b>Report on proposed action plan</b> for development of a credible and sustainable data collection and management system on GHG emission in the solid waste sector.</p>
<p>Task 2: Develop a MRV system for a potential crediting program in the solid waste management sector.</p>	<p><b>MRV system for a crediting program in the urban solid waste management sector</b> in Viet Nam; and</p> <p><b>Gap analysis and barrier analysis report and recommendations to establish a MRV system and an action plan</b> for implementation of the MRV system for the potential crediting program in the solid waste management sector that is suitable with the national MRV system in Viet Nam.</p>
<p>Task 3: Survey the current situation of urban solid waste management in selected 3 cities (this is likely to include Ha Noi, Binh Duong, and Da Nang/Phu Tho/HaiPhong) to conduct a pre-feasibility study for a potential crediting program based on the recommendation under Task 1.</p>	<p><b>Evaluation report on data quality and availability as results of surveys in the three selected cities</b> against data requirements for the development of the crediting program and MRV requirements;</p> <p><b>Report on GHG emission reduction potential</b> and credible emission reductions from the crediting program; and</p> <p><b>Analysis report on barriers</b> for implementation of the crediting program.</p>
<p>Task 4: Study and propose appropriate carbon pricing instruments, MBIs in the solid waste management sector in the mid-and long run.</p>	<p><b>Analysis report on appropriate carbon pricing instruments</b> applicable to urban solid waste management sector in Viet Nam; and</p> <p><b>Report on recommendations for the roadmap to apply the appropriate carbon pricing instrument(s), MBI(s) for solid waste management sector.</b></p>
<p>Task 5: Stakeholder consultations for the information gathering and awareness enhancement and training workshops for the capacity building on the implementation for the carbon pricing instruments and the roadmap for application of MBIs in the solid waste management sector.</p>	<p><b>Reports on results of consultation with relevant stakeholders</b> on the methodology for collection of information, data, awareness and knowledge on carbon pricing and the roadmap for application of MBIs in the solid waste management sector via dialogues, workshops and conferences and recommendations</p>

<p>Comments:</p>	<ul style="list-style-type: none"> <li>• The <b>coordination and synergies among the consulting firms under the different work packages is very important</b>, in order to ensure smooth delivery of works, go in the same direction and avoid overlaps when engaging key stakeholders. For this reason, the PMU suggested the following:             <ol style="list-style-type: none"> <li>1. <b>Sharing inception reports</b> (draft and final) with all work packages so all consulting firms implementing the work packages are fully aware of others' progress.</li> <li>2. <b>Setting regular update meetings</b> (quarterly) to discuss with all work packages (1.1, 1.2, 2.1 and 2.2)</li> </ol> </li> <li>• <b>Inception reports:</b> considering all consulting firms have the chance to conduct the inception mission by late April 2019, all inception reports submissions are expected by end April. PMU, implementing agencies and the WB will provide a review of the reports which PMU will consolidate to send to the consulting firms within the 2 agreed weeks.  <b>PMU will also organise a workshop on the 26 of April 2019 to present the results of the inception missions and the main take-aways of the inception reports</b>, so all stakeholders involve (WB, PMU and the main implementing agencies in Viet Nam) are kept informed of the results and the next steps planned under the VNPMR Project.</li> <li>• <b>Progress and Final reports</b> included in each work packages will have to follow the timelines expected in the contracts and be of quality.</li> </ul>
<p><b>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</b></p>	
<p>Status: <b>Ongoing</b></p>	<p>Through this component, the Government of Viet Nam will lay the foundations for piloting and implementing market-based instruments through selected sectors, in this particular case, the <u>steel sector</u>.</p> <p>This component focuses on the main activity of <b>piloting credited NAMA projects, propose carbon pricing instruments and develop a roadmap for applications of MBIs in the steel sector</b>.</p> <p>This activity includes several tasks listed below:</p> <ul style="list-style-type: none"> <li>▪ Develop a database system and a reporting system on GHG emission and its reduction activities in the field of steel production</li> <li>▪ Implement the pilot credited NAMA project for selected steel production facilities</li> <li>▪ Develop a monitoring plan for NAMA activities in steel industry and identify carbon credited projects to pilot carbon pricing instruments and MBI; and</li> <li>▪ Research and propose roadmap for the application of carbon pricing approaches and MBIs suitable for steel production.</li> </ul>

This component includes two intermediate result 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**

And the following result indicators:

**I.3: Submission by MONRE of at least one designed sectoral crediting NAMA and MRV system for Government's consideration**

Under this component 3, the following work packages are envisaged:

- **CS 2.2: Pilot credited NAMA projects, propose carbon pricing instruments and roadmap for applications of MBIs in steel sector**
- CS 2.3: Technical expert for steel sector
- CS 2.4: Coordinator for steel sector

The CS2.2 work package terms of reference were elaborated during 2018 (June). The procurement process and evaluation were executed during the same year, from June to November 2018. Finally, the contract was signed on 15 March 2019.

