

D3. DESIGN OF A VOLUNTARY CARBON LABELING PROGRAM, DETAILED IMPLEMENTATION PLAN FOR THE PILOT PHASE AND NOTES ON CONSULTATION WITH RELEVANT GOVERNMENT AGENCIES

Executive Summary

This report presents the overall design of the Voluntary Carbon Labeling Program (VCLP) for Vietnam by establishing a complete framework to operationalize product-level carbon footprint (CFP) calculation, verification, labeling and governance. It sets out the technical standards, institutional arrangements, implementation approach, and operational procedures needed to guide the government agencies and enterprises in deploying a credible and internationally aligned carbon labeling system.

The design report is structured around eight core aspects of VCLP (Figure ES 1): i) *defining the program framework*; ii) *developing methodologies and standards*; iii) *establishing a certification and accreditation process*; iv) *setting up institutional and regulatory framework*; v) *planning phased implementation*; vi) *establishing monitoring, evaluation, and risk management*; vii) *conducting capacity-building and stakeholder engagement*; and viii) *preparing a pilot workplan to test the system in selected sectors before national rollout*.

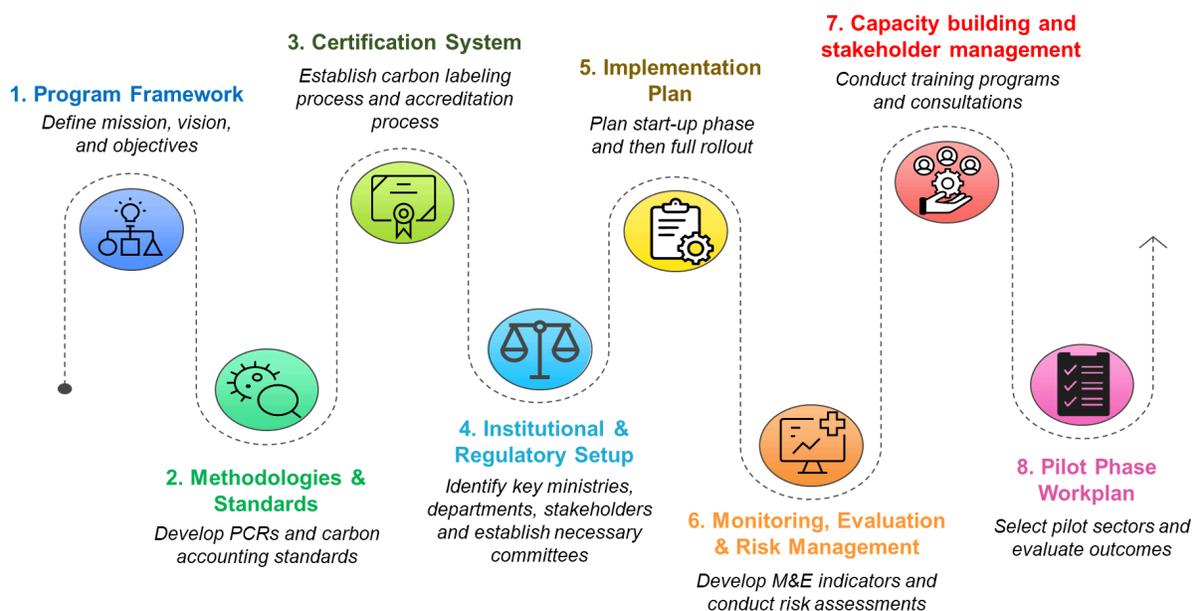


Figure ES 1. Framework for program design, implementation, and pilot execution

The proposed program design has considered the inputs collected from various stakeholders during the course of this development and also the inputs from national carbon labeling programs from countries like Thailand, Japan, etc. The draft program design was presented to the key stakeholders during a validation workshop conducted on November 5, 2025. The VCLP design and implementation plan are fine-tuned and presented in this report based on these

stakeholder consultations. The stakeholders¹ also emphasized the rollout of VCLP and gave their inputs on the framework.

