DCC
Department of Climate Change

ENERGY TRANSITION PARTNERSHIP
Powering Prosperity and Enabling Sustainability in South East Asia

UNOPS

CONSULTATION WORKSHOP

SELECTION OF SECTORS FOR CARBON FOOTPRINT LABELLING TRIAL

RCEE

November 2025

Agenda

1. **Introduction**
2. **Context and study objectives**
3. **Private sector survey**
   - Identification of relevant stakeholders and sectors
   - Readiness and Capacity: A survey of Vietnamese enterprises for a Carbon Labelling Program
   - Key Insights from the Survey
4. **Proposed selection of sectors for carbon labelling trial**
   - Key points
   - Main criteria
   - Selected sectors
5. **Recommendations and conclusion**

1. Introduction

1.2 Challenges of Implementing CFP

General Challenges

- Accuracy and reliability of emissions data
- Lack of standardized methodologies across sectors/countries
- Limited consumer awareness of CFP labels
- Credibility and trust issues in labelling systems
- Low expertise and knowledge gaps
- Human and financial resource constraints

Country Case Examples

Thailand

- Key challenges: low expertise & knowledge gaps
- Solutions: international cooperation, IPCC-aligned databases, industry engagement

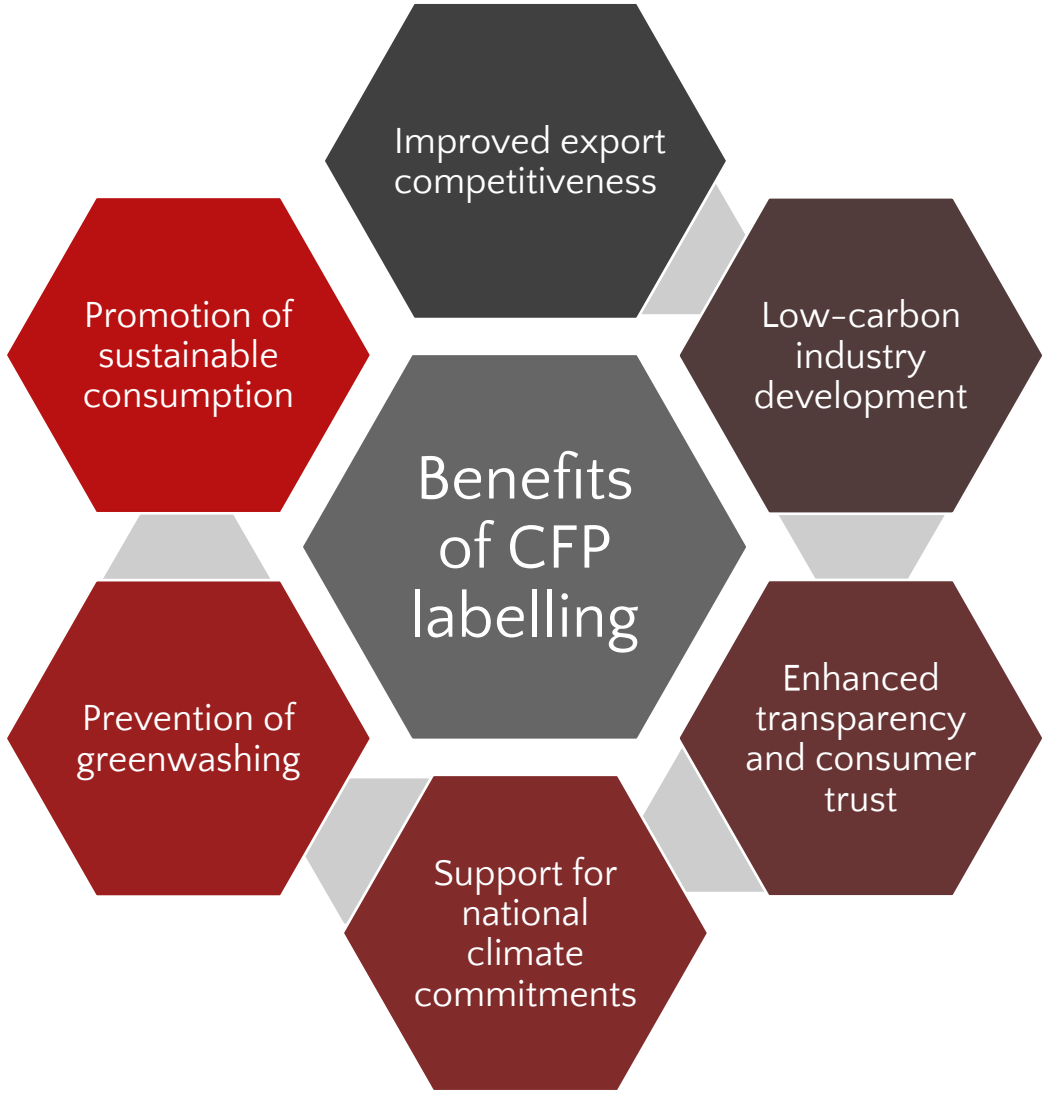
Japan

- Key Challenges: human & financial resource constraints
- Solutions: academic collaboration

Note:
IPCC – Intergovernmental Panel on Climate Change

1. Introduction

1.3 Benefits of carbon footprint labelling



1. Introduction

1.3 Benefits of carbon footprint labelling

Financial opportunities unlocked by CFP

Category	Finance Stream	Short Description & Example
Government	Green Investment & FDI	CFP attracts climate finance & FDI. For example, Thailand's T-VER & BOI incentives have boosted clean energy investment.
	GPP Efficiency	Public procurement of eco-products saves costs & cuts emissions. For example, Korea's GPP (2005) cut 665,000 tCO_2e in 2017, saved USD 35.4 million, and created 4,415 jobs.
	Green Industries & Jobs	Growth of low-carbon sectors brings tax revenues. For example, Japan's Green Growth Strategy projects USD 1.23 trillion gain by 2050 from low-carbon industries.
Companies	ESG-driven Investment	Verified emissions attract ESG investors. For example, Access to green bonds, SLLs.
	Climate Finance Access	Reporting opens loans/grants. For example, GCF, ADB, World Bank.
	Lower Capital Costs	Verified CFP earns better loan terms. For example, KBank (Thailand), Mizuho (Japan) link loans to emissions KPIs.
	Green Supply Chains	MNCs prefer low-carbon suppliers with footprint data or labels. Improves contracts & market access.
	Government Incentives	Tax breaks & procurement preferences. For example, Taiwan, Japan, Korea give procurement preferences & tax incentives for carbon-labelled firms.
	Brand & IPO Value	CFP builds trust, boosts IPO performance. For example, ESG IPOs in UK & Japan attract more investors.

Note:
T-VER – Thailand's Voluntary Emission Reduction
BOI – Board of Investment
GPP – Green Public Procurement
ESG – Environmental, Social, and Governance
GCF – Green Climate Fund
ADB – Asian Development Bank
SSL – Sustainability-linked loans
IPO – Initial Public Offering
MNC – Multinational Companies
KBank – Kasikornbank
KPI – Key Performance Indicators

2. Context and study objectives

2.1 Context and study

Purpose & Benefits

Carbon labelling promotes sustainable consumption and production by disclosing product emissions, guiding low-carbon choices, and encouraging cleaner production

Relevance to Vietnam

Supports national sustainable development goals and prepares businesses for global mechanisms like the EU's Carbon Border Adjustment Mechanism (CBAM)

Current Initiative

A voluntary carbon labelling scheme is being developed under ETP technical assistance, led by the Ministry of Agriculture and Environment (MAE) via the Department of Climate Change (DCC)

National Commitment

Vietnam has committed to net-zero emissions by 2050 (COP26) and issued key policies, including the Law on Environmental Protection (2020), Decree 06/2022, and the National Climate Change Strategy

Assess Vietnam's readiness (legal, institutional, technical) for implementing a voluntary carbon labelling scheme and propose tailored solutions

- Review laws, policies, and guidelines on GHG inventory, emissions reduction, carbon markets, and product labelling
- Analyze institutional setup and coordination mechanisms related to climate and environmental labelling
- Assess private sector readiness in energy and industry: awareness, technical capacity, and barriers
- Selection of Enterprises to participate in the pilot
- Recommend policies, technical assistance, and capacity-building measures to support pilot implementation

2. Context and study objectives

2.2 Existing product labelling systems

Energy Labelling

- Mandatory since 2017; covers >20 product groups
- Based on TCVN/QCVN standards; 1–5 star or endorsement labels
- Reduces energy use & GHG emissions; raises consumer awareness

Vietnam Green Label

- Official ecolabel since 2009; 14 product categories
- Uses LCA & compliance checks
- Promotes sustainable production; improves market access

Organic Label

- Verifies compliance with TCVN 11041 for organic farming
- Reduces synthetic inputs; lowers GHG from agriculture

VFCS/PEFC Forest Certification

- Established 2018; PEFC-aligned
- Ensures sustainable forest management; boosts exports

OCOP Program

- Recognizes rural products (1–5 stars) based on quality, market potential, sustainability
- Supports local economies & eco-friendly practices

Recycled/Biodegradable Packaging Labels

- Voluntary; growing trend of self-declared eco-information
- No unified national standard yet; EPR under LEP 2020 enforces recycling obligations

2. Context and study objectives

2.3 Private sector practices

Role of the Private Sector in Carbon Labelling

- Enterprises are key actors in product-level GHG assessment, disclosure, and benefit from branding & market advantages
- Export-oriented sectors (textiles, food, electronics, furniture) face rising demands for PCF disclosure & ESG compliance from major markets
- Some leading companies apply LCA, ISO 14067, GHG Protocol, PAS standards, and use third-party verification
- Major firms in steel, cement, power joined ETS & carbon market trainings to prepare for domestic market operation
- Participation is uneven: large/FIE firms are more proactive; most SMEs lack capacity and resources
- Support measures are needed to enable broader private sector engagement in voluntary, market-driven carbon labelling