It is expected that the consulting firm in charge of work package CS 2.2 will submit the draft inception report in April 2019, with the main findings from the inception mission conducted during this month.

Finally, the main outputs expected under work package CS 2.2 are listed in the table below:

<b>CS 2.2</b>	
<b>Tasks</b>	<b>Deliverables</b>
Task 1: Development of the readiness for the sectoral crediting program in Viet Nam 1.1 Development of a data collection, data management and sectoral MRV systems 1.2 Creation of validation and verification protocols of the sectoral crediting program	<p><b>Analysis report of gaps and barriers in the existing legal and policy frameworks</b> as well as existing regulations on data collection, management, MRV and registration systems for sectoral crediting programs in Viet Nam;</p> <p><b>Report to propose a plan to develop data collection and management, MRV and registration systems at plant- and sector-level in Viet Nam;</b></p> <p><b>Report to propose necessary contents to develop a database, MRV and registration systems</b> for the sectoral crediting program; and</p> <p><b>Technical report to recommend organization and management models and implementation process</b> for sectoral credited NAMA.</p> <p><b>Validation protocol</b> for the sectoral steel crediting program in Viet Nam; and</p> <p><b>Verification protocol</b> for the sectoral steel crediting program in Viet Nam</p>
Task 2. Development of pilot crediting program for steel sector	<p><b>Technical report on the potential of GHG emission mitigation in steel sector</b> for the period 2021-2030;</p> <p><b>Technical Report on Pilot Crediting Program</b> for the steel industry;</p> <p><b>Technical Report providing the method to determine the marginal cost of GHG emission reduction</b> in the steel industry; and</p> <p><b>Report on the outcome of Pilot Crediting Program in some steel enterprises</b> in Viet Nam.</p>
Task 3. Identification of feasible carbon pricing instruments to the steel sector	<p><b>Analysis report on appropriateness and feasibility of applying carbon pricing instruments to steel sector</b> in Viet Nam;</p> <p><b>Technical report on the recommendations for applicability of an MBI or combination of carbon pricing instruments to steel sector</b> in Viet Nam; and</p> <p><b>Report on the mechanisms and policies for implementing the Crediting Program and the plan to apply the market-based carbon pricing instrument(s)</b> to the steel industry and analyzing the applicability in the Carbon Credit Program of the steel industry.</p>
Task 4. Stakeholder consultations for the information gathering and awareness enhancement and training workshops for the capacity building on technical guidelines and implementation of carbon crediting program pilots in steel sector 4.1 Consultations 4.2 Training workshops	<p><b>Organization of the stakeholder consultations;</b></p> <p><b>Presentation materials in English and Vietnamese;</b></p> <p><b>Report on the results of consultation</b> (stakeholder comments, revisions needed, clarifications and recommendations);</p> <p><b>Organization of the training workshops;</b></p> <p><b>Training materials in English and Vietnamese;</b></p> <p><b>Presentation materials.</b></p>

Comments:	<ul style="list-style-type: none"> <li>• The <b>coordination and synergies among the consulting firms under the different work packages is very important</b>, in order to ensure smooth delivery of works, go in the same direction and avoid overlaps when engaging key stakeholders. For this reason, the PMU suggested the following:           <ol style="list-style-type: none"> <li>3. <b>Sharing inception reports</b> (draft and final) with all work packages so all consulting firms implementing the work packages are fully aware of others' progress.</li> <li>4. <b>Setting regular update meetings</b> (quarterly) to discuss with all work packages (1.1, 1.2, 2.1 and 2.2)</li> </ol> </li> <li>• <b>Inception reports:</b> considering all consulting firms have had the chance to conduct the inception mission end of March/beginning of April 2019, all inception reports submissions are expected by mid-end April. PMU, implementing agencies and the WB will provide a review of the reports which PMU will consolidate to send to the consulting firms within the 2 agreed weeks.  <b>PMU will also organise a workshop on the 26 of April 2019 to present the results of the inception missions and the main take-aways of the inception reports</b>, so all stakeholders involve (WB, PMU and the main implementing agencies in Viet Nam) are kept informed of the results and the next steps planned under the VNPMR Project.</li> <li>• <b>Progress and Final reports</b> included in each work packages will have to follow the timelines expected in the contracts and be of quality.</li> </ul>
<b>Component 4: Strengthen capacities on management, monitoring, evaluation and implementation of NAMA and credited NAMA activities</b>	

