

DEC 2023



STAKEHOLDER ENGAGEMENT PLAN

Emission Trading System Piloting and Simulation in Vietnam

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Executive summary

To foster effective communication and active engagement among all implementing partners, targeted groups, and stakeholders involved in this Technical Assistance (TA), a Stakeholder Engagement Plan was developed under Task 4 of this TA.

The report Stakeholder Engagement Plan was based on the survey results and assessment on the readiness, awareness, needs and gaps of industry groups under the Task 3 of the TA. It was also referred to additional stock-take and analysis of various stakeholder groups in Viet Nam; Viet Nam's carbon market development roadmap; an assessment of the current challenges and gaps; the roles of government and different stakeholders in the carbon market ecosystem and their capacity building needs.

This report serves as a centralized mechanism for facilitating communication among all identified key stakeholders involved in this TA and directly support for active and efficient engagement of key stakeholders in the training courses that are going to be organized under this Assignment. The stakeholder mapping and engagement plan to facilitate effective communication among implementing partners, the Consultant team, the donor, and other relevant stakeholders were proposed. By implementing these channels, the stakeholder mapping and engagement plan would enable efficient processes for disseminating TA's updates, conveying the current status, addressing issues, and providing a platform for stakeholders to provide feedback.

As the result of mapping under this Task, the Consultant recommends to continue supports and engage with key stakeholder identified on support from the companies and other critical areas of ETS readiness which go beyond the scope of the TA into the actual ETS operations such as:

- ETS policy, such as overall ETS cap and the allocation method of the allowances,
- ETS procedures, including rules and requirements for allowance application, emissions data submission, use of carbon credits ETS regulations, including registration of facilities and penalties for non-compliance
- GHG inventory preparation, including the measurement and reporting requirements, treatment of minor emission sources, use of default or on-site emission factors, data quality management systems

Furthermore, the capacity building supports for Viet Nam to implement the ETS should be continuous and progressive, which would intensify until the introduction of the mandatory ETS in 2028. Along with that, the Consultant provides the recommended stakeholder engagement activities and respective timelines.

1 Introduction

The objective of this report is to document the stakeholder mapping and engagement planning exercise in order to foster effective communication and active engagement among all implementing partners, targeted groups, and stakeholders involved in the Assignment.

The report considers the survey results and assessment on the readiness, awareness, needs and gaps of industry groups from Task 3 of the Technical Assistance (TA); various stakeholder groups in Viet Nam; Viet Nam's carbon market development roadmap; an assessment of the current challenges and gaps; the roles of government and different stakeholders in the carbon market ecosystem and their capacity building needs.

The stakeholder engagement plan proposed in this report establishes a comprehensive and methodological framework which aims to define an approach for continuous relationship-building among different groups through capacity building and information sharing. The implementation of this robust stakeholder mapping and engagement plan would promote effective two-way communication with stakeholders and foster transparency for the successful implementation throughout the TA's duration.

This report also serves as a centralized mechanism for facilitating communication among all identified key stakeholders involved in the Assignment and directly support for active and efficient engagement of key stakeholders in the training courses that are going to be organized under this Assignment. The stakeholder mapping and engagement plan aims to facilitate effective communication among implementing partners, the Consultant team, the donor, and other relevant stakeholders.

By implementing these channels, the stakeholder mapping and engagement plan would enable efficient processes for disseminating TA's updates, conveying the current status, addressing issues, and providing a platform for stakeholders to provide feedback.

2 Objective of the detailed stakeholder mapping and engagement plan

The ultimate goal of the Assignment is to support Viet Nam to establish a well-functioning carbon market and carbon trade exchange, by 2027. Therefore, understanding stakeholders, who will be directly or indirectly involved in the ETS - is key to successful implementation of the Assignment - through the stakeholder mapping and engagement process.

The primary objective of the stakeholder mapping and engagement plan is to harmonize stakeholder needs and establish standardized communication channels that facilitate the exchange of TA-related information and directly support for active and efficient engagement of key stakeholders in the training courses that are going to be organized under this Assignment. On a broader level, the objectives for stakeholder engagement is to (i) develop stakeholders' understanding and expertise, (ii) build the necessary working relationships of acceptance and trust; (iii) equip stakeholders to meet the future regulatory obligations under the ETS; iv) increase the interests and engagement in the training courses under this Assignment; and vi) prepare for the engagement in post-Assignment activities.

The Assignment comprises the development of an ETS simulation tool and a hands-on learning platform for various stakeholders in the ETS, which will be delivered through training sessions to raise stakeholders' awareness and readiness for the future ETS.

The Assignment also expects the Consultant team to develop concrete policy recommendations for designing an ETS in Viet Nam based on the analysis of the lessons learnt and impacts of the ETS operation on energy transition. The Assignment will directly support the introduction of a domestic ETS as a carbon pricing instrument by 2027.

3 Specific objectives

The stakeholder mapping and engagement plan aims to facilitate effective communication among implementing partners, the Consultant team, the donor, and other relevant stakeholders. The plan encompasses the following goals:

All stakeholders:

1. Generate general stakeholder awareness: Raise awareness about the TA and its goals and objectives.
2. Promote industry participation in the TA: Increase organizational awareness of the Assignment, its importance in Viet Nam's ETS development roadmap and potential benefits for companies.
3. Address stakeholder issues: Promptly respond to concerns and address the needs of key stakeholders.
4. Foster continuous improvement: Incorporate suggestions and recommendations to enhance the TA's processes.
5. Maintain enthusiasm: Reinforce the value of the Assignment and sustain enthusiasm among stakeholders.

For ETP specifically:

1. Convey implementation status: Clearly communicate the progress of the TA and coordinate efforts.
2. Report implementation problems: Communicate any issues that may affect the Assignment's implementation and their potential impact.

The objective of this Stakeholder Engagement Plan is to support the Consultant team by:

1. Providing guidelines: Offer implementing partners and team members a framework to communicate about timelines, resource requirements, and significant plan changes.
2. Establishing a protocol: Define a protocol for communicating with various stakeholders, such as employees, government agencies, and survey participants, to highlight the benefits and necessity of their cooperation in the Assignment's initiatives.
3. Sharing communication channels: Provide information on appropriate communication channels and contact points for effective engagement.

