



REPORT

Technical Review and Gap Analysis of Viet Nam's Frameworks for Article 6 Implementation

Paris Agreement Article 6 Operationalization and Carbon Credit Offsetting Standards

MARCH 2026

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COLOPHON AND DISCLAIMER

Beneficiaries

Southeast Asia Energy Transition Partnership

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EXECUTIVE SUMMARY

Context

Viet Nam is entering a critical phase in the development of its carbon market and international climate cooperation mechanisms. As the country prepares to pilot a domestic carbon market and expand engagement in international carbon markets, establishing a coherent regulatory and institutional framework for cooperation under Article 6 of the Paris Agreement has become increasingly important.

The Law on Environmental Protection (LEP) 2020, together with Decree No. 06/2022/ND-CP and the amended Decree No. 119/2025/ND-CP, provides the legal mandate for the establishment and development of Viet Nam's carbon market. Institutional responsibilities for climate policy and carbon market governance are gradually being defined, while interest from both domestic and international stakeholders in developing mitigation projects and carbon credit activities continues to grow.

Within this policy landscape, the establishment of a regulatory framework governing the international transfer of mitigation outcomes is critical to facilitate Viet Nam's engagement with Article 6 mechanisms. To operationalise this, the Department of Climate Change (DCC) under the Ministry of Agriculture and Environment (MAE) has developed the initial draft of the Government Decree on the international exchange of greenhouse gas emission mitigation outcomes and carbon credits (Draft Decree on ITMOs)¹. This draft, first released for public consultation from 24 October to 3 November 2025, provides the primary regulatory basis for defining the rules, procedures, and institutional responsibilities necessary to enable international carbon cooperation.

Objective and scope of the Report

This report provides a technical review and gap analysis of Viet Nam's frameworks for Article 6 implementation, which informs DCC of the policy and institutional readiness status to strengthen their Draft Decree on ITMOs. The analysis seeks to identify regulatory, institutional, and technical issues that should be addressed to ensure that Viet Nam's engagement in international carbon markets is transparent, credible, and aligned with national climate objectives.

The findings provide an analytical foundation for strengthening the regulatory framework governing international carbon cooperation and inform the next phase of the Technical Assistance.

Key findings

The assessment highlights several key findings regarding Viet Nam's readiness to operationalize Article 6 mechanisms.

- **International experience:** Effective participation in Article 6 requires a coherent governance framework integrating clear authorization procedures, transparent

¹ First consultation of the Draft Government Decree on international transfer of mitigation outcomes and carbon credits. <https://mae.gov.vn/van-ban-du-thao-2037.htm?>

accounting of internationally transferred mitigation outcomes (ITMOs), and robust measurement, reporting and verification (MRV) systems.

- **International benchmarking:** Early movers such as Switzerland and Japan demonstrate the importance of strong institutional anchors and well-defined authorization procedures for international carbon cooperation. Host countries including Ghana, Chile and Peru highlight the need for transparent registry systems to prevent double counting, while others such as Indonesia and Cambodia have introduced credit-retention or benefit-sharing mechanisms to safeguard national Nationally Determined Contribution (NDC) interests.
- **Viet Nam's policy foundation:** Viet Nam has established a clear legal mandate for carbon market development through the Law on Environmental Protection (LEP) 2020, Decree No. 06/2022/ND-CP, and the amended Decree No. 119/2025/ND-CP. These instruments provide the policy basis for carbon market establishment and the broader framework for greenhouse gas mitigation and market-based mechanisms.
- **Role of a dedicated regulatory framework for international transfers:** The development of the Decree on ITMOs, currently in its drafting stage, is a central element of Viet Nam's efforts to operationalize Article 6.2 cooperative approaches