<p><b>Status: Ongoing</b></p>	<p>Through this component, the Project Management Unit will be supporting project management with a dedicated project team to ensure an efficient and effective implementation of all the VNPMR Project components (1 to 3) and also support communication and stakeholder engagement including conducting a feedback and learning process with stakeholders to ensure awareness raising and dissemination of results of the VNPMR Project.</p> <p>This component focuses on <b>strengthening capacities on management, monitoring, evaluation and implementation of NAMA and credited NAMA activities and overall VNPMR Project implementation.</b></p> <p>This activity includes several tasks listed below:</p> <ul style="list-style-type: none"> <li>▪ Participate in international and regional conferences, workshops on GHG emission reduction, carbon pricing, market instruments organized by the PMR General Committee and international organizations</li> <li>▪ Developing training materials, guidelines for NAMA and credited NAMA, MRV for NAMA and credited NAMA, carbon pricing approaches, MBIs and carbon credits trading</li> <li>▪ Organize training courses, seminars and workshops to strengthen capacity of developing, managing and implementing of NAMA, credited NAMA, MRV, MBIs and carbon credits trading; Strengthen the responsibility of all levels, sectors, locals, communities and businesses to reduce GHG emission and carbon credits trading</li> <li>▪ Organize training courses, seminars and workshops to strengthen the capacity of state management agencies, organizations and enterprises <b>in the field of solid waste management</b> in term of development, implementation of NAMA, credited NAMA, MRV, MBIs and carbon credits trading</li> <li>▪ Organize training courses, seminars and workshops to strengthen the capacity of state management agencies, organizations and enterprises <b>in the field of steel production</b> in term of development, implementation of NAMA, credited NAMA, MRV, MBIs and carbon credits trading</li> </ul>
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	<p>This component includes one intermediate result indicator:</p> <div style="border: 1px solid black; background-color: #e6f2ff; padding: 5px;"> <p><b>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</b></p> </div> <p>And the following result indicators:</p> <div style="border: 1px solid black; background-color: #e6f2ff; padding: 5px;"> <p><b>I.1: Submission by MONRE of 2 core national GHG emissions data management readiness building blocks for crediting NAMAs for Government’s consideration</b></p> <p><b>I.2: Submission by MONRE of an action plan for carbon pricing approaches for Government’s consideration</b></p> <p><b>I.3: Submission by MONRE of at least one designed sectoral crediting NAMA and MRV system for Government’s consideration</b></p> </div> <p>Under this component, the following work packages are related:</p> <ul style="list-style-type: none"> <li>- CS 3.1 Administrative / Procurement officer for the PMU</li> <li>- CS 3.2 Financial auditor</li> <li>- CS 3.3 International Technical Expert for Annual Program Planning and Review</li> <li>- <b>CS 3.4 Implement the dissemination and propaganda for NAMAs policies, technologies, carbon markets and other key outcomes of the project to enhance stakeholder engagement</b></li> <li>- <b>NCS 3.1 Communication materials for startup workshops (documents, leaflets, videos) and use at other workshops of the project</b></li> </ul> <p>CS 3.4 work package terms of reference were elaborated during 2018 (June). The procurement process and evaluation were executed during the same year, from June to October 2018. Finally, the contract will be signed in May 2019. In the case of NCS 3.1 work package terms of reference were elaborated during 2019 (March). The procurement process and evaluation are expected to be finalised in the coming months.</p>
<p>Comments:</p>	<ul style="list-style-type: none"> <li>• The <b>training and workshops under the VNPMR Project should be closely linked with the analysis and outputs of work packages CS1.1, CS1.2, CS2.1 and CS2.2.</b></li> <li>• The <b>plans of training and workshops require close coordination and sharing amongst the several implementing agencies (MONRE, MPI, MOF MOIT and MOC) to maximize results and avoid duplication.</b></li> <li>• The planning of <b>study tours</b> should serve to inform the design of Viet Nam market-based instrument to put a price on carbon.</li> <li>• Participants to those training and workshops should include not only line ministries and decision makers, but also provincial officials, industries and private sector, where relevant.</li> </ul>