3. Private sector survey

3.1 Identification of relevant stakeholders and sectors

Stakeholders

Ministry of Industry and Trade (MOIT)

Expertise in energy labelling and MEPS, crucial for carbon standards for energy-consuming products

Ministry of Agriculture and Environment (MAE)

Manages Vietnam Green Label; experienced in life-cycle environmental impact assessments

Certification, verification, and testing organizations (e.g., Bureau Veritas, TÜV NORD, SGS, Intertek)

Provide third-party verification to ensure credibility of carbon labels

Priority Sectors

(based on Decision 1011/QD-TTg & Decision 13/2024/QD-TTg)

Chemicals

High emissions from energy and fossil-based materials

Electronics

Significant energy and chemical use

Textiles & garments

Long, emission-intensive processes

Pulp & paper

Energy and water intensive, major emissions

Food processing

High energy use in cooking, cooling, packaging

Beverages

Energy intensive distillation, sterilization, refrigeration

3. Private sector survey

3.2 Readiness and Capacity: A survey of Vietnamese enterprises for a Carbon Labeling Program

Readiness for product-level carbon footprinting in Vietnam's private sector remains low

Large export-oriented firms (stone, wood, electronics, food, textiles) have started exploring ISO 14067/GHG Protocol, mainly due to pressure from importers in the EU, North America, and Japan

Carbon labelling use is limited; SMEs lack technical knowledge, clear benchmarks, and struggle with CFP vs. facility GHG inventories

Digital tools and pilot verifications by certification bodies (e.g., TUV Nord) are emerging, but absence of standardized systems and databases hampers scale-up

Main challenges: high verification costs, low internal technical capacity, difficulty tracking supply chain data

Survey Preparation & Implementation

Survey targeted enterprises from the 2023 List of Key Energy-Consuming Establishments

Standardized survey form included:

- General enterprise info (sector, revenue, products, markets)
- Awareness of GHG concepts & standards
- Current GHG practices & commitments
- Drivers, opportunities, barriers
- Needs for technical & policy support

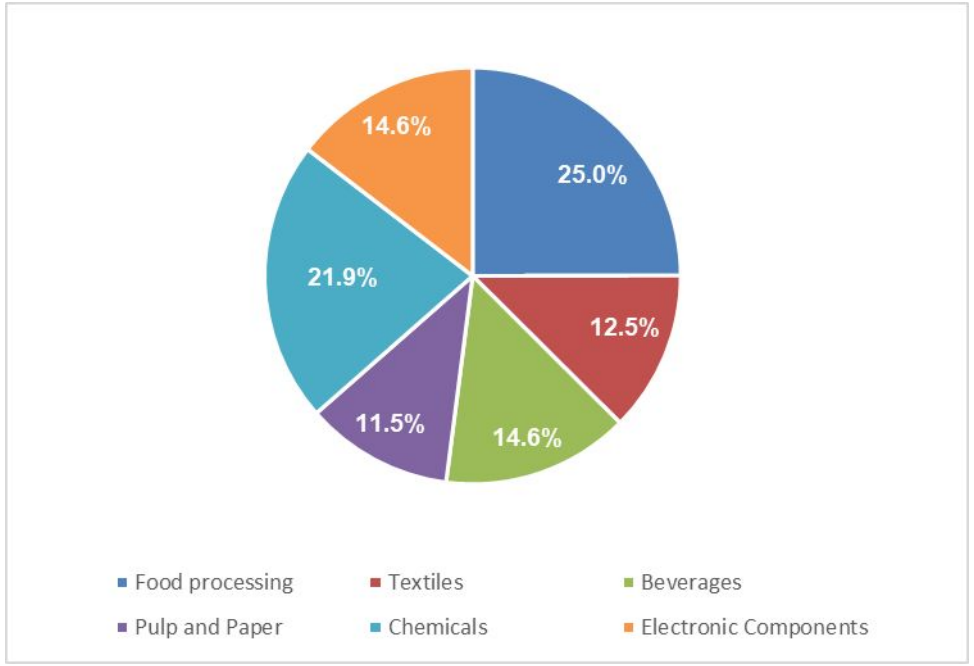
Survey conducted via Google Forms and paper forms, with technical support provided to ensure data quality

3. Private sector survey

3.3 Key Insights from the Survey

Survey Participation Overview

- 500 enterprises were invited to participate in the survey
- 96 enterprises responded, reflecting a response rate of ~19%
- Participants represent a wide range of processing industries
- The survey provides an initial snapshot of business awareness and actions related to GHG emissions



3. Private sector survey

3.3 Key Insights from the Survey

Characteristics of Enterprises and Operating Context

Enterprise Types

- Majority are limited liability companies, reflecting Vietnam's economic structure
- FDI enterprises (22.9%) play a major role in heavy industries and exports

Enterprise Size

- Large enterprises dominate the survey, consistent with their major share of GHG emissions
- SME participation is lower but essential for energy efficiency efforts

Sectoral Insights

- Food processing and chemicals show strong capacity for emissions reduction
- Textiles, electronics, pulp & paper, and beverages also represented

Target Markets

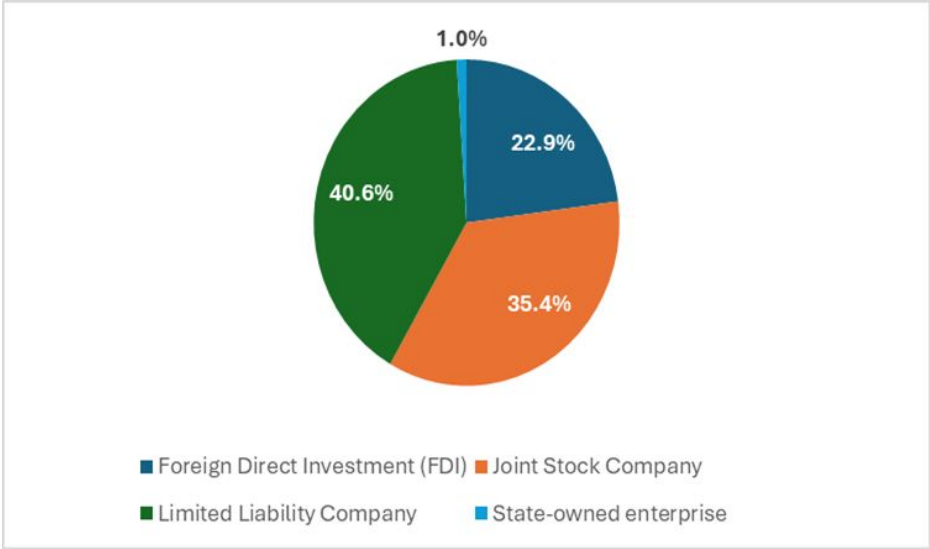
- Enterprises increasingly serve both domestic and export markets to boost value and flexibility
- Export volumes vary widely – from no exports to 300,000+ tons/year

Export Highlights

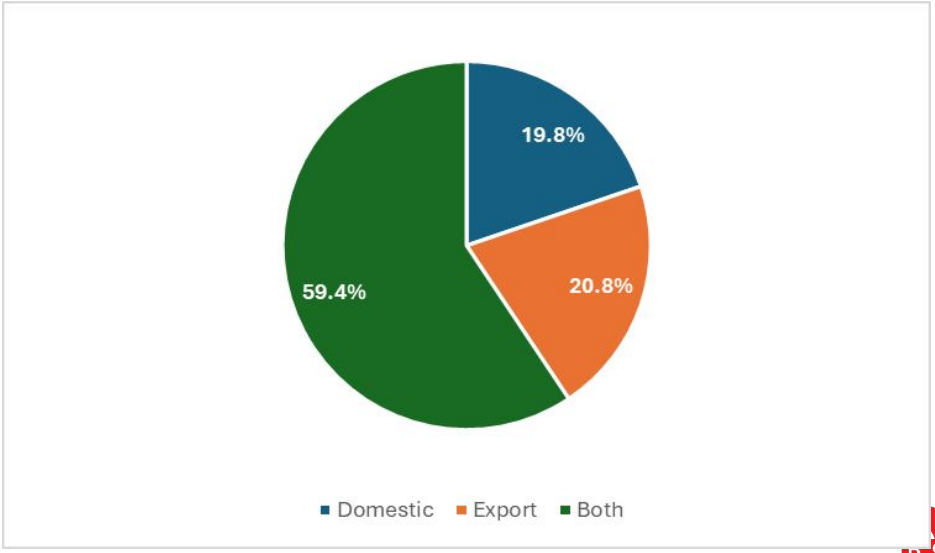
- Fertilizers: 319,000 tons/year
- Electronics: 70 million units/year
- Cans and lids: 800 million units/year

Regulatory Coverage

- Most surveyed enterprises fall under current energy and GHG emission regulations,indicating strong alignment with Vietnam's environmental policy framework