4 Methodology

Stakeholder engagement is a systematic process covering the following activities throughout the Assignment. The report will delve into each activity in subsequent sections.

1. Stakeholder identification and analysis
2. Stakeholder mapping
3. Stakeholder engagement approach

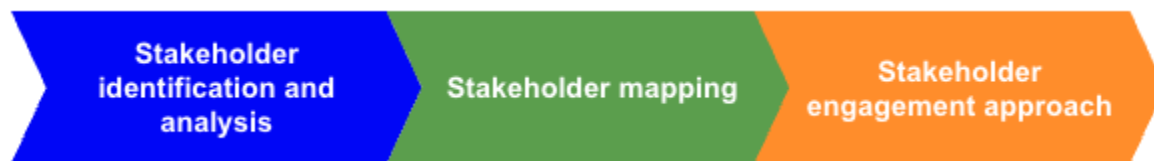


Figure 1: Stakeholder engagement methodology

Source: Consultant (2023)

5 Stakeholder identification and analysis

Stakeholders, both internal and external, have been identified. The internal stakeholders encompass the implementing partners and the donor, who are directly involved in managing and executing the Assignment. On the other hand, external stakeholders consist of government authorities, targeted survey participants, and other relevant entities who possess a vested interest in the Assignment and may have a direct or indirect influence over its outcomes.

Throughout the lifecycle of the Assignment, various types of information will be communicated to the stakeholders. These include details regarding the execution of the TA, the status of implementation, general awareness information about the Assignment, and other pertinent information relevant to the stakeholders' interests.

The interest-influence grid approach is adopted to understand the need for communication with stakeholders and their attitudes to change. 'Interest' refers to the stakeholders' likely interest or concern about the change, and 'influence' refers to the stakeholder's ability to resist the change. The 'change' for this TA refers to the introduction of the mandatory ETS.

The Consultant team has analyzed the information needs, roles, engagement goals and interests and their overall levels of interest and influence in relation to the Assignment. The results are presented in Table 2 in the subsequent pages of this section.

To determine each company's level of interest and influence on the TA, The Consultant team developed an assessment framework, as shown in table 1 was developed. for the companies to determine each company's level of interest and influence. Meanwhile, the assessment of the interest and influence of remaining stakeholders is based on the Consultant team's opinion and consultations during implementation of the TA, which are also explained in Table 2.

Finally, based on the ID assigning protocol as shown in Figure 2, the final stakeholder analysis mapping is presented in Figure 3.

Table 1: Interest and influence assessment framework for companies

Dimension	Indicator	Ranking of Interest or Influence		
		Low	Moderate	High
Interest	Position of the respondents	Staff level position	Managerial position	High level position
	Completeness of the data provided	Incomplete data (missing info in some fields)	Full completed data (rough estimation of fuel use and GHG data)	Full completed data
	Request of additional capacity training and provide estimated number of (female) staff to participate in the training courses	No request of additional capacity building and no provision of the number of people participating in the training courses	Just provision of the number of people participating in the training courses	Request of additional capacity-building training
	Willingness to participate in the ETS	Don't want to participate in the ETS	Want to participate in but no plan for participation yet	Want to participate in the ETS and already has a plan for it
	Number of capacity-building areas selected in the survey	0 to 2 areas of capacity-building	3 to 5 areas of capacity building	6 areas of capacity-building
Influence	Potential sector/industries to participate in ETS	Sectors of buildings, garment & textile, shoes and leather, plastics and rubber, electronics manufacturing, mechanical manufacturing, food processing, others	Chemical, construction material production sectors other than cement, transport, waste treatment, paper and pulp, mineral	Energy, metallurgical, cement sectors
	High emission profile	below 100,000 tons of CO ₂ e	from 100,000 to 500,000 tons of CO ₂ e	above 500,000 tons of CO ₂ e

Source: Consultant (2023)

Table 2: Stakeholder analysis matrix

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
Donor / client						
1A	Consultant team members - VNEEC, VETS, South Pole	<p>Detailed progress of the TA</p> <p>Implementation challenges and issues of the TA</p> <p>Stakeholders' feedback</p> <p>ETS policy, rules and requirements, when available, to complement the trainings under the TA</p>	The Consultant team is responsible for the implementation and successful delivery of the TA and for ensuring that the Assignment objectives are met	<p>Effective implementation and successful outcomes of the TA</p> <p>ETS policy developments</p> <p>Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market</p>	High	High
1A	Energy Transition Partnership	<p>Detailed progress of the TA</p> <p>Implementation challenges and issues of the TA</p> <p>Stakeholders' feedback</p>	ETP is the Client of the Consultant team for this TA	<p>Effective implementation and successful outcomes of the TA</p> <p>Broader capacity building needs and support for Viet Nam's domestic carbon market</p>	High	High
Line ministries						
1A	<p>Ministry of Natural Resources and Environment (MONRE)</p> <ul style="list-style-type: none"> - Department of Climate Change (DCC) - Division of GHG Emission Reduction and Ozone Layer Protection 	<p>Detailed progress of the TA</p> <p>Companies' readiness gaps and capacity building needs</p> <p>Companies' feedback on the TA</p>	Within the Government of Viet Nam, MONRE is the focal line ministry responsible for managing natural resources and the environment, including climate change mitigation	<p>Companies' readiness to participate in the ETS</p> <p>Useful lessons and feedback for the planning of the domestic carbon market</p>	High	High