#### 4. PROGRESS, CHALLENGES, AND LESSONS LEARNED

##### Important policy or regulatory developments related to the Grant's objectives and activities:

###### Developments:

Viet Nam ratified the United Nations Framework on Climate Change (UNFCCC) on 16 November 1994. Under the provisions of the UNFCCC, developed countries have to make commitments to reduce GHG emissions while the developing countries like Viet Nam do not have responsibilities for performing this duty. However, the Bali Action Plan in December 2007 urged developing countries to develop "Action Plans on Nationally Appropriate Mitigation Actions (NAMAs)".

At the 18th Conference of the Parties (COP) in Doha, Qatar in December, 2012 it was agreed to request the Parties of the UNFCCC Annex I to make commitments to cut and limit GHG emissions to at least 18% of total GHG emissions, while developing countries must also make and implement commitments to reduce GHG emissions.

Considering all the above-mentioned, and being actively addressing climate change, Viet Nam developed the **National Strategy on Climate Change** (issued in December 2011), and the **National Strategy for Green Growth** (issued in September 2012).

Viet Nam submitted its **Nationally Determined Contribution (NDC) to the UNFCCC in September 2015**, which sets the unconditional contribution target of GHG emission reductions by 8% by 2030 compared to BAU with emission intensity per unit of GDP reduced by 20% compared to 2010 levels and forest cover increasing to 45%. With support from international cooperation, the reduction target can be 25% with emission intensity per unit of GDP reduced by 30%. The **Plan for Implementation of the Paris Agreement approved by the Prime Minister in October 2016** includes key priority actions and measures for Viet Nam to implement its NDC. Both Vietnam's NDC and the Plan for Implementation of the Paris Agreement explicitly mention market instruments as a tool for supporting mitigation measures.

To support Viet Nam's efforts in responding to climate change, the international community have provided support in terms of experience, technologies and finance. However, activities related to strengthening the capacity to develop and implement policies and instruments related to NAMA for implementation of piloting credited NAMA for readiness to take part in the carbon emission trading market domestically and internationally remains a new issue for Viet Nam.

Proposing the VNPMR project with the main objective of **providing capacity building and the implementation of policies and management tools of state for NAMAs, and piloting credited NAMAs in targeted sectors** will contribute to the gradual realization of the objectives of the National Strategy on Climate Change, National Strategy of Green Growth, the Plan for Implementation of the Paris Agreement and to support national mitigation efforts and enhance its contribution to global action.

###### Challenges:

Viet Nam is facing a major challenge of addressing this unprecedented growth of GHG emissions in a context of growing international commitment to ambitious climate action. The Government of Viet Nam has recognized this challenge through setting a number of domestic economy-wide and sectoral targets and policies that are intended to have an impact on GHG emissions.

The Vietnamese steel sector is one of the largest electricity consumers in the country. As a result, the Government has already established a voluntary emission reduction target and a number of goals for the steel sector: improve effectiveness and efficiency of energy use, reduce energy consumption in production activities, transportation and trade; Innovate technologies, and apply advanced management and operation procedures for efficient and effective use of energy in production, transmission and consumption, in

particular in large production facilities where energy consumption is high.

The solid waste generation has increased in recent years in Viet Nam and this trend is expected to continue in the future due to both the continuous rapid industrialization and urbanization of the country and widespread open dumping and burning in landfill sites. According to Vietnam's first Biennial Update Report to the UNFCCC, the total GHG emissions from waste in 2010 was 15.4 Mt/CO<sub>2</sub>e, which constitutes 5.78% of the total GHG emissions of Viet Nam (excluding LULUCF).