Type of enterprise participants



Target markets of the enterprises

3. Private sector survey

3.3 Key Insights from the Survey

Awareness of Climate Change and Related Concepts

General Awareness

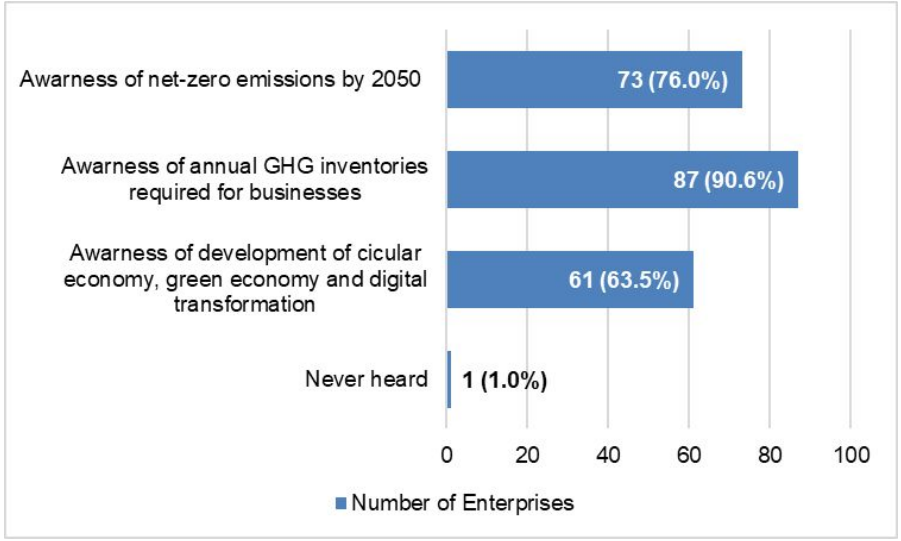
- Most enterprises are aware of national climate change policies,though information access remains limited in some areas
- Understanding of Climate Concepts:
    - High awareness for:
        - GHG Inventory (97.9%)
        - Carbon Market (64.6%)
        - Carbon Labelling (61.5%)
        - Carbon Footprint (58.3%)
    - Lower awareness for:
        - Emission Standards (e.g., ISO 14067, GHG Protocol): 45.8%
        - ESG Strategies: 37.5%
        - LCA: 31.3%
        - CBAM: 27.1%
        - Only 2.1% had never heard of these concepts

Sources of Information

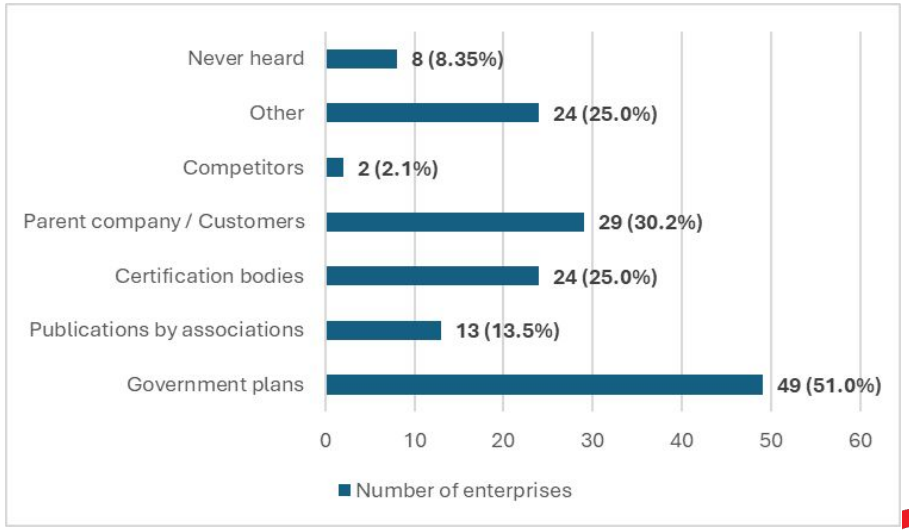
- Enterprises mainly learn from:
    - Government communication channels
    - Industry associations
    - International clients and partners
    - Media and online platforms

Key Insight

- There is a notable gap between general policy awareness and deep understanding of technical standards and tools, highlighting the need for targeted training and outreach



Enterprises' awareness on national climate change policies



Medium of awareness for enterprises

3. Private sector survey

3.3 Key Insights from the Survey

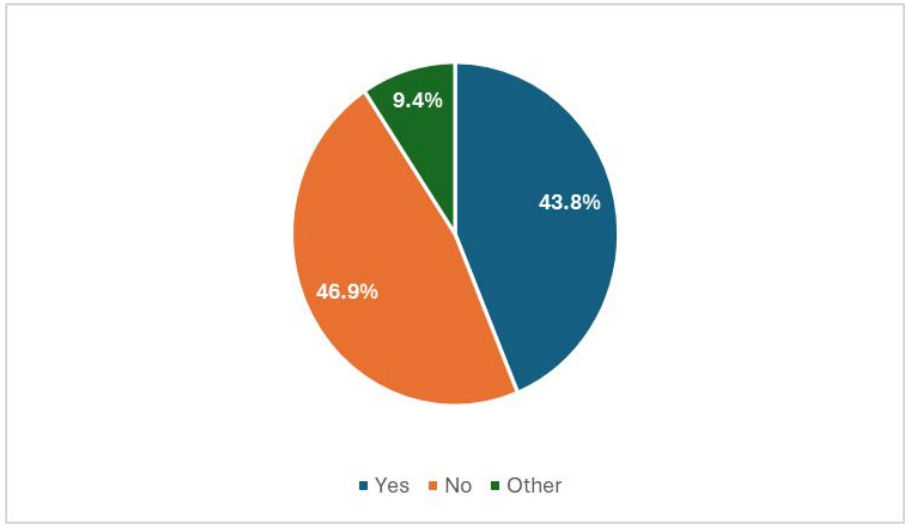
Level of Implementation of GHG Inventory and Carbon Labelling

Current Status of GHG Inventory and Carbon Labelling

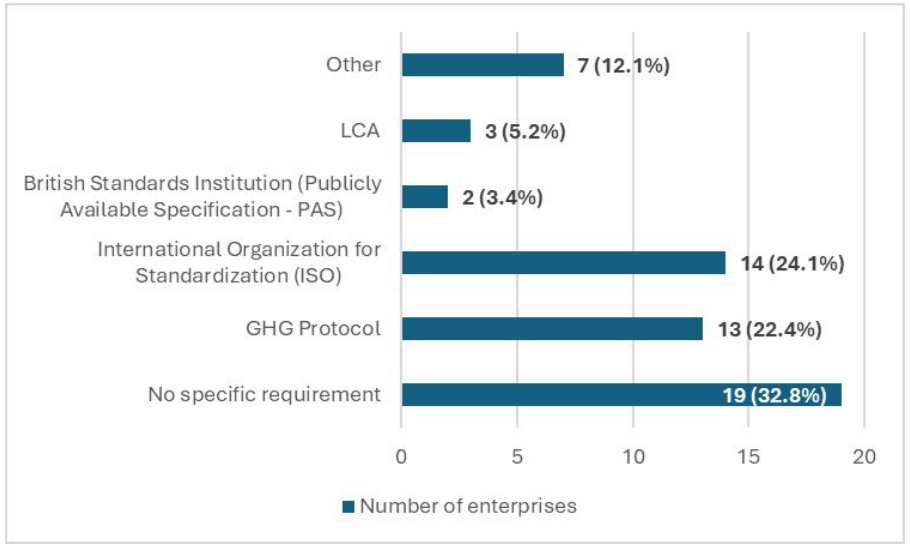
- A growing number of enterprises in Vietnam have begun implementing GHG inventories, signaling early-stage integration of climate-related practices into business operations
- However, carbon labelling remains limited and inconsistent, primarily due to the absence of a clear legal framework and national guidance
- Most enterprises are still exploring or are limited to emission accounting only, without standardized or certified labelling processes

Drivers and Motivations for GHG Inventory

- Enterprises are motivated by a diverse range of factors, not solely regulatory requirements:
  - Government regulations (34.4%) remain a key driver
  - Corporate Social Responsibility (CSR) (31.3%) and cost reduction goals (22.9%) reflect growing internal incentives
  - Customer demands and market access (18.8%) are influencing companies to assess and disclose emissions
  - Participation in carbon standards or group-level requirements (14.6%) also play a role
- This shift shows a transition from a compliance-based to a proactive, value-driven approach to climate action