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
	<ul style="list-style-type: none"> - Division of Economic and Climate Change Information - Centre of Low-carbon Development - Institute of Strategy and Policy on Natural Resources and Environment (ISPONRE) - Viet Nam Institute of Meteorology, Hydrology and Climate Change (IMHEM) - Viet Nam Environment Protection Fund (VEPF) 	<p>Schedule of capacity building activities under the TA</p> <p>Companies' feedback on the future ETS</p>	<p>action.</p> <p>MONRE will be the lead ministry leading the development and implementation of the domestic carbon market in Viet Nam as per Articles 91 and 139 of Decree No. 06/2022/ND-CP.</p>			
1A	Private Economic Development Research Board (Board IV) of the Government	<p>High-level progress of the TA</p> <p>Schedule of capacity building activities under the TA</p> <p>Companies' feedback on the future ETS</p>	The board is responsible for helping the Government of Viet Nam to reform mechanism, policies and administrative procedures related to the private economic sector, in keeping with the national economic objectives.	<p>ETS policy developments</p> <p>Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market</p>	High	High
1A	<p>Ministry of Finance (MOF)</p> <ul style="list-style-type: none"> - Legal Department - International Legal Division - Division of Financial and Budgetary Regulations - Department of Financial Planning - Vietnam Securities Depository and Clearing Corporation 	<p>High-level progress of the TA</p> <p>Schedule of capacity building activities under the TA</p> <p>Companies' feedback on the future ETS</p>	Within the Government of Viet Nam, MOF is responsible for establishing the carbon trade exchange and promulgating finance administration mechanisms for activities of the carbon market,	<p>Effective implementation and successful outcomes of the Assignment</p> <p>ETS policy developments</p> <p>Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market</p>	High	High

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
	<ul style="list-style-type: none"> - State Security Commission of Vietnam - Department of Personnel and Training - Vietnam Exchange - Hanoi Stock Exchange 		including setting the price of carbon emission allowances and managing the revenue generated from the carbon market			
1A	Ministry of Industry and Trade (MOIT) <ul style="list-style-type: none"> - Energy Efficiency and Sustainable Development Department - Vietnam Institute of Industrial and Trade Policy and Strategy - Institute of Energy - Electricity and Renewable Energy Authority (EREA) - Electricity Regulatory Authority of Vietnam (ERAV) - Multilateral Trade Policy Department 	High-level progress of the TA Companies' readiness gaps and capacity building needs Schedule of capacity building activities under the TA Companies' feedback on the future ETS	Although MOIT does not have direct oversight on the ETS design and operation, MOIT is responsible for promoting the development of low-carbon and climate-resilient industries. The MOIT's expertise in the industrial sector, as well as its close relationships with businesses, will be critical to the smooth operation of the ETS in this sector	Safeguarding business interests, ensuring that the carbon market does not adversely impact competitiveness of Vietnamese businesses.	High	High
1B	Ministry of Transport (MOT)	High-level progress of the TA Schedule of capacity building activities under the TA Companies' feedback on the future ETS	MOT is responsible for promoting the development of low-carbon transport. There are 70 large emitters under the transportation sector according to Decision 01/2022/QĐ-CP.	ETS policy developments Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market	High	Medium
1B	Ministry of Construction	High-level progress of	MOC is responsible	ETS policy developments	High	Medium

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
	(MOC)	<p>the TA</p> <p>Schedule of capacity building activities under the TA</p> <p>Companies' feedback on the future ETS</p>	<p>for promoting the development of low carbon construction materials. There are 104 large emitters identified under the construction sector according to Decision 01/2022/QD-CP. Most of them are cement production installations which are potentially the first entities cover under the ETS</p>	<p>Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market</p>		
1B	Ministry of Planning and Investment (MPI)	<p>High-level progress of the TA</p> <p>Schedule of capacity building activities under the TA</p> <p>Companies' feedback on the future ETS</p>	<p>MPI is responsible for investment planning in the development and implementation of the national climate change strategy</p>	<p>ETS policy developments</p> <p>Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market</p> <p>Investment opportunities and funding models</p>	High	Medium
1B	Ministry of Agriculture and Rural Development (MARD)	<p>High-level progress of the TA</p> <p>Schedule of capacity building activities under the TA</p> <p>Companies' feedback on the future ETS</p>	<p>MARD is responsible for implementation of programs and projects on emission reduction and carbon sequestration from forest and agricultural activities to participate in the domestic and international carbon markets</p>	<p>ETS policy developments</p> <p>Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market</p>	High	Medium

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
1B	Ministry of Science and Technology (MOST)	High-level progress of the TA Schedule of capacity building activities under the TA Companies' feedback on the future ETS	MOST is responsible for assessing low-carbon technologies in sectors and industries for GHG mitigation	ETS policy developments Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market	High	Medium
Large GHG emitters						
2A	Refer to Annex A	ETS policy, rules and requirements, when available, to complement the trainings under the TA	These large GHG emitters are the potential companies that will be regulated under the ETS. Many companies are key industry sectors of Viet Nam's economy, such as energy and manufacturing	Develop knowledge and capacity to prepare for future participation in the ETS	High	High
2B					High	Medium
2C					High	Low
2D		Typical market functions and operations in an ETS		Obtain understanding of the future ETS policy, rules and requirements, when available	Medium	High
2E					Medium	Medium
2F					Medium	Low
2G		Potential compliance obligations of a regulated emitter under an ETS		Government support for companies to comply with the future ETS compliance obligations	Low	High
2H					Low	Medium
2I					Low	Low
Banks and Financial institutions						
3B	Banks and financial institutions - VP Bank	High-level ETS policy, rules and requirements	Financial institutions and banks act as intermediaries,	Develop financial products and services to meet the needs of the future	High	Medium

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
	<ul style="list-style-type: none"> - VietCombank - BIDV - Fiin group - AgriBank - Vietnam Development Bank - Vietnam holdings 	<p>ETS policy, rules and requirements, when available, to complement the trainings under the TA</p> <p>Typical market functions and operations in an ETS</p> <p>Potential compliance obligations of a regulated emitter under an ETS</p> <p>Schedule of capacity building activities under the TA</p>	connecting buyers and sellers in the carbon market to ensure smooth and efficient transactions; and offer loans and financial products to businesses and industries looking to implement GHG mitigation measures	domestic carbon market		
NGOs & business associations						
4A	<p>Vietnam Chamber of Commerce and Industry (VCCI)</p> <ul style="list-style-type: none"> - Legal Department - Business Council for Sustainable Development of Vietnam (VBCSD) - Vietnam Business Forum (VBF) 	<p>High-level status of the TA</p> <p>ETS policy, rules and requirements, when ready and available, to complement the trainings under the TA</p> <p>Capacity building activities</p>	VCCI is the main organization that gathers and represents the community of business, entrepreneurs, labor users and business association in Vietnam.	As VCCI represents the interests of businesses in the carbon market, its interest is to reflect companies' concerns to the Government of Viet Nam and that these concerns are sufficiently addressed.	High	High
4B	<ul style="list-style-type: none"> - Vietnam Chamber of Commerce and Industry (VCCI) - Institute of Information Technology for 	<p>High-level status of the TA</p> <p>ETS policy, rules and requirements, when ready and available, to</p>	ITB of the VCCI provides trainings to businesses on administrative digital transformation, policies and technical		High	Medium