**Lessons learned:** -

**Important changes in the technical design or approach related to the Grant's activities:**

**Developments:**

VNPMR Project activities have been refined to the needs of the implementing agencies and also to be aligned with the initial World Bank plan for the project. Comparing the Procurement Document from the World Bank (WB ProDoc) and the Project Detailed Document by MONRE (MONRE PDD) the main changes on the technical design are presented below:

**Component 1:**

World Bank Pro Doc	MONRE PDD
<p><b>Strengthening capacity for developing carbon pricing approaches, including through supporting priority building blocks for MBIs</b></p>	<p><b>Research, propose and develop policies and state management instruments related to the carbon market</b></p>
<p>1.1 Assessing the overall institutional, policy, and technical gaps and opportunities for designing and implementing carbon pricing approaches in Vietnam</p> <ul style="list-style-type: none"> <li>▪ Analysis and evaluation of market-based carbon pricing approaches [including crediting Nationally Appropriate Mitigation Actions (NAMAs), emissions trading, and carbon taxes] applicable in Vietnam and definition of relevant sectoral scopes for these approaches;</li> <li>▪ Research and formulation of financial mechanisms and policies needed to mobilize support from private sector, banks and credit funds including international sources, such as the Green Climate Fund, to establish and implement carbon pricing approaches in accordance with instruments recommended in the preceding activity; and</li> <li>▪ Preparation of a mid-term action plan to help the Government of Vietnam to a) prepare and establish policy, legal, institutional and administrative infrastructure and financial mechanisms to establish and implement the recommended market-based carbon pricing approaches; and b) establish clear pathways from piloting of crediting NAMAs in priority sectors toward establishing more comprehensive market-based approaches</li> </ul>	<p>1.1 Research on market-based carbon pricing approaches and developing midterm report to propose policies related to carbon pricing in Vietnam</p> <ul style="list-style-type: none"> <li>▪ Review policies, mechanism and state management instruments related to NAMA; propose GHG emission mitigation policies and state management tools for adjustment and supplement;</li> <li>▪ Overview of the world's carbon pricing approaches, market-based instrument, analyze the suitability of these carbon-pricing approaches, market-based instruments applicable for Vietnam;</li> <li>▪ Develop a technical map of mitigation potentials and define relevant sectoral scopes for implementation;</li> <li>▪ Identify policy, legal, institutional, arrangements needed to establish and implement market-based instruments and carbon pricing approaches in accordance with Viet Nam's context;</li> <li>▪ Analyze barriers and limitation for those arrangements and clarify under which scenario/assumptions, such approaches will function well;</li> <li>▪ Research, develop policies and mechanisms of investment from the private sector, banks,</li> </ul>

	<p>domestic and international credit funds to for GHG emission and carbon credits in Vietnam;</p> <ul style="list-style-type: none"> <li>▪ Research and propose financial policies and mechanisms in order to develop and implement credited NAMA, carbon pricing and MBI in Vietnam;</li> <li>▪ Develop a mid-term report on (i) proposing policy mechanisms for carbon pricing and application of market instruments (ii) road map for carbon pricing, application of MBIs to improve mechanisms and policies proposals on carbon pricing and market instruments in Vietnam.</li> </ul>
<p>1.2 Development of the main building blocks for recommended market-based carbon pricing approaches at the national level</p> <ul style="list-style-type: none"> <li>▪ Supporting the development of the national systems for GHG emissions data collection, reporting and management</li> <li>▪ Developing the guiding principles for the national MRV and registry systems</li> <li>▪ Supporting the development of national principles and criteria for credited NAMAs, including the participation requirements, approval processes, accreditation of independent verification entities, outline of quantification approaches (e.g., baseline setting and crediting thresholds where applicable) and general approach to net mitigation</li> <li>▪ Stakeholder training on carbon pricing approaches including organized training and capacity building workshops on requirements for credited NAMA, and dissemination, awareness raising for implementing GHG emission reduction and trading of carbon credits (at the central, sectoral, and local levels)</li> </ul>	<p>1.2 Developing implementing instruments and guideline on policy mechanism of carbon pricing and national-level MBI</p> <ul style="list-style-type: none"> <li>▪ Develop national systems for data collection, reporting and management system through the improvement of the national GHG emissions inventory process to support the design and development of market-based carbon pricing approaches;</li> <li>▪ Research, develop guidelines on measuring, reporting, verification (MRV) activities for credited NAMA in order to ensure transparency and to facilitate monitoring and aggregation;</li> <li>▪ Develop national principles and criteria for credited NAMAs, including the participation requirements, approval processes, accreditation of independent verification entities.</li> </ul>

Though the titles are changed, activities under this component remain the same with 2 sub-components focusing on (1.1) carbon pricing approaches, including MBIs and (1.2) instruments and guidelines for MBIs implementation. Sub-component (1.1) in the MONRE PDD contains more detailed activities as to ensure efficient implementation.