Enterprises practicing emission assessment



Carbon labelling standards followed by enterprises

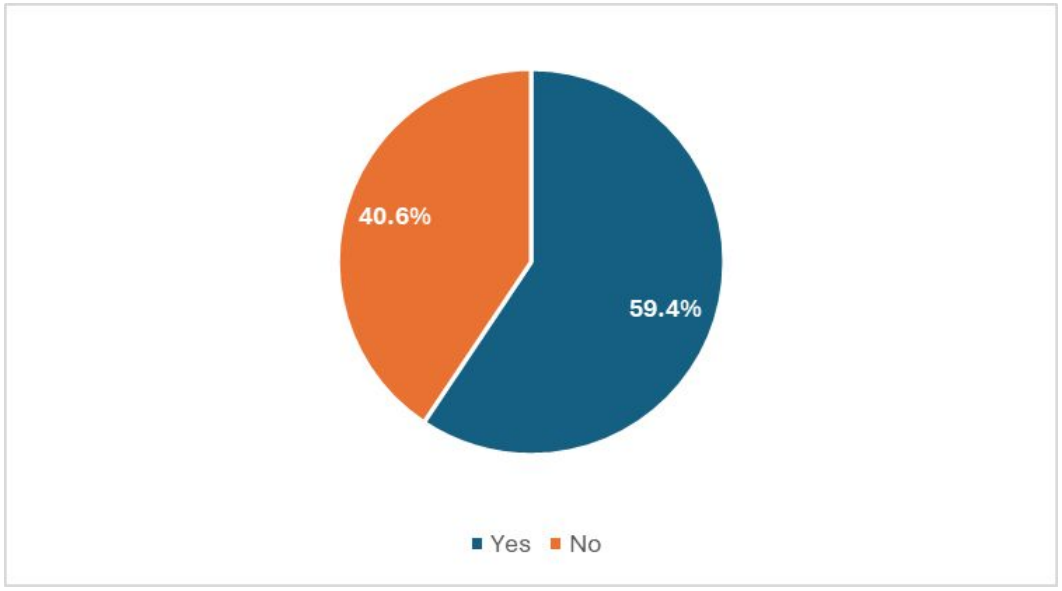
3. Private sector survey

3.3 Key Insights from the Survey

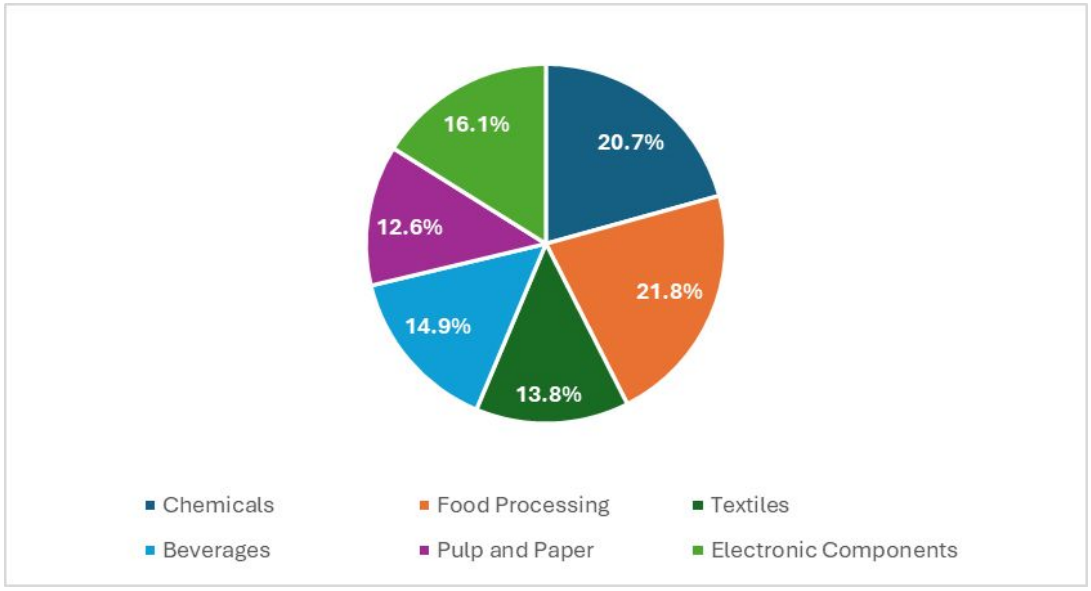
Level of Implementation of GHG Inventory and Carbon Labelling

Integration into Supply Chain and Sectoral Trends

- An increasing number of enterprises are beginning to integrate GHG emissions criteria into procurement and supplier selection, demonstrating a move toward green supply chain management
- Certain sectors such as food processing and chemicals show higher levels of implementation, likely due to their high emissions profiles and exposure to international markets



GHG emissions criteria in purchasing a raw material/product



Sector-wise share of enterprises doing GHG assessment

3. Private sector survey

3.3 Key Insights from the Survey

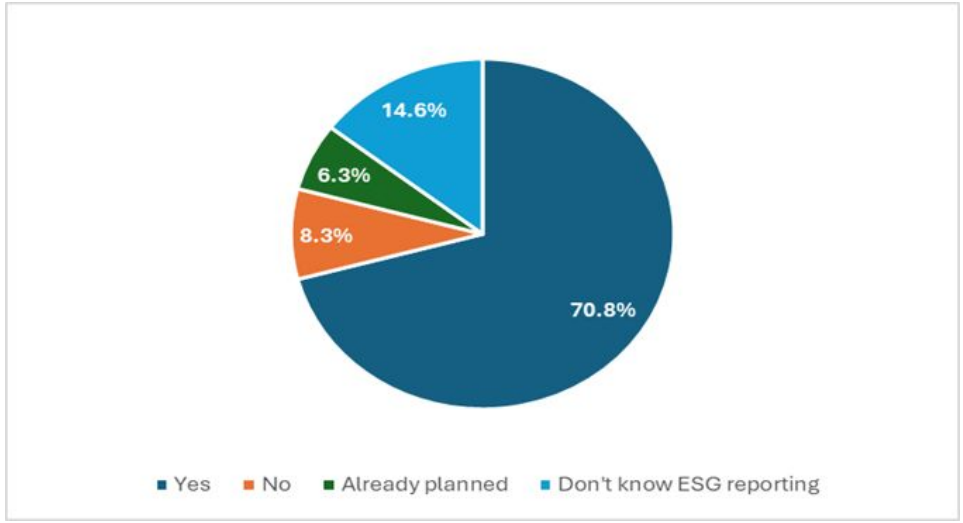
Current Status of ESG Reporting

ESG Reporting and Its Link to Carbon Labelling

- ESG reporting is closely linked to carbon labelling, as both aim to improve transparency about environmental impacts and corporate sustainability performance
- Integrating carbon labelling into ESG frameworks helps companies:
  - Better communicate sustainability efforts
  - Align with regulatory and market expectations
  - Enhance their competitiveness in domestic and global markets

Current Practice of ESG Reporting in Enterprises

- A number of enterprises have already begun implementing ESG or environmental reporting, but awareness and implementation remain uneven across industries
- Sectoral differences are significant:
  - Chemicals, food processing, and electronics lead ESG adoption, driven by international supply chain pressures
  - Sectors like textiles and pulp & paper show lower engagement, suggesting the need for capacity building and technical support
- This trend highlights the importance of awareness-raising and targeted training for broader ESG adoption



Enterprises practicing ESG or environmental reports

Sector-wise enterprises practicing ESG or environmental reports

	Yes		Already planned		No		Don't know ESG reporting	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion(%)
Chemicals	15	22.1	2	33.3	2	25.0	2	14.3
Food Processing	15	22.1	3	50.0	3	37.5	3	21.4
Electronic Components	12	17.6			1	12.5	1	7.1
Beverages	11	16.2			1	12.5	2	14.3
Textiles	8	11.8					4	28.6
Pulp and Paper	7	10.3	1	16.7	1	12.5	2	14.3

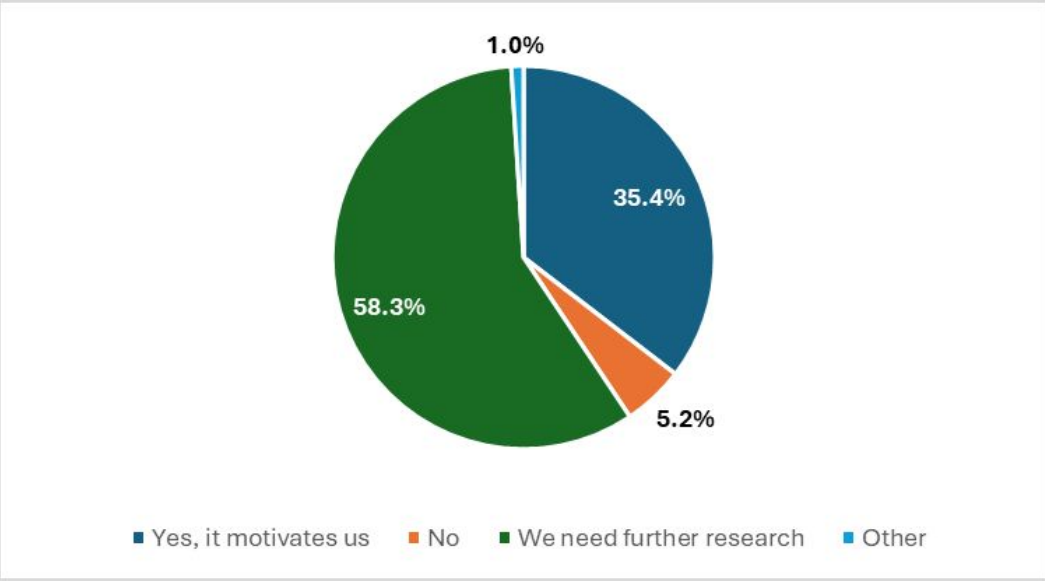
3. Private sector survey

3.3 Key Insights from the Survey

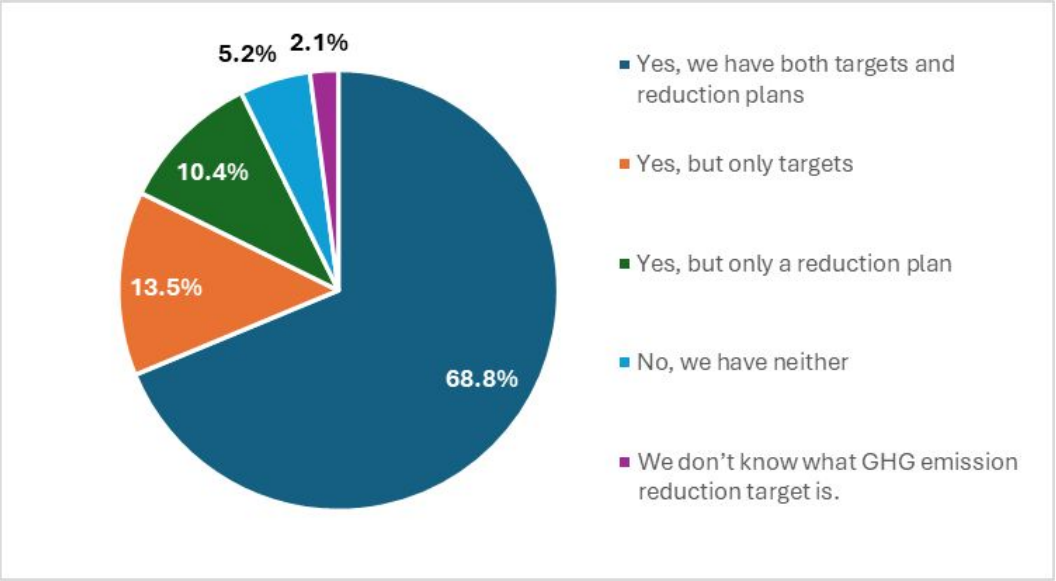
Opportunities, Barriers, and GHG Emission Reduction Targets

