

Impact Assessment of EU's Carbon Border Adjustment Mechanism



PROJECT SNAPSHOT

Country: Vietnam

The European Union's (EU) Carbon Border Adjustment Mechanism (CBAM) poses a significant challenge to Vietnam's energy-intensive exports, highlighting the need for domestic carbon pricing mechanisms. This project tackles both challenges simultaneously.

By assessing the CBAM's impact on Vietnamese exports, the project provides valuable insights to inform the development of a carbon tax in Vietnam.

This will not only help mitigate the effects of the CBAM but also incentivize domestic industries to reduce emissions, aligning with Vietnam's climate goals.

ETP'S CONTRIBUTION

The project assists Vietnam in developing its own carbon tax system, encouraging domestic industries to reduce emissions and align with climate goals.

By assessing the potential impact of the EU's border carbon tax, the project equips Vietnam to navigate this challenge and minimize its effects on exports. This combined approach strengthens Vietnam's position in the global market and paves the way for a more sustainable future.



IMPACT



Reduction in greenhouse gas emissions; increased competitiveness of Vietnamese export companies



OUTCOME



Recommendations from the project contribute directly to the development of a carbon tax in Vietnam



OUTPUT



Assessment of the potential impacts of the EU's border carbon tax on Vietnam's energy-intensive export products and a carbon tax design proposed for Vietnam

CONNECT





IMPLEMENTATION PARTNERS

GreenCIC



STAKEHOLDERS

- Ministry of Industry and Trade
- Ministry of Natural Resources and Environment
- Department of Tax Policy (Ministry of Finance)
- Vietnam Cement Association
- Vietnam Aluminum Association
- Fertilizer Association Vietnam

PROJECT DURATION

November 2022 - February 2024

CONTACT DETAILS

ETP Secretariat:

14th Floor, 208 Wireless Road, Bangkok, Thailand.

+66 02-2134567

etp@unops.org

sea.etp.org

@sea_etp_org

sea-etp-org

energytransitionpartnership.org

KEY OUTPUTS



Deliver a comprehensive study assessing and quantifying the impacts of CBAM on export products (especially energy-intensive industries), energy transition, national economy and implementation of NDC of Vietnam.



Provide recommendations to minimize the negative impacts and contribute to the development of the sectoral mitigation plan and carbon market



Hold stakeholder consultations and workshops to introduce and consult the findings/ recommendations with relevant ministries, local government, public and private enterprises, associations and NGOs



Deliver an in-depth study analyzing the implications and providing recommendations on the roadmap and the design of the carbon tax system in Vietnam.