### Component 2 and Component 3

Component 2 from the World Bank ProDoc are combined in two different components in the case of MONRE's PDD, Component 2 and Component 3.

Subsequently, subcomponent 2.1 referring to steel sector in the WB ProDoc is Component 3 in the case of MONRE's PDD and subcomponent 2.2 that refers to solid waste management, is Component 2 in the MONRE's PDD.

The comparison between components and subcomponents is presented below. In the case of MONRE PDD, the activities are more granular and detailed as a result of the consultations done with the line ministries and implementing agencies:

World Bank Pro Doc	MONRE PDD
<b>Component 2: Readiness to pilot selected market-based instruments</b>	
<b>Sub-component 2.1: Designing a pilot for selected elements of MBIs in the <u>steel sector</u></b> <ul style="list-style-type: none"> <li>▪ Designing and developing data collection and data management systems and MRV in steel sector in accordance with a selected crediting instrument in the steel sector;</li> <li>▪ Developing a credited NAMA for steel sector, including the choice of the crediting instrument [sectoral crediting or project/Programme of Activities (PoA)- based implementation, main building blocks; and implementation of a pilot of a GHG emissions database and voluntary reporting system in steel sector;</li> <li>▪ Developing an action plan for mid- to long-term market-based carbon pricing approach in the steel industry (including participation in a potential domestic Emissions Trading Scheme) in coordination with the work on the national level Action Plan being developed under Component 1, activity a (iii); and</li> <li>▪ Capacity building for stakeholders involved in the implementation of MBI(s) in the steel industry</li> </ul>	<b>Component 3: Develop and pilot credited NAMAs, develop a reporting system on NAMA and a roadmap for participation in the carbon market for the <u>steel production sector</u></b> <ul style="list-style-type: none"> <li>▪ Develop a database system and a reporting system on GHG emission and NAMA activities in the field of steel production;</li> <li>▪ Implement the pilot credited NAMA project for selected steel production facilities</li> <li>▪ Develop a monitoring plan for NAMA activities in steel industry and identify carbon credited projects to pilot carbon pricing instruments and MBI;</li> <li>▪ Research and propose roadmap for the application of carbon pricing approaches and MBIs suitable for steel production.</li> </ul>
<b>Sub-component 2.2: Analyzing potential MBIs in in <u>solid waste sector</u> and designing measures to enhance readiness for implementation</b> <ul style="list-style-type: none"> <li>▪ Developing a GHG emissions data collection and management system and relevant reporting forms, as well as a MRV protocol for the targeted sub-sectors of the solid waste sector</li> <li>▪ Defining the targeted sub-sector(s) and the choice of the crediting instrument (sectoral crediting or project/PoA-based implementation) and defining the outline of the required building blocks (crediting components) for a credited NAMA</li> <li>▪ Designing a concept for a representative piloting activity for the crediting NAMA in the solid waste sector to test data collection and management system and the outlined approaches for the building blocks of the credited NAMA</li> <li>▪ Conduct relevant capacity building focused on the 3 pilot cities [data collection, reporting and testing of the approaches defined in the building blocks</li> </ul>	<b>Component 2: Develop a database system on GHG emission, market-based instruments for carbon market and a roadmap for participating carbon market in <u>solid waste sector</u></b> <ul style="list-style-type: none"> <li>▪ Develop and operate the database and MRV process for GHG emission reduction activities in the field of solid waste management;</li> <li>▪ On-site examine solid waste landfill plant to (i) analyze and identify technical, legal, institutional finance barriers and its potential in credited NAMA; (ii) identify mitigation potential;</li> <li>▪ Develop a feasible study report on credited NAMA project, including collecting, summarizing, analyzing, evaluating, reporting on GHG emissions mitigation data, carbon credits generated and selecting proper carbon pricing approaches, MBIs for the selected landfill sites;</li> <li>▪ Study and propose appropriate carbon pricing approaches for credited NAMA in the field of solid waste management, including: (i) potential carbon</li> </ul>