Enterprise Perceptions and Readiness for GHG Reduction

- Many enterprises are still evaluating the implications of ESG and carbon neutrality commitments on their operations
- While awareness of GHG reduction is increasing, actual readiness and implementation capacity remain limited
- Enterprises acknowledge the importance of emission reduction, but the transition from intention to action is inconsistent across sectors



Perceptions over GHG assessment enabling business operations



Status of GHG assessment targets in enterprises

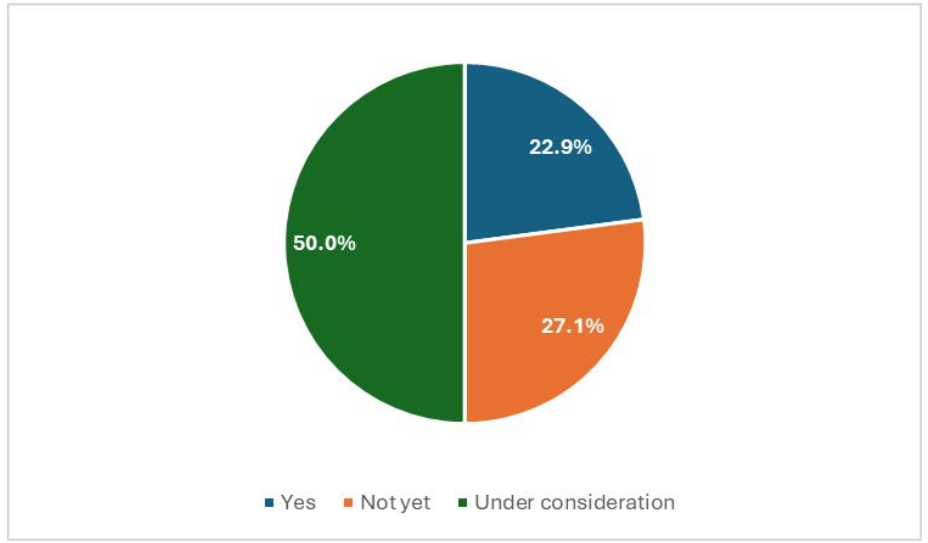
3. Private sector survey

3.3 Key Insights from the Survey

Opportunities, Barriers, and GHG Emission Reduction Targets

Public Disclosure of GHG Performance – Gaps and Sectoral Differences

- Despite having reduction targets, many enterprises have not yet publicly disclosed their GHG performance
- Common barriers:
  - Awaiting official verification
  - Lack of technical guidelines or data
  - Waiting for appropriate timing (e.g., closer to Dec 2025 deadline)
- Sector-wise disclosure varies:
  - Electronics and pulp & paper sectors lead in public announcements
  - Beverages, food processing, and textiles show slower progress
- These challenges highlight the need for stronger government support and improved internal enterprise capacity to ensure effective implementation



Public disclosure of GHG performance by enterprises

Sector-wise public disclosure of GHG performance by enterprises

	Not yet		Yes		Under consideration	
	Number of enterprises	Proportion (%)	Number of enterprises	Proportion (%)	Number of enterprises	Proportion (%)
Beverages	7	26.9	2	9.1	5	10.4
Chemicals	6	23.1	4	18.2	11	22.9
Food Processing	6	23.1	2	9.1	16	33.3
Pulp and Paper	3	11.5	5	22.7	3	6.3
Textiles	2	7.7	2	9.1	8	16.7
Electronic Components	2	7.7	7	31.8	5	10.4

3. Private sector survey

3.3 Key Insights from the Survey

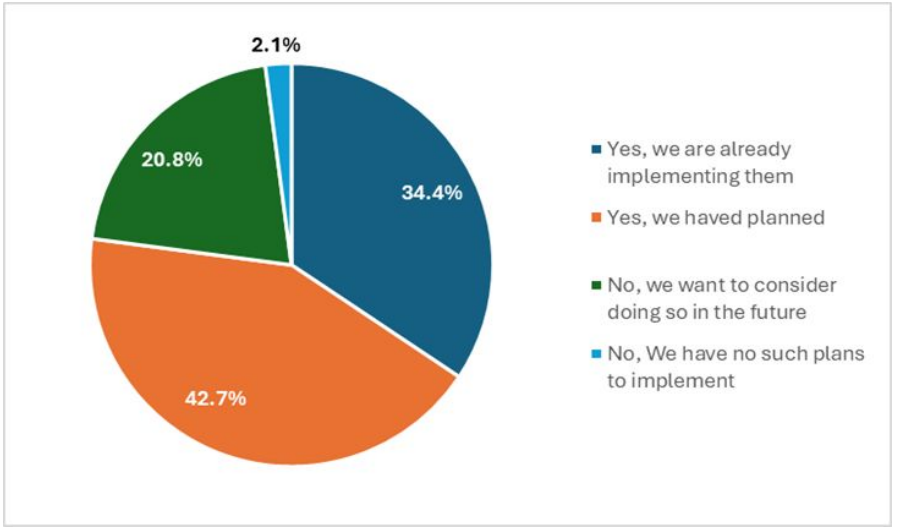
Perspectives on Carbon Labelling and Scope of Control

Expanding Understanding of GHG Assessment Scope

- Enterprise understanding of GHG inventory boundaries is evolving
- There is a growing trend toward including a broader value chain perspective in emissions assessment and control
- This reflects increased maturity in corporate approaches to climate responsibility

Implementation of GHG Mitigation Measures

- Many enterprises have begun implementing GHG reduction measures, especially in:
  - Energy efficiency (replacing equipment, optimizing processes)
  - Switching energy sources (solar, renewables, biomass)
  - Supporting initiatives (tree planting, electric forklifts, digital transformation)
- A few enterprises are leading with long-term roadmaps and smart factory models, while others remain at the inventory-only stage
- Sector-wise planning varies:
  - Highest planning and implementation: Food processing, Chemicals, Electronics
  - Lower readiness: Textiles, Beverages



Proportion of enterprises with plans to implement measures or projects

Sector-wise enterprises with GHG mitigation plans

	Yes, we have planned		Yes, we are already implementing them		No, we have no such plans to implement		No, we want to consider doing so in the future	
	Number of enterprises	Proportion (%)	Number of enterprises	Proportion (%)	Number of enterprises	Proportion (%)	Number of enterprises	Proportion (%)
Food Processing	11	26.8	8	24.2			5	25.0
Chemicals	10	24.4	4	12.1	1	50.0	6	30.0
Beverages	7	17.1	5	15.2	1	50.0	1	5.0
Textiles	5	12.2	4	12.1			3	15.0
Electronic Components	5	12.2	7	21.2			2	10.0
Pulp and Paper	3	7.3	5	15.2			3	15.0

3. Private sector survey

3.3 Key Insights from the Survey

Drivers, Challenges, and Support in GHG Emission Reduction

Needs for Support

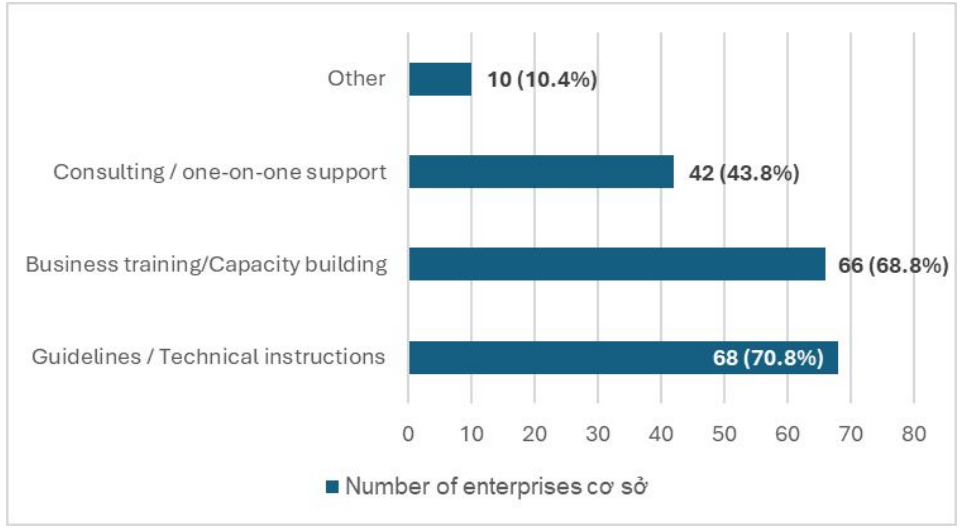
- Strong demand for assistance to comply with Decree No. 06/2022/ND-CP, especially on GHG inventories
- Enterprises request clearer reporting procedures, standardized guidance, and technical help