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
	Business - ITB	complement the trainings under the TA Capacity building activities	guidance to the business communities and associations			
4B	<ul style="list-style-type: none"> - Vietnam Plastic Association - Vietnam Steel Association (VSA) - Vietnam National Cement Association - Vietnam Aluminum Association - Garment and Textile Association - Vietnam Chemical Group 	High-level status of the TA ETS policy, rules and requirements, when ready and available, to complement the trainings under the TA Capacity building activities	Business and occupational associations are organizations support connection between business and the bridging between the government authorities and businesses	These associations and groups represent the interests of their respective industry sectors	High	Medium
Legal entities						
4F	NHQuang&Associates	High-level status of the TA	Observer and provide comments for the policy and legal development regarding the development of the ETS	ETS policy developments Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market	Medium	Low
Universities						
4B	National Economics University	High-level status of the TA High-level ETS policy, rules and requirements	Universities and educational institutions are responsible for conducting research on various aspects of the ETS, providing technical expertise in modeling the potential impact of	ETS policy developments Broader stakeholders' needs and areas of support required for Viet Nam's domestic carbon market	High	Medium
4B	Hanoi University of Natural Resources and Environment	High-level status of the TA High-level ETS policy,			High	Medium

Stakeholder ID	Stakeholder	Information needs	Influence over the TA (role)	Interests in the TA (engagement goals and interests)	Level of Interest	Level of Influence
		rules and requirements	different ETS design options on emissions, economic activity, and other relevant factors, providing training on building stakeholders' understanding and capacity to participate in the ETS			
4C	Vietnam Maritime University	High-level status of the TA High-level ETS policy, rules and requirements			High	Low
4C	Can Tho University	High-level status of the TA High-level ETS policy, rules and requirements			High	Low

Source: Consultant (2023)

		Level of interest of the stakeholder									
		Low			Moderate			High			
		Meet needs - Keep informed and involved					Manage Closely - strategic opportunities and threats				
Level of influence of the stakeholder	High	G	G	G	D	D	D	D	A	A	A
		G	G	G	D	D	D	D	A	A	A
		G	G	G	D	D	D	D	A	A	A
	Medium	H	H	H	E	E	E	E	B	B	B
		H	H	H	E	E	E	E	B	B	B
		H	H	H	E	E	E	E	B	B	B
	Low	I	I	I	F	F	F	F	C	C	C
		I	I	I	F	F	F	F	C	C	C
		I	I	I	F	F	F	F	C	C	C
Monitor - Keep informed or do nothing					Fair treatment - Keep informed						

ID	Stakeholders
1	Government Ministries, and internal stakeholders (ETP, VNEEC, SP, VETS)
2	Companies
3	Banks and financial institution
4	Others (NGO, research centers)

Interest-influence	ID
High-high	A
High-Medium	B
High-low	C
Moderate-high	D
Moderate-Medium	E
Moderate-low	F
Low-high	G
Low-medium	H
Low-low	I

Source: Consultant (2023)

Figure 2: ID assigning protocol

		Level of interest of the stakeholder		
		Low	Moderate	High
Level of Influence of the stakeholder	High	Meet needs - Keep informed and involved <div>2G (25)</div> <div>2H (11)</div>	<div>2D (17)</div> <div>2E (9)</div>	Manage Closely - strategic opportunities and threats <div>1A (25)</div> <div>2A (6)</div> <div>4A (3)</div> <div>1B (6)</div> <div>2B (9)</div> <div>3B (7)</div> <div>4B (9)</div>
	Medium			
	Low	<div>2I (86)</div>	<div>2F (43)</div>	<div>4F (1)</div> <div>2C (21)</div> <div>4C (2)</div>
		Monitor - Keep informed or do nothing		Fair treatment - Keep informed

Legend

Stakeholder ID (number of entities)

Color: form of engagement

Form of engagement

Number of entities

Green - to collaborate with	59
Yellow - to involve	62
Red - to inform	153

Figure 2: Stakeholder analysis mapping

Source: Consultant (2023)

6 Stakeholder engagement approach and recommendations

6.1 Stakeholder engagement approach

This section provides guidance on why, when, and how to engage the stakeholders that have been identified and categorized in the previous section. This section focuses specifically on stakeholder engagement for the training series under this Assignment, in line with the Scope of Services and Workplan. Nevertheless, on engagements, collaborations or capacity building trainings that are beyond the scope of the this TA which contribute towards broader objective of supporting the development of the ETS and carbon market in Vietnam, the Consultant has developed recommendations on future stakeholder activities later in this section for ETP and the Government's information and consideration.

Taking reference from the World Bank and the International Carbon Action Partnership's (ICAP) guidance on design and implementation of ETS¹, three forms of engagement have been identified and adopted for the development of the stakeholder engagement approach, as shown in Table 3.

The three forms of engagement and its definitions are as follow:

- To collaborate with: Defined as the key to partner/consult within selected aspects of the decision of the TA, such as during planning and/or implementation. Forms of engagement may include conducting formal and informal dialogues, regular and ad-hoc reports with stakeholders to obtain feedback and exchange views.
- To involve: Defined as to work directly with during the TA to ensure that views and concerns are continuously sought, understood and addressed. Forms of engagement may include conducting stakeholder consultations and events under this TA.
- To inform: Defined as to provide information about the TA, in terms of goals, key stakeholders, activities, training schedule and knowledge materials about the ETS. Forms of engagement may include publication of educational materials and resources.

In terms of communications with ETP on the monitoring and evaluation, documentation and reporting of engagements with stakeholders other than the Consultant team and ETP, the Consultant proposes the following structure and modality, tapping onto the existing biweekly meetings between the Consultant and ETP.