<p>designed in activity b (ii)] and on the relevant sectoral institutions to facilitate future implementation of piloting activities</p> <ul style="list-style-type: none"> <li>▪ Developing an action plan for mid- to long-term market-based carbon pricing approaches in the solid waste sector (including participation in a domestic ETS, e.g., through offsetting) in coordination with the work on the national level Action Plan being developed under the Component 1, activity a (iii).</li> </ul>	<p>credits, (ii) carbon pricing approaches and MBIs, (iii) stakeholder engagement and implementation arrangements, (iv) policy mechanism for credited NAMA and the capability of applying carbon pricing approaches and MBIs in Vietnam;</p> <ul style="list-style-type: none"> <li>▪ Analyse and propose the roadmap for apply carbon pricing approached and MBIs appropriate to solid waste management</li> </ul>
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#### Component 4

World Bank Pro Doc	MONRE PDD
<p><b>Programme management and stakeholder engagement facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Supporting project management with a dedicated project team to ensure an efficient and effective implementation</li> <li>▪ Supporting communication and stakeholder engagement including conducting a feedback and learning process with stakeholders to ensure awareness raising and dissemination of results</li> </ul>	<p><b>Strengthening capacity on management, monitoring, evaluation and implementation of NAMA and credited NAMA activities</b></p> <ul style="list-style-type: none"> <li>▪ Participate in international and regional conferences, workshops on GHG emission reduction, carbon pricing, market instruments organized by the PMR General Committee and international organizations;</li> <li>▪ Develop training materials and guidelines on development, implementation NAMAs and credited NAMAs, a MRV process for NAMAs and MBIs and carbon trading instrument;</li> <li>▪ Organize training courses, seminars and workshops to strengthen capacity of developing, managing and implementing of NAMA, credited NAMA, MRV, MBIs and carbon credits trading; Strengthen the responsibility of all levels, sectors, locals, communities and businesses in GHG emission reduction and carbon credits trading;</li> <li>▪ Organize training courses, seminars and workshops to strengthen the capacity of state management agencies, organizations and enterprises in the field of solid waste management in term of development, implementation of NAMA, credited NAMA, MRV, MBIs and carbon credits trading;</li> <li>▪ Organize training courses, seminars and workshops to strengthen the capacity of state management agencies, organizations and enterprises in the field of steel production in term of development, implementation of NAMA, credited NAMA, MRV, MBIs and carbon credits trading</li> </ul>

**Challenges: -**

**Lessons learned: -**

**Key capacity issues (implementation, technical, financial management, procurement) related to the Grant's activities:**
**Developments: -**
**Challenges: -**
**Lessons learned:-**
**Coordination with other carbon pricing initiatives, including those funded by other donors:**
**Developments:**

A number of programs and projects related to capacity building of developing and implementing policies and state management tools for the mitigation of GHG emissions have been implemented.

Capacity building projects

- **Project "Capacity building and Co-Research on NAMAs"** was funded by OECC. MONRE is the Implementing agency and the project was implemented from 2012 to 2015. One of the objectives was to determine the amount of GHG emissions from solid waste landfills in 2010 and to forecast the amount of GHG emissions until 2020; to propose an implementation framework of NAMAs in the field of wastewater treatment; to identify the potential GHG mitigation from the different technologies and selected solid waste landfills.
- **Project "Partnership for Climate Change" (VNCLIP)** funded by DFID through the WB. MONRE is the implementing agency and MARD, MOIT, MPI and MOF are participating agencies. The project started in 2012 until 2014 with the aim of providing capacity building on climate change policy development.
- **Project "Capacity Building and support to the Implementation of the National Climate Change Strategy Project" (CBICS)** funded by UNDP; MONRE is the Implementing Agency. MARD, Lai Chau province and Quang Ngai province are Participating Agencies. The project was implemented from 2014 to 2017. One of the project outputs is to build technical capacities on developing and implementing NAMAs in Viet Nam.
- **Project "Capacity building for Viet Nam industries and commerce to control GHG emission and reinforce ability of climate change adaptation"** funded by UNDP. MOIT is the Implementing Agency. The project was implemented from 2012 to 2016. The objective of project is to build the capacities of stakeholders in GHG emissions for steel industry and fertilizer sectors.
- **Project "Support to capacity building and institutional reforms to implement green growth and sustainable development in Vietnam"** by USAID, EU, UNDP. MPI is the Implementing Agency. MOF and MOT are the participating agencies. The project was carried out from 2015 to 2018. The project aims to building capacity and strengthening policies and regulations to implement effectively the national strategy on green growth of Viet Nam and to achieve the goals of sustainable development.