Willingness to Join Carbon Labelling Trial

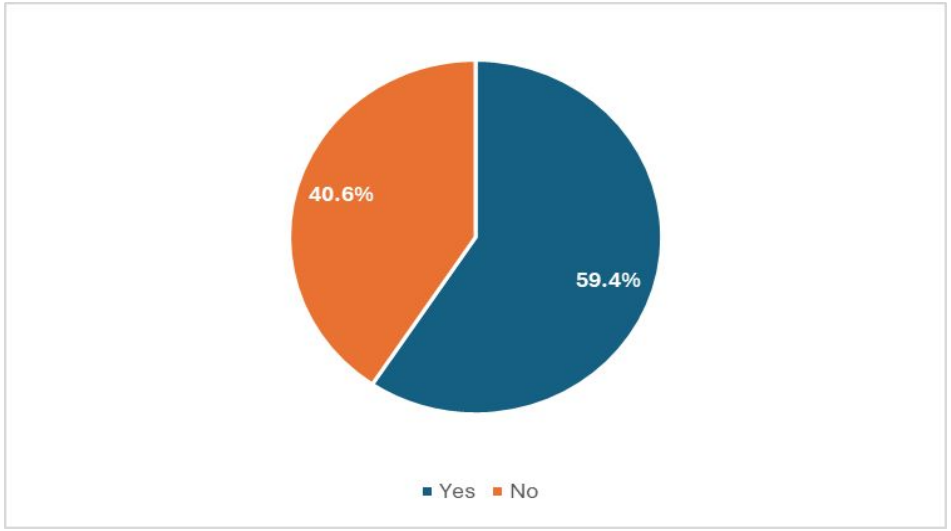
- Many enterprises express readiness to join pilot programs to build capacity and improve transparency
- Participation varies by sector:
    - Food Processing (24.6% willing)
    - Chemicals (21.1%)Beverages (17.5%)
    - Electronic Components (15.8%)
    - Textiles and Pulp & Paper (10.5%)

Sector-wise enterprises' willingness in carbon labelling pilot program

	Yes		No	
	Number of enterprises	Proportion (%)	Number of enterprises	Proportion (%)
Food Processing	14	24.6	10	25.6
Chemicals	12	21.1	9	23.1
Beverages	10	17.5	4	10.3
Electronic Components	9	15.8	5	12.8
Textiles	6	10.5	6	15.4
Pulp and Paper	6	10.5	5	12.8



Support options for enterprises



Enterprises' willingness in carbon labelling trial program

4. Proposed selection of sectors for carbon labelling trial

4.1 Overview

- Chemicals
- Electronics
- Textiles & garments
- Pulp & paper
- Food processing
- Beverages

SELECTION CRITERIA

- Emission level & reduction potential
- Export exposure & market requirements
- Data & infrastructure readiness
- Scalability
- Public awareness and consumer pressure
- Readiness to participate in the pilot

3 PRIORITY SECTORS

4. Proposed selection of sectors for carbon labelling trial

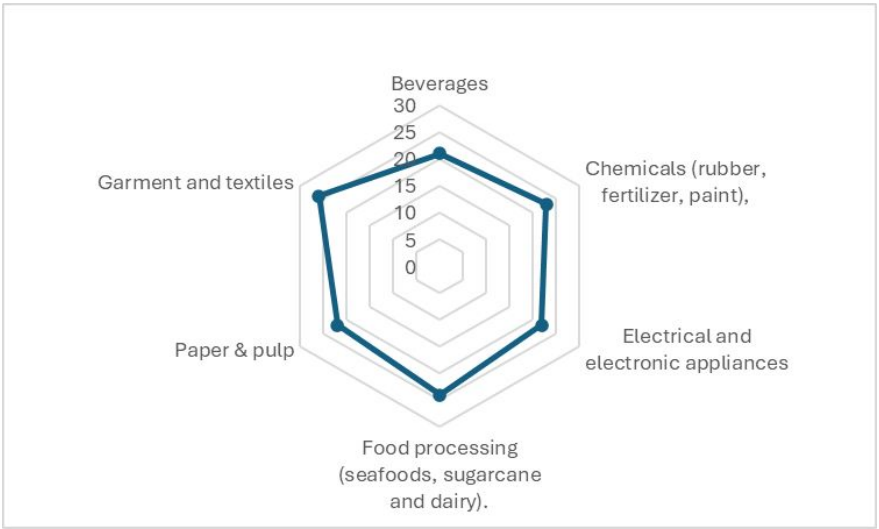
4.2 Key points on the six sectors

No.	Sector	Highly energy/carbon-intensive	High contribution to export (1000 USD)	Risk of impact from CBAM		Partial carbon labelling in practice
				Transition period from 2023 - 2025	From 2026 - 2030	
1	Beverages	x	no export			x
2	Chemicals (rubber, fertilizer, paint),	x	7,730,700	x		x
3	Electrical and electronic appliances		57,325,100			x
4	Food processing (seafoods, sugarcane and dairy).	x	29,554,400		x	x
5	Paper & pulp	x	15,558,000		x	x
6	Garment and textiles		59,864,300		x	x

4. Proposed selection of sectors for carbon labelling trial

4.3 Main Criteria

No.	Sector	Main criteria						
		1. Emissions and reduction potential (1-5)	2. Export pressure / international requirements (1-5)	3. Data and infrastructure readiness (1-5)	4. Scalability (1-5)	5. Public awareness and consumer pressure (1-5)	6. Readiness to participate in the pilot (1-5)	Total
1	Beverages	3	2	3	3	5	5	21
2	Chemicals (rubber, fertilizer, paint),	5	4	4	3	2	5	23
3	Electrical and electronic appliances	3	5	4	4	2	4	22
4	Food processing (seafoods, sugarcane and dairy).	3	3	3	5	5	5	24
5	Paper & pulp	5	4	3	3	3	4	22
6	Garment and textiles	4	5	4	5	4	4	26



Assess sectors against each criterion

4. Proposed selection of sectors for carbon labelling trial

4.4 Selected sectors

Chemicals

- Characterized by high emission intensity and increasing international pressure, with industry readiness for cooperation
- Although communication with end consumers may be challenging, this sector is well-suited for developing standard models for heavy industries

Food Processing

- Popular consumer products with high communication potential
- A significant presence of small and medium enterprises
- Opportunities to improve production processes and packaging, thereby reducing emissions across the entire value chain

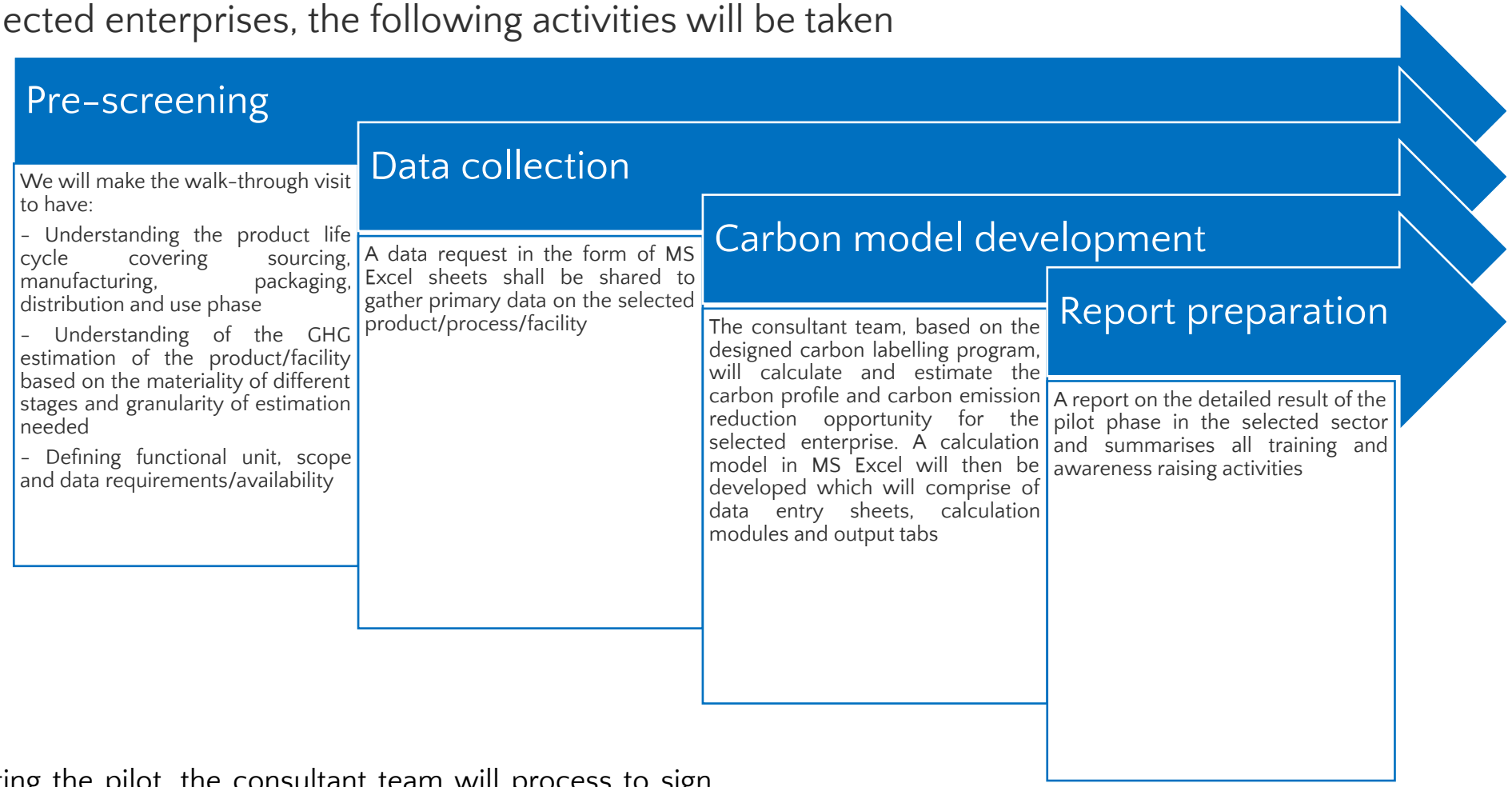
Paper & pulp

- Notable for significant emissions and high resource consumption, with growing market pressure
- The moderate number of enterprises facilitates effective initial management, and there is potential to expand into consumer paper products

4. Proposed selection of sectors for carbon labelling trial

4.5 Activities at the enterprise

With the selected enterprises, the following activities will be taken



Before conducting the pilot, the consultant team will process to sign non-disclosure agreement with the private sector to maintain the confidentiality of the data collected

4. Proposed selection of sectors for carbon labelling trial

4.5 Activities at the enterprise

Data collection from selected enterprises

The following tasks are to be conducted during the pilot program. The final scope will be decided with DCC and UNOPS.

