

Impact Assessment of the EU's Carbon Border Adjustment Mechanism Project Launched in Vietnam

December 12, 2022

Press Release

On 6th December 2022 in Vietnam, the Energy Transition Partnership (ETP) supported by UNOPS together with the Department of Climate Change (DCC) of the Government of Vietnam hosted a workshop to kick-start a new project – Impact Assessment of the EU's Carbon Border Adjustment Mechanism (CBAM).

The CBAM aims to reduce the risk of carbon leakage by encouraging producers in non-EU countries to reduce CO2 emissions from their production processes. CBAM will initially be applied to the iron, aluminum, cement, electricity and fertilizers sectors, with the hope of extending to the hydrogen, organic chemicals, plastics, and ammonia sectors.

Nguyen Thi Hong Loan - Senior climate change expert at Green Climate Innovation

The project aims to assess the impact of the CBAM on export products, energy transition, national economy, and implementation of the NDCs of Vietnam. It will also provide an in-depth study of the implications and policy recommendations for a roadmap and design of the carbon tax system in Vietnam.

As agreed in the Memorandum of Understanding signed by UNOPS and DCC under the Ministry of Natural Resources and Environment (MONRE) in June 2022, both organizations committed to work together to support Vietnam in achieving its carbon neutrality by 2050.

Sirpa Jarvenpaa - Director of the Energy Transition Partnership

ETP is pleased to collaborate with DCC and MONRE through this project to establish a solid partnership to support Vietnam with its energy transition. Together, we will be arranging stakeholder consultations with the public and private sectors on the project's findings and recommendations, with a view to prepare Vietnam for carbon pricing and energy transition.

The project will be implemented by a consortium of the Green Climate Innovation Co., Ltd; NHQuang & Associates from Vietnam; Applied Economic Modelling and Data Analysis from Australia; and Perspectives Climate Group GmbH from Germany.

CONTACT



About the Department of Climate Change

The Department of Climate Change at MONRE leads coordination of efforts to champion net-zero emission through carbon pricing, carbon tax, and carbon market development, including developing measures in response to the CBAM.

Read more: <http://www.dcc.gov.vn>