NAMA and climate change projects

- **Project "Support to develop Renewable Energy in Viet Nam"** funded by GIZ. MOIT is the Implementing Agency. The implementation period is from 2012 to 2015. The project objectives are to contribute to a strategy of GHG emission mitigation through improving a legal framework for renewable energy.
- **Project "Facilitating Implementation and Readiness for Mitigation" (FIRM)"** funded by UNEP. MONRE is the Implementing Agency. The project implementation was from 2013 to 2014. Outputs of the project are to support GHG mitigation, through the development and implementation of a strategic framework on low carbon, green growth at national level;

- **Project “Develop technical guidelines on NAMA and MRV in Viet Nam”** funded by UNDP. MONRE is the implementing agency. The project started in 2013 with the aim of providing information and technical guidelines to develop and implement NAMA including methods and instruments for development and implementation; making a list of potential GHG emission mitigation activities for developing NAMA with MRV system and experiences from other countries.
- **Project “Transforming waste into resources”** funded by UNESCAP. MONRE is the implementing agency. The project was implemented from 2013 to 2015. The goal of the project was to develop proposals and pilot NAMAs in the field of solid waste management at cities in Viet Nam.
- **Project “Low carbon development in energy efficiency - LCEE”** financed by Denmark through support to national budget for the National Target Program on Energy Efficiency and Conservation (VNEEP). Executive agency is the Ministry of Industry and Trade with the participation of the Ministry of Construction. The goal of the project is to contribute to sustainable development and the transition to a low carbon economy through enhanced energy efficiency in small and medium enterprises and energy efficiency for construction projects with small and medium enterprises in 3 sectors: brick, ceramics and food processing.

#### Policy development projects

- **Project “Support Nationally Appropriate Mitigation Actions (NAMAs)”** was funded by GIZ. MONRE is the Implementing Agency. The project was implemented from 2014 to 2018. The project outputs are to strengthen state management on responding to climate change; develop and implement NAMA/MRV in Viet Nam through piloting NAMAs in the field of wind energy and biogas.
- **Research project on the development of low-emission economy** by the WB (WB) with co-financing by the Asian Development Bank (ADB); The executive agency: The Ministry of Industry and Trade, with the participation of the Ministry of Transport and Ministry of Planning and Investment. The goal of the project is to build a roadmap for developing low-emission economy, including the construction of NAMA for sectors that have high potential for GHG emission reduction, especially in the transport and energy sectors.
- **Project “Support for capacity building and institutional reform for green growth and sustainable development in Vietnam”** financed by USAID, EU, UNDP. The executive agency: The Ministry of Planning and Investment, in collaboration with the Ministry of Finance and Ministry of Transport, being implemented in four years from 2015 - 2018. The aim of the project is to support capacity building and strengthening of policies and regulations for effective implementation of national green growth strategy and achieve sustainable development goals.
- **PMR Policy Analysis Support.** The PMR also supported the Government of Vietnam on energy sector mitigation plan through the PMR Policy Analysis Support. The analysis examined scenarios for various GHG reduction levels from the Business-as-Usual (BAU) projection. These include mitigation scenarios aiming for reduction of 8%, 10% and 12% from BAU emission levels for the Unconditional NDC target, and 15%, 20%, 25% and 30% reductions for the Conditional target by 2030. The analysis explored various combinations of energy efficiency (EE) and renewable energy (RE) to determine the optimum configuration of EE and RE for each of these scenarios, looking for a balanced policy approach to achieving each NDC target. Although aggressive EE policies tend to result in lower overall system cost, a slightly more costly but more balanced approach is recommended.

**Challenges: -**

**Lessons learned: -**



**Stakeholder engagement related to the Grant's activities:****Developments:**

- Training and workshop to link closely with analysis and outputs of packages 1.1, 1.2, 2.1 and 2.2.
- Plans of training and workshop required to be coordinated closely and shared amongst MONRE, MPI, MOF MOIT and MOC to maximize results and avoid duplication.
- Study tours expected to inform the design of Vietnam market-based instrument to put a price on carbon.
- Participants should include not only line ministries and decision makers, but also provincial officials, industries and private sector, where relevant.

**Challenges: -****Lessons learned:-****Other issues related to the Grant's activities**

N/A