- Vietnam faces growing pressure from global markets, including the European Union Carbon Border Adjustment Mechanism (EU CBAM) and sustainability requirements from international buyers, which increases the urgency for a national system to disclose product-level carbon footprints.
- Industry stakeholders strongly support the VCLP but require clear and consistent guidance, especially standardized calculation tools and sector-specific methodologies.
- Long-term scalability requires effective pilot implementation, strong institutional coordination, and strategic capacity-building for enterprises and verification bodies.
- The program should also include developing digital infrastructure and independent verification capacity to ensure transparency, consistency, and trust.

Overall, the program design reflects Vietnam's current readiness and stakeholder expectations for implementing VCLP, highlighting both opportunities and challenges.

Key Recommendations

The report puts forth the following recommendations for the consideration of the Vietnam Government for enabling a practical and scalable VCLP:

- Establish a **national Life Cycle Assessment (LCA) database** with Vietnam-specific emission factors to improve the accuracy and comparability of product carbon footprint (PCF) calculations.
- Develop a **centralized digital platform** to support application submission, document review, verification tracking, and QR-based product label disclosure.
- Define and formalize **accreditation and verification roles** to safeguard independence, avoid conflicts of interest, and ensure quality assurance of CFP results.
- Create **sector-specific Product Category Rules (PCRs)** to standardize CFP calculation rules and boundaries across industries.
- Provide **government-supported verification during the start-up phase**, prioritizing Small and Medium Enterprises (SMEs) to reduce upfront compliance costs and encourage equal participation.
- Develop **standardized tools, templates, and technical guidelines** to support enterprises in CFP calculation and documentation.
- Integrate carbon-labeled products into **Green Public Procurement (GPP)** and consider **incentive schemes** (e.g., preferential financing or certification support) to stimulate industry demand and market recognition.

¹ Stakeholders participating in the consultation workshop included representatives from MAE, DCC, relevant line ministries, industry associations, private sector enterprises, technical experts, and other relevant public and private sector stakeholders. For further details, please refer Section 4 of this document.

Piloting of carbon labeling

As the next step, The Consultant will implement the piloting of the VCLP between January to April 2026 in line with the work plan presented in Table ES1 (as per Deliverable 4 (D4) of this assignment).

Table ES 1. Pilot phase implementation timeline

Task 4. A report on the detailed results of the pilot phase in selected sectors, summarizing all training and awareness-raising activities			
Sub-task		Expected outputs	Timing and deadline
Act.4.1	Develop and agree with Department of Climate Change (DCC) on sector selection, implementation plan of the piloting, training agenda and schedule	Sector selection (Done already in advance), implementation.	08 January 2026
Act.4.2	Conduct 02 trainings and capacity building workshops to stakeholders	Training and Capacity building	09 March 2026
Act.4.3	Conduct the piloting of carbon labeling (site visit for data collection and validation, evaluation, verification, certification process)	Pilot phase	15 April 2026
Act.4.4	Prepare detailed report on the results of the pilot phase	D4. A detailed report on the results of the pilot phase selected sector, event and workshop notes	25 April 2026

For the carbon labeling piloting, three sectors, namely, food processing, chemicals, and pulp & paper, have been identified considering their exposure to export markets, GHG mitigation potential, and MRV readiness. The lessons learnt from the piloting exercise will help in finalizing VCLP design and to move forward with the start-up phase for nationwide roll-out.

Way forward

The report concludes that the design phase of the VCLP will establish a strong technical and institutional foundation for the national carbon labeling program. The program structure,

institutional roles, accreditation and certification process, digital platform concept, and risk management approach together create a well-organized, applicable, and scalable framework. Overall, the design demonstrates that Vietnam is technically ready to pilot a carbon labeling program that can serve both domestic climate targets and international climate as well as product market expectations. Vietnam can establish a national mechanism for product carbon labeling that can eventually evolve into a mandatory and widely recognized system linked to green procurement and the domestic carbon market.

The pilot phase work plan provides a clear pathway to test and refine the VCLP before the official launch of the program. It includes selecting priority sectors, delivering capacity-building workshops, implementing the pilot at enterprise sites, and evaluating verification and certification results. Completion of these activities will generate practical experience and insights needed to finalize program standards and ensure readiness for the roll-out of program implementation.