¹ International Bank for Reconstruction and Development and The World Bank (2021). Emissions Trading in Practice: A Handbook on Design and Implementation (Second Edition)

Meeting	Progress update on stakeholder engagement											
Frequency	Biweekly											
Agenda and Purpose	<table><tr><th>Item</th><th>Purpose</th></tr><tr><td>1. Overview of engagement activities and progress</td><td>For information / discussion</td></tr><tr><td>2. List of documents submitted to ETP (if available)</td><td>For information</td></tr><tr><td>3. Outstanding issues awaiting inputs from, or for discussion with ETP</td><td>For discussion</td></tr><tr><td>4. Expected updates and activities for next period</td><td>For discussion</td></tr></table>		Item	Purpose	1. Overview of engagement activities and progress	For information / discussion	2. List of documents submitted to ETP (if available)	For information	3. Outstanding issues awaiting inputs from, or for discussion with ETP	For discussion	4. Expected updates and activities for next period	For discussion
Item	Purpose											
1. Overview of engagement activities and progress	For information / discussion											
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3. Outstanding issues awaiting inputs from, or for discussion with ETP	For discussion											
4. Expected updates and activities for next period	For discussion											
Documentation	Minutes of meetings											

Table 3: Consultant's engagement approach for the TA

Stakeholder & Stakeholder ID	Why	Frequency of engagement	How (Communications strategy)
Form of engagement - to collaborate with			
ETP and Consultant team 1A	Direct interest in the TA Need to ensure: <ul style="list-style-type: none"> TA's timelines are adhered to according 	Biweekly or more frequent, via consultation meetings, virtual meetings or emails	<ul style="list-style-type: none"> Between ETP and Consultant team, conduct biweekly meetings to (i) provide updates on the progress of the TA, (ii) raise issues for discussion, or (iii) seek approvals on decision points

Stakeholder & Stakeholder ID	Why	Frequency of engagement	How (Communications strategy)
	<ul style="list-style-type: none"> to schedule Threats and challenges to successful implementation of the TA are addressed in a timely manner Stakeholders' concerns are addressed, where within scope of TA 	throughout duration of TA	<ul style="list-style-type: none"> Within the Consultant team, conduct weekly meetings to update on the detailed execution of the TA and check against scheduled implementation timeline, identify potential issues and challenges to TA implementation and plan immediate next steps. Within the Consultant team, share detailed overview of TA progress on biweekly basis via email or virtual meetings
MONRE, MOF 1A	<p>Direct interest in the TA and beneficiaries of the capacity building activities</p> <p>Need to ensure:</p> <ul style="list-style-type: none"> TA's timelines are adhered to according to schedule Threats and challenges to successful implementation of the TA are addressed in a timely manner Stakeholders' concerns are addressed, where within scope of TA 	<p>Monthly updates via consultation meetings, virtual meetings throughout duration of TA:</p> <p>Provide consistent and timely updates on progress of the TA, market trends, and policy developments to maintain stakeholders' interest and awareness.</p>	<ul style="list-style-type: none"> Conduct consultation or virtual meetings with representatives from relevant Ministries to discuss updates and progress of the TA., and convey findings and feedback obtaining through the TA Collaborate with MONRE, MOF to understand developments and issues relevant to the TA such as other capacity building activities on ETS, sectoral decarbonization roadmaps and initiatives Share TA's documentation, including reports and analyses, to ensure transparency and gather feedback on the content of the training. Seek input in shaping the simulation framework and aligning it with existing emissions regulations
MOIT, MOT, MOC, MPI, MARD, MOST (i.e. Line Ministries) 1B	<p>Direct regulatory oversight of industry sectors that would come under the future ETS, development of industry-specific decarbonization roadmaps</p> <p>Beneficiaries of the capacity</p>	<p>Website (output of Task 6) updated monthly, more regular updates via email, or official letter/documents via post where needed</p>	<ul style="list-style-type: none"> Collaborate with line ministries to disseminate information about the simulation and encourage participation Collaborate with Line Ministries to understand developments and issues relevant to the TA such as other capacity building activities on ETS, sectoral decarbonization roadmaps and initiatives

Stakeholder & Stakeholder ID	Why	Frequency of engagement	How (Communications strategy)
	building activities	Interviews, roundtable discussions where needed	<ul style="list-style-type: none"> Share scope of TA and schedule of ETS training courses
Companies 2A, 2B	<p>Beneficiaries of the capacity building activities and future ETS market participants.</p> <p>Feedback from companies will contribute to the continuous improvement of the simulation by integrating relevant suggestions and fostering a culture of learning.</p> <p>The establishment of a feedback loop ensures stakeholders are informed of the impact their input has on decisions and outcomes of the TA, promoting a sense of inclusivity in the simulation's development.</p>	<p>Website (output of Task 6) updated monthly</p> <p>Updates on ETS training courses via email, or official letter/documents via post where needed</p> <p>Interviews, roundtable discussions where needed</p>	<ul style="list-style-type: none"> Share scope of TA and schedule of ETS training courses Collaborate with industry associations to disseminate information about the ETS training courses and encourage participation. Certificates (signed by ETP and DCC/MONRE) will be handed out to participants and their companies upon successful completion of the full training program Surveys on the training program pre-training courses and feedback on suggestions to improve the training program and simulation tool post training courses Provide the channels and contacts for stakeholders to provide feedback to the Consultant team on the TA
Financial institutions 3B	<p>Beneficiaries of the capacity building activities and future ETS market participants.</p> <p>Feedback from financial institutions will contribute to the continuous improvement of the simulation by integrating relevant suggestions and fostering a culture of learning</p>	<p>Website (output of Task 6) updated monthly</p> <p>Updates on ETS training courses via email, or official letter/documents via post where needed</p>	<ul style="list-style-type: none"> Provide educational materials and resources to enhance their understanding of emissions trading concepts, mechanisms, and potential benefits. Provide the channels and contacts for stakeholder to provide feedback to the Consultant team on the TA

Stakeholder & Stakeholder ID	Why	Frequency of engagement	How (Communications strategy)
		Interviews, roundtable discussions where needed	
NGOs/NPOs and other stakeholders 4A, 4B	Beneficiaries of the capacity building activities and future ETS market participants. Feedback from them will contribute to the continuous improvement of the simulation by integrating relevant suggestions and fostering a culture of learning	Website (output of Task 6) updated monthly Updates on ETS training courses via email, or official letter/documents via post where needed Interviews, roundtable discussions where needed	<ul style="list-style-type: none"> Collaborate with industry associations to disseminate information about the ETS training courses and encourage participation. Provide educational materials and resources to enhance their understanding of emissions trading concepts, mechanisms, and potential benefits. Provide the channels and contacts for stakeholder to provide feedback to the Consultant team on the TA
Form of engagement - to involve			
Companies 2D, 2E, 2G, 2H	Beneficiaries of the capacity building activities and future ETS market participants.	Website (output of Task 6) updated monthly Milestone Announcements via email: Communicate significant	<ul style="list-style-type: none"> Collaborate with industry associations to disseminate information about the ETS training courses and encourage participation. Provide educational materials and resources to enhance their understanding of emissions trading concepts, mechanisms, and potential benefits. Certificates (signed by ETP and DCC/MONRE) will be handed out to participants and their companies upon successful completion of the full training program Provide the channels and contacts for stakeholder to

Stakeholder & Stakeholder ID	Why	Frequency of engagement	How (Communications strategy)
		milestones, such as the launch of the simulation, forthcoming course, or successful completion of key activities, to celebrate achievements and maintain stakeholder engagement	provide feedback to the Consultant team on the TA
Form of engagement - to inform			
Companies 2C, 2F, 2I	Beneficiaries of the capacity building activities and potential future ETS market participants.	Website (output of Task 6) updated monthly Ad hoc Communications via email:	<ul style="list-style-type: none"> • Provide educational materials and resources to enhance their understanding of emissions trading concepts, mechanisms, and potential benefits. • Provide the channels and contacts for stakeholder to provide feedback to the Consultant team on the Technical Assistance
Legal entities and universities 4C, 4F	Supporters of the ETS and carbon market development, holding important role in promoting public awareness and capacity-building for other stakeholders.	Respond promptly to emerging issues, stakeholder queries, or concerns, demonstrating a commitment to open dialogue	<ul style="list-style-type: none"> • Provide educational materials and resources to enhance their understanding of emissions trading concepts, mechanisms, and potential benefits. • Provide the channels and contacts for stakeholder to provide feedback to the Consultant team on the TA

6.2 Recommendations on further stakeholder engagement and capacity building

The key focuses on the coming trainings under this TA were identified under the report of Task 3, “Conducting an analysis, surveys and consultation events on readiness and awareness of enterprises and facilities on GHG emission/mitigation and carbon market”, including

- ETS operation and principles
- ETS compliance and international experience of corporate compliance strategies
- ETS-related legislation, regulations, and policies
- GHG inventory preparation - identification of emission sources
- GHG emissions quantification approaches - identification of measurement methods for activity data and emission factors, approaches for significant and minor emission sources
- QC/QA practices - development of internal quality frameworks
- GHG emissions inventory compilation - implementing QC/QA practices and handling external verification

As the result of mapping under this Task, the Consultant team recommends to continue supports and engage with key stakeholder identified on support for the companies and other critical areas of ETS readiness which go beyond the scope of the TA that are linked with the actual ETS operations such as:

- ETS policy, such as overall ETS cap and the allocation method of the allowances,
- ETS procedures, including rules and requirements for allowance application, emissions data submission, use of carbon credits
- ETS regulations, including registration of facilities and penalties for non-compliance
- GHG inventory preparation, including the measurement and reporting requirements, treatment of minor emission sources, use of default or on-site emission factors, data quality management systems

Furthermore, the capacity building supports for Viet Nam to implement the ETS should be continuous and progressive, which would intensify until the introduction of the mandatory ETS by 2028. Notably, it should be noted that there would also be a time period of around one year from the completion of the TA in early 2025 to the commencement of piloting ETS in 2025, which would also be suitable for carrying out further capacity building activities.

As such, the recommended stakeholder engagement activities and the respective timelines are as follows:

Table 4: Proposed future stakeholder engagement activities on capacity building for ETS compliance

Stakeholder to engage	Purpose	Activities	Done by	Timeline
Companies (with Line Ministries) ²	<p>Understand industry capacity needs</p> <p>Communicate ETS rules and compliance obligations</p> <p>Conduct capacity building activities according to detailed ETS rules and requirements</p>	<p>Conduct capacity needs assessments and gap analysis through surveys and questionnaires to better understand companies' human resources, technical capacity, financial resources and infrastructure, and corporate governance and coordination</p> <p>Conduct sector-specific workshops, develop and publish guidance documents on ETS compliance obligations, and submission templates for the monitoring report, GHG inventory, etc.</p> <p>Conduct site visits to inspect and review companies' GHG inventories, monitoring plans and data quality systems</p>	MONRE, potentially with future ETP support	From 2025 after the completion of the TA, prior to or immediately after the announcement of the ETS compliance obligations for companies
	Promote communication and exchange between industry and government on the topics of emissions trading, carbon markets and decarbonization	Convene regular roundtable discussions and working groups involving government and industry representatives on the topics of green funds to promote industrial energy efficiency and decarbonization, and carbon credit project development	MOIT, together with MONRE	From 2025 till before the introduction of the mandatory ETS in 2028

² Line ministries could have their own emission reduction target for the sectors that they are in charge of, hence they should be involved in the conversations with the companies that belong to the sectors they oversee.