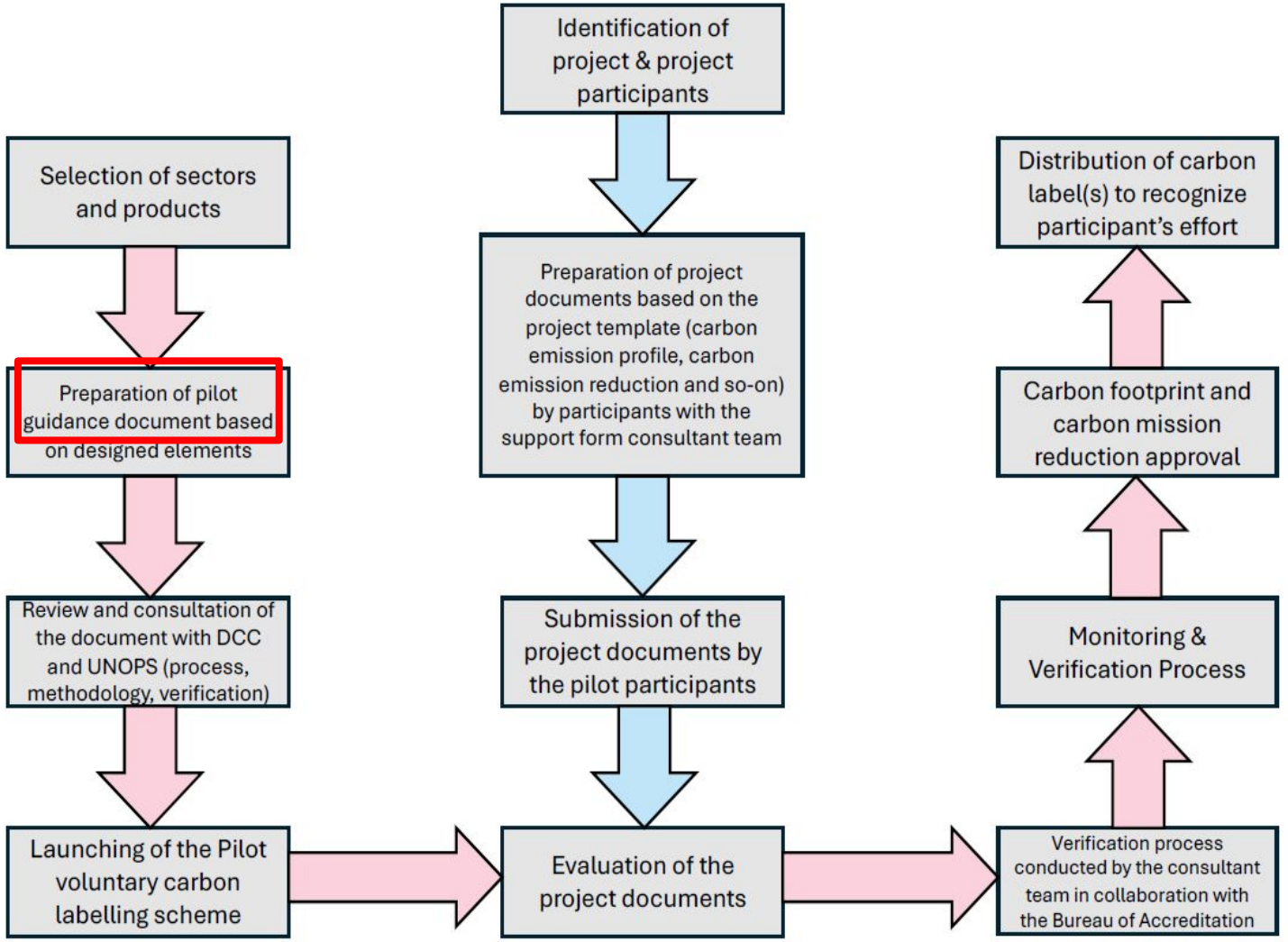
- Facilitate a co-design meeting with representatives from sector association, the consultant team and DCC. This is expected to be a one-day technical meeting and will result in a validated award design document which builds on the carbon labelling design that has already been developed by the consultant team. The design document will detail areas such as who can apply (eligibility criteria), the application process, roles/ responsibilities, templates etc.
- Facilitate the finalization of the design document including contributions business and industry associations.
- The pilot program can be launched during the consultation workshop.
- Develop database of potential applicants (for the purposes of targeted outreach).

Documents to prepare:

- Need to upgrade the design document after pilot phase based on the lessons learnt.

4. Proposed selection of sectors for carbon labelling trial

4.6 Draft PCR Development and Industry Validation



Proposed steps undertaken for the pilot voluntary carbon labelling program under the assignment

Documents to prepare:

- Preparation of pilot workplan document
- Preparation of GHG template calculation sheet
- Develop Product Category Rules (PCRs) for selected sectors following international standard principles
- Preparation of data collection forms for each selected enterprises

4. Proposed selection of sectors for carbon labelling trial

4.7 Capacity and Training Needs for Pilot Phase

Conduct 02 trainings and capacity building workshops to stakeholders

Based on the needs assessment under Phase 2, the consultant team will propose a list of topics for training and capacity building to DCC. Two training and capacity-building workshops will be organized for different stakeholders including the private sector, financial institutions, consumers, and industrial associations.

These hybrid workshops will be held in Hanoi and Ho Chi Minh City, following the format below:

- ✔ A half-day hybrid session
- ✔ The expected number of on-site participants is a maximum of 50
- ✔ Gender consideration: At least 30% of participants need to be women. All key stakeholders related to the topic, particularly governmental entities, will be engaged. Journalists will also be invited to promulgate the findings of the workshop
- ✔ The training topics will be consulted and approved by ETP and DCC beforehand

4. Proposed selection of sectors for carbon labelling trial

4.8 Moving Forward After Pilot Phase (with Timeline)

Task 4. A report on the detailed result of the pilot phase in selected sectors and summarizes all training and awareness raising activities

	Sub-Task	Expected Outputs	Timing and Deadline
Act. 4.1	Develop and agree with DCC on sector selection, implementation plan of the pilot, trainings agenda and schedule	Sector selection, implementation	08 January 2026
Act. 4.2	Conduct 02 trainings and capacity building workshops to stakeholders	Trainings and Capacity buildings	09 March 2026
Act. 4.3	Conduct the pilot phase (site visit for data collection and validation, evaluation, verification, certification process)	Pilot phase	15 April 2026
Act. 4.4	Develop report on the detailed results of the pilot phase	D4. A report on the detailed results of the pilot phsse selected sector, event and workshop notes	25 April 2026

5. Recommendations and roadmap for implementation

5.1 Analysis of Challenges and Gaps

Legal and Policy Framework

- **No legal mandate:** Vietnam lacks a clear legal framework for voluntary carbon labelling or PCF
- **Coordination gaps:** Overlapping mandates across ministries (MAE, MOIT, MOST) risk regulatory inconsistency and duplication
- **Global misalignment:** No domestic regulations aligned with international requirements like the EU CBAM, creating risks for exporters

Institutional Capacity

- **Lack of lead agency:** No existing independent body with technical mandate or infrastructure to implement carbon labelling
- **No verification system:** Absence of a national system to accredit and validate third-party PCF verifiers
- **Weak industry engagement:** Industry associations are not systematically engaged in guideline development or standard setting

Market Readiness

- **Low enterprise capacity:** Enterprises lack readiness to calculate and verify Scope 1 & 2 emissions using international standards
- **No local emission factors:** Reliance on international databases leads to inconsistencies; no Vietnam-specific PCF standards or LCA methodology
- **Unclear administrative process:** No defined procedures for label application, review, or cost-sharing mechanisms, limiting enterprise participation

5. Recommendations and roadmap for implementation

5.2 Capacity Building Needs and Opportunities for Technical Assistance

Capacity Building Needs

Regulatory Improvements

- Develop a legal foundation for voluntary carbon labelling via new or amended decrees
- Align regulations with NDC targets and future carbon markets
- Provide clear guidance on labelling criteria, PCF standards, certification, and agency roles

Institutional Strengthening

- Establish an independent agency under MAE to manage the carbon labelling system
- Set up technical and accreditation committees with industry and government stakeholders
- Improve cross-ministry coordination (MAE, MOIT, MOC, etc.) to prevent regulatory overlaps

Technical and Industry Support

- Create sector-specific PCF guidelines based on ISO 14067, PAS 2050, and GHG Protocol
- Build a national emission factor database and PCF data-sharing infrastructure
- Provide guidance on selecting suitable PCF software for enterprises

Awareness and Stakeholder Engagement

- Train enterprises, agencies, and verifiers on PCF processes and MRV systems
- Promote multi-sectoral engagement via working groups and communication campaigns
- Raise awareness to build trust and support scheme adoption

Opportunities for Technical Assistance and Training

Key Technical Assistance Areas

- Develop PCF methodologies and sectoral guidelines using adapted PEFCRs
- Support national GHG emission factor and PCF data infrastructure
- Align MRV systems with frameworks like PACT's Pathfinder

