



Emission Trading System Piloting and Simulation



PROJECT SNAPSHOT

Country: Vietnam

While the Vietnamese government has begun issuing policies to promote its 2050 net-zero target, successful implementation requires a deep understanding of how an Emissions Trading System (ETS) works, its economic and industrial impacts, and its optimal design.

This project aims to address these needs by creating a pilot ETS simulation and a hands-on learning platform. This will not only increase carbon pricing awareness among key participants but also help develop specific policy recommendations for designing Vietnam's own ETS.



ETP'S CONTRIBUTION

The ETP supported with the Ministry of Finance's Legal Department to identify and address the legal, financial, and infrastructure gaps needed to establish a carbon trade exchange. This collaboration involved providing technical assistance and a series of capacity-building activities.

In a separate effort, the ETP worked with the Department of Climate Change (DCC) under the Ministry of Natural Resources and Environment (MONRE) to run pilot ETS simulations, develop a carbon pricing framework, implement a pilot voluntary labeling program and explore potential linkages between Vietnam's domestic ETS and international markets.

KEY OUTPUTS

- Creating a web-based platform for carbon market simulation
- Developing policy recommendations for a Vietnam-specific Emissions Trading System (ETS)
- Conducting ETS simulation training sessions
- Designing a master class on carbon market principles and practices

CONNECT



IMPLEMENTATION PARTNERS

Energy and Environment Consultancy
Joint Stock Company (VNEEC)

STAKEHOLDERS

Ministry of Finance (MOF)
Ministry of Natural Resources and
Environment (MONRE)

PROJECT DURATION

July 2023 - January 2025

CONTACT DETAILS

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IMPACT



Contributing to meet the Paris Climate Goals expressed in Vietnam's Nationally Determined Contribution of 43.6% GHG reduction against business-as-usual by 2030



OUTCOME



Build the externality costs of pollution into the operations of major polluters. This approach aims to incentivize a change in business-as-usual practices, which will lead to a reduction in GHGs.



OUTPUT



- Developing web-based carbon simulation platform
- Carbon market master class design
- Policy recommendations and simulation trainings for ETS