	Address sector-specific challenges with regard to complying with future ETS rules and requirements through co-developing tailored solutions	Establish sector-specific working groups comprising industry associations, key industry representatives and relevant ministries	MOIT, together with MONRE	From 2025 till before the introduction of the mandatory ETS in 2028, when ETS compliance obligations for companies have been set
	Further develop companies' capacities and readiness to participate in the CTX	Conduct knowledge sharing sessions on the financial aspects of emissions trading, including carbon pricing mechanisms, investment opportunities, and risk management strategies	MOF, potentially with future ETP support	From 2025 till before the introduction of the mandatory ETS in 2028, when ETS compliance obligations for companies have been set
Financial institutions	Understand and define the role of finance in supporting emissions trading and carbon markets	Discussions with representatives from financial institutions, including banks, investment firms and insurance companies on incentive schemes and funds to promote emissions reduction, decarbonization and carbon credit project development	MOF, together with MOIT and MONRE	From 2025 till before the introduction of the mandatory ETS in 2028, when ETS compliance obligations for companies have been set

Annex: Stakeholder analysis of large GHG emitters

Table 4: Stakeholder analysis of large GHG emitters³

Stakeholder ID	Company
2A	Vicem Ha Tien Cement Joint Stock Company Branch - Binh Phuoc Cement Factory Lam Dong Aluminum Mtv Co., Ltd - Tkv Siam City Cement (Viet Nam) Tan Quang Cement Joint Stock Company - VVMI Song Gianh Cement Joint Stock Company Vinh Tan 4 Thermal Power Plant - Branch of Vietnam Electricity Group
2B	Bitexco Power Corporation Perstima Vietnam Company Limited Phuong Hoang Xanh Company Limited Asia Steel Joint Stock Company Saigon Paper Joint Stock Company Cheng Loong Binh Duong Paper Company Limited Southern Basic Chemicals Joint Stock Company Cao Son Coal Joint Stock Company - TKV Vedan Vietnam Joint Stock Company
2C	Nestle Vietnam Company Limited Frieslandcampina Viet Nam Hanotech Vietnam Joint Stock Company Viet Phap Construction Trading Investment Joint Stock Company Euroha Jsc. AGC Vietnam Chemical Company Limited Thanh Thanh Cong Joint Stock Company - Bien Hoa Century Fiber Joint Stock Company Thai Trung Steel Rolling Joint Stock Company Core5 Hai Phong 1 Joint Stock Company - Binh Duong Water - Environment Corporation Vietnam Samho Company Limited Chyang Sheng Vietnam Company Limited Regina Miracle International Vietnam Company Limited Masan Industrial LLC Ajinomoto Vietnam Shin-Etsu Vietnam Magnet Materials Company Limited Vina Paper Company Limited Dong Phuong Dong Nai Vietnam Company Limited Dong Nai Viet Vinh Shoes Company Limited Honda Vietnam Company and Honda Vietnam Company Ha Nam Branch
2D	AES Mong Duong Electric Power Company Limited First Solar Vietnam Manufacturing Company Limited

³ Decree 06/2022/ND-CP regulations on reduction of greenhouse gas emissions and protection of the ozone layer

Stakeholder ID	Company
	<p> Vicem Song Thao Cement Joint Stock Company Cong Thanh Cement Joint Stock Company Branch of PetroVietnam Fertilizer and Chemical Corporation - Joint Stock Company - Phu My Fertilizer Factory Vicem Hoang Mai Cement Joint Stock Company Hai Phong Thermal Power Joint Stock Company Ninh Binh Fertilizer Company Limited Hung Nghiep Formosa Ha Tinh Iron and Steel Company Limited Ha Bac Fertilizer and Chemical Joint Stock Company VAS Nghi Son Group Joint Stock Company Vina Kyoei Steel Company Limited DEEP C Green Energy Company Limited (Vietnam) Ha Tinh Petroleum Power Company Vinh Tan Thermal Power Company Song Lam 2 Cement Joint Stock Company Uong Bi Thermal Power Company </p>
2E	<p> Vinpearl Joint Stock Company Maruichi Sun Steel Joint Stock Company Ha Long Cement Company Limited VTC Ceramic Tiles Joint Stock Company Phu My Super White Float Glass Company Limited Pacific Crystal Textile Company Limited Duy Tan Plastic Production Joint Stock Company Ca Mau Petroleum Fertilizer Joint Stock Company Branch of Thien Thai Company (Ltd) </p>
2F	<p> Mavin Austfeed Joint Stock Company Vinfast Trading and Production Joint Stock Company Vincom Retail Joint Stock Company Scancom Vietnam Company Limited Saitex International Dong Nai (VN) Company Limited CP Vietnam Livestock Joint Stock Company- Xuan Mai Branch - Hanoi Saigon Tantec Leather Ltd MM Mega Market Vietnam Nha Trang Branch - Vinpearl Joint Stock Company Branch of Vietnam Coal and Mineral Industry Group - Quang Hanh Coal Company - TKV Prime Pho Yen Joint Stock Company Vina One Steel Production Joint Stock Company Wilmar Agro Vietnam Company Limited Ngan Long Science and Technology Company Limited Alliance One Garment Company Limited Sonadezi Environmental Joint Stock Company Diamond Vietnam Company Limited Stanley Electric Vietnam Company Limited Shiseido Vietnam Company Limited Ansell Vina Company Limited Saigon Newport Corporation Limited Tin Thanh Packaging Joint Stock Company Ns Bluescope Vietnam Company Limited JP CORELEX VIETNAM COMPANY LIMITED </p>