Institutional Support

- Assist in creating an administrative agency: structure, review procedures, verifier accreditation
- Provide technical support for scheme governance and integration with climate policies

Targeted Training Programs

- Enterprises: GHG accounting, cradle-to-gate PCF, data collection, verification prep
- Third-party verifiers: Audit tools, reporting aligned with ISO 14064/67, GHG Protocol
- Industry associations: Develop guidelines and default emission factors
- Government officials: Scheme design, monitoring, inter-ministry coordination

Outreach and Communication

- Design and promote a clear, credible carbon label
- Conduct awareness campaigns targeting exporters, regulators, and consumers
- Encourage early participation during the pilot phase

5. Recommendations and roadmap for implementation

5.3 Short-term Actions

Legal Mandate Formalization

- Issue a formal decision recognizing carbon labelling as part of Vietnam's GHG mitigation strategy under LEP 2020
- Clarify roles of MAE, MOIT, MOST, MOC in managing the scheme
- Ensure coherence with Decree 06/2022/ND-CP and NDC targets

Establish Independent Administrative Agency

- Set up an agency under MAE for managing certification and coordination
- Form an interim task force (DCC) to define structure, recruit staff, and develop processes
- Create Technical Standards Committee (TSC) and Accreditation Committee (AC) with multi-stakeholder involvement

Develop Methodological Guidelines for Pilot Sectors

- Select 2–3 pilot products based on export relevance and carbon intensity
- Customize international methodologies (ISO 14067, PAS 2050, PEFCR) to Vietnam's conditions
- Define system boundaries, scopes, data quality, and verification rules

Build Emission Factor & Supply Chain Data Infrastructure

- Compile Vietnam-specific emission factors for key sectors
- Launch a web-based data platform with secure, user-friendly access
- Align with existing MRV systems and ensure traceability and updates

Pilot Implementation of Carbon Labelling Scheme

- Invite enterprises in pilot sectors to voluntarily participate
- Require third-party verification of PCF; use certified energy auditors initially
- Issue carbon labels after structured review and approval process

Capacity Building & Training

- Train enterprises on PCF calculation, data collection, and verification preparation
- Train verifiers on ISO 14067, GHG Protocol, sector-specific reporting
- Provide manuals, templates, and toolkits to support pilot implementation

Monitoring & Evaluation (M&E)

- Define KPIs (e.g., number of verified products, certification time, stakeholder feedback)
- Maintain a feedback loop to refine methods, structures, and tools
- Use findings to inform medium-term scaling and scheme refinement

5. Recommendations and roadmap for implementation

5.4 Medium-term Actions

Expansion to Additional Sectors and Products

- Refine guidelines and certification procedures based on pilot lessons learned
- Prioritize new sectors (e.g., steel, cement, food processing) with high carbon intensity and export exposure
- Expand national PCF data infrastructure to cover additional emission factors and supply chain modules

Institutionalization of Third-Party Verification

- Establish a formal accreditation system for PCF verifiers with clear criteria and audit standards
- Scale the verifier pool via structured training and partnerships with international accreditation bodies
- Ensure consistent, transparent verification across sectors

Integration into Public Procurement and Trade Promotion

- Incorporate carbon labels into public procurement criteria and regulations
- Develop incentives: preferential tendering, tax benefits, and branding support
- Seek recognition of carbon labels in FTAs and export standards to boost competitiveness

Issuance of National Guidance on PCF Software Tools

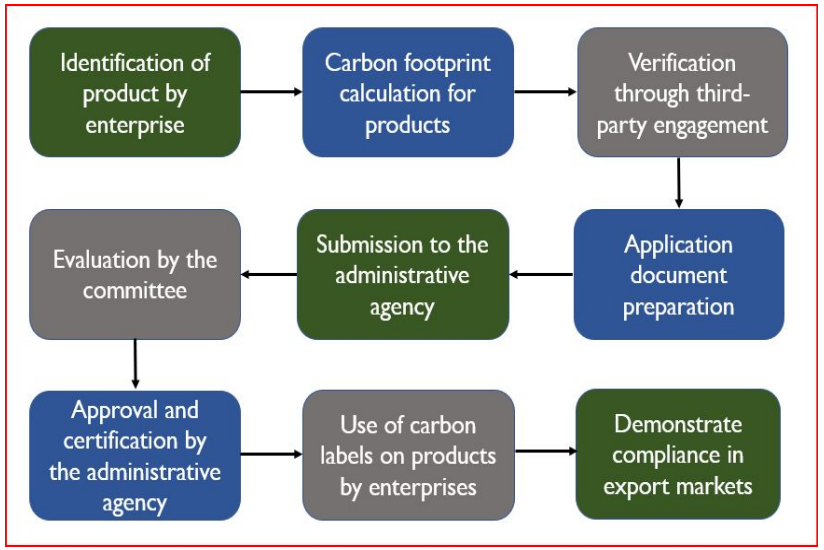
- Evaluate leading PCF software platforms for alignment with GHG Protocol and sector guidelines
- Publish guidance to help enterprises choose appropriate tools for data management and reporting
- Standardize methodological application and improve data quality

Enhancement of MRV and Digital Reporting Infrastructure

- Develop a web-based MRV platform with standardized templates, guidance, and validation features
- Ensure interoperability with national GHG inventory and ETS systems
- Enable secure access and traceability for accredited verifiers

Deepening International Cooperation and Alignment

- Collaborate with global initiatives (PACT, WBCSD, ASEAN SCP)
- Align technical specifications with EU CBAM requirements
- Conduct regional benchmarking to facilitate mutual recognition and improve market access



Step-wise procedure for issuance of carbon label for product

5. Recommendations and roadmap for implementation

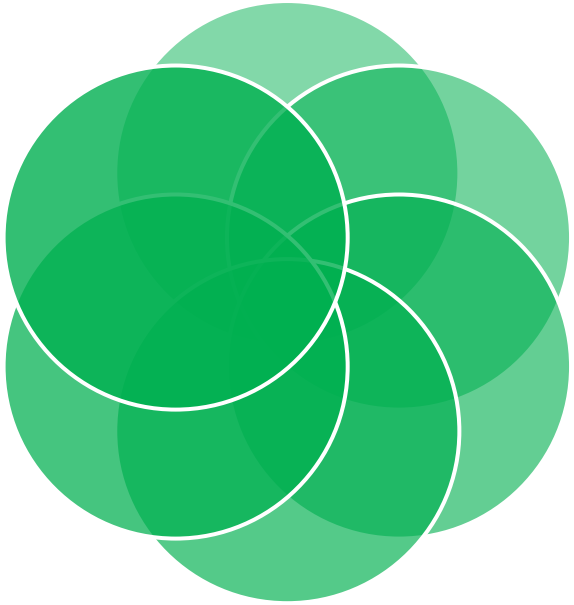
5.5 Long-term Actions (5+ years)

Mandating Carbon Labelling for Key Sectors

- Transition from voluntary to mandatory carbon labelling for high-emission/export-critical sectors
- Issue regulatory circular defining scope, product categories, and compliance requirements
- Standardize disclosure formats, timelines, and verification procedures

Sustainable Financing & Cost Recovery

- Implement tiered fee structure based on company size and sectoral impact
- Leverage PPPs and climate finance (e.g. GCF, JCM) for infrastructure and capacity
- Allocate funds from ETS or green budgets to sustain the program



Integration with National Carbon Market & Climate Policy

- Align PCF/MRV with ETS to enable benefit sharing (credits, allowances, incentives)
- Feed verified PCF data into BTRs to support UNFCCC reporting and climate commitments

Expansion of PCF Data Ecosystem

- Evolve from cradle-to-gate to full lifecycle (cradle-to-grave) PCF approaches
- Connect PCF data with circular economy and waste management systems
- Establish regional PCF data gateway for ASEAN and global supply chain integration

Harmonization with International Labelling Schemes

- Establish mutual recognition with EU PEF, Japan PCF, and LowCarbonSG
- Promote Vietnam's carbon label in export markets to boost credibility and competitiveness
- Engage in regional/global standard-setting platforms

Embedding in Broader Policy and Trade Systems

- Integrate carbon labels into ESG reporting, environmental licensing, product quality laws
- Link labels with export branding and customs systems to boost low-carbon trade

5. Recommendations and roadmap for implementation

5.6 Conclusion

Summary of Key Findings

- Vietnam shows growing interest in carbon labelling, but faces legal, institutional, technical, and market readiness gaps
- LEP 2020 offers a strong policy base, but lacks operational tools for voluntary PCF and labelling
- Surveys in sectors (textile, electronics, seafood, wood) highlight:
  - Limited access to primary activity data
  - Absence of Vietnam-specific emission factors
  - Low internal capacity for PCF calculations and verification
- International case studies confirm the need for a phased, sector-specific, and standards-aligned approach

Final Recommendations

- Launch pilot in high-emission, export-oriented sectors (construction, electronics, textiles, food)
- Clearly define scope: sectors, product types, and PCF detail levels
- Develop GPI & PCRs and ensure public access for transparency
- Set up a national accreditation system for third-party verifiers
- Assess financial support needs for SMEs due to verification costs
- Align with national strategies: Net Zero, NDCs, GPP, ESG
- Use international best practices (e.g., EU CBAM) to ensure credibility and clarity on data/accountability

Next Steps

- Launch pilot with 2–3 key products in priority sectors
- Develop PCF guidelines, interim verification mechanisms, and training
- Use pilot results to refine methods, structure, and finance models
- Scale gradually, institutionalize verification, and integrate labels into public procurement/trade promotion
- Embed carbon labelling into ETS, MRV, and national climate policies
- Leverage international partnerships to enhance credibility and global market access

THANK YOU