Stakeholder ID	Company
	<p>Annora Vietnam Shoes Company Limited Song Cong Diesel Company Limited Hanoi Clean Water One Member Company Limited Viet Xuan Moi Environment Joint Stock Company Saigon Tay Do Beer and Beverage Joint Stock Company Viettel CHT Company Limited CP Vietnam Livestock Joint Stock Company - Aquatic Feed Production and Trading Branch Dona Standard Vietnam Shoes Company Limited Dona Pacific Vietnam Company Limited Khatoco Khanh Hoa Tobacco Factory - Branch of Khanh Viet Corporation Gsk Vietnam Company Limited - Hanoi Branch I Tan Lap Thanh Plastic Company Limited Wattens Vietnam Company Limited TOTO Vietnam Company Limited - Hung Yen Branch C&T VINA CO.,LTD Dreamtech Vietnam Company Limited Uong Bi Coal Company - TKV Vietnam Shipping Joint Stock Company Safi Transport Agency Joint Stock Company</p>
2G	<p>Fico Tay Ninh Cement Joint Stock Company China Steel & Nippon Steel Vietnam Joint Stock Company Hoa Phat Dung Quat Steel Joint Stock Company Vicem But Son Cement Joint Stock Company Quang Ninh Cement and Construction Joint Stock Company POSCO VST LLC Urban and Industrial Environment Joint Stock Company 11 - Urenco11 Thanh Cong Energy Services Joint Stock Company Hung Phat Urban Environment Company Limited Tung Ho Vietnam Steel Company Limited VVMi La Hien Cement Joint Stock Company Da Nang Steel Joint Stock Company Hoa Phat Steel Sheet Company Limited Nghi Son 2 Electric Company Ltd Binh Son Refining and Petrochemical Joint Stock Company Hyosung Vina Chemical Company Limited An Khanh Thermal Power Plant Cao Bang Iron and Steel Joint Stock Company Dong Lam Cement Joint Stock Company Ba Ria Thermal Power Joint Stock Company Branch of Vicem Ha Tien Cement Joint Stock Company - Kien Luong Cement Factory Son Dong Thermal Power Company - TKV Steel Billet Refining Factory - Ponina Steel Joint Stock Company Vinh Tan 1 Electricity Company Limited Shengli Vietnam Special Steel Company Limited</p>
2H	<p>Tay Nam Steel Production & Trading Company Limited Kraft Of Asia Paperboard and Packaging Cua Ong Coal Processing Company - TKV Son La Hydroelectric Company Polytex Far Eastern Company Limited (Vietnam)</p>

Stakeholder ID	Company
	Prime Dai Loc Joint Stock Company Nam Kim Steel Joint Stock Company Quang Nam Urban Environment Joint Stock Company Samsung Display Vietnam Company Limited Ha Lam Joint Stock Company - Vinacomin Thai Nguyen Nonferrous Metals Joint Stock Company
21	KOS Vietnam Steel Company Limited Techbond MFG Company Limited (Vietnam) Austdoor Group Joint Stock Company Vietnam Paiho Company Limited Panasonic System Networks Vietnam Strongway Vinh Phuc Industrial Company Limited Nha Trang Textile and Garment Joint Stock Company Partron Vina Company Limited CP Vietnam Livestock Joint Stock Company - Aquaculture Feed Production and Trading Branch DAP-Vinachem Joint Stock Company Dong Hai Joint Stock Company Ben Tre Khanh Hoa Water Supply and Sewerage Joint Stock Company Pouyuen Vietnam Company Limited Canon Vietnam Company Limited Xdd Textile Company Limited DAEMYUNG Chemical Vietnam Company Limited Branch of Vietnam Coal and Mineral Industry Group - Nam Mau Coal Company - Tkvg Vietnam Products - Nam Mau Coal Company - TKV VRG Quang Tri MDF Wood Joint Stock Company Vietnam Dairy Products Joint Stock Company Biel Crystal Vietnam Production Company Limited Thuan Thanh Environmental Joint Stock Company - Centralized Waste Treatment Plant in Thuan Thanh Town (Ngu Thai Factory) Long Son Petrochemical Company Limited Branch of Phu Lam Plastic Industry Joint Stock Company Branch of Vietnam Gas Corporation - Ca Mau Gas Company Branch of Calofic Company Limited in Hiep Phuoc, Ho Chi Minh City Mei Sheng Textiles Vietnam Company Limited Coasia Cm Vina Joint Stock Company MPT Solution Company Limited (Vietnam) Lixil Vietnam Global Manufacturing Company Limited Mabuchi Motor Vietnam Co., Ltd Ecopark Urban Service Management and Exploitation Joint Stock Company RITEK Viet Nam Company Limited Branch of Hoa Phat Steel Pipe Company Limited Chanco Industrial Company Limited Huge-Bamboo Textile Industry Company Limited Nha Trang Seafoods Joint Stock Company - F.89 Liwayway Saigon Food Industry Company Limited Wonjin Vina Company Limited Nui Tien Pure Water Company Limited Machine Manufacturing Joint Stock Company - Vinacomin JX Nippon Oil & Energy Vietnam Company Limited Green Star Environmental Company Limited

Stakeholder ID	Company
	<p> TKG Taekwang Can Tho Company Limited Vina Union Company Limited Crown Dong Nai Beverage Packaging Company Limited Branch of Vietnam Coal and Mineral Industry Group - Duong Huy Coal Company - TKV Khanh Hoa Coal Company - Vvmi Cu Hung II Co., Ltd Golden Victory Vietnam Company Limited SEI Electronic Components Company Limited (Vietnam) Viet Thang Corporation Linde Vietnam Company Limited DIC Brothers Ceramic Tiles Joint Stock Company Liwayway Vietnam Joint Stock Company Swcc Showa Company Limited (Vietnam) FUNING PRECISION COMPONENT LLC Branch of Saigon Beer-Alcohol-Beverage Joint Stock Corporation - Saigon Brewery - Cu Chi Mao Khe Coal Company - TKV Vietnam Seafood Joint Stock Company (STAPIMEX) Can Sports Vietnam Company Limited Vietnam Precision Industry Joint Stock Company Hyosung Quang Nam Company Limited Panko Tam Thang Mtv Company Limited Nguyen Minh Steel Group Joint Stock Company Calofic LLC Tong Hong Tannery Vietnam Joint Stock Company Goertek Vina Science and Technology Company Limited Dai Dong Tien Joint Stock Company THACO Mazda Automobile Manufacturing Company Limited Bridgestone Vietnam Tire Manufacturing Company Limited Vietnam Waste Treatment Company Limited/ Vietnam Waste Solutions Branch of Acecook Vietnam Joint Stock Company in Hung Yen BHFLEX Vina Company Limited Athena Vietnam Shoes Company Limited Olympus Vietnam Company Limited Air Liquide Vietnam Company Limited Coc Sau Coal Joint Stock Company - Vinacomin Vitaly Joint Stock Company Fresenius Kabi Vietnam Joint Stock Company Intel Products Vietnam Company Limited Mobase Vietnam Company Limited Materials Joint Stock Company - Tkv Na Duong Coal Company - VVMI 397 Joint Stock Company Bich Chi Food Joint Stock Company Lao Cai Yellow Phosphorus Joint Stock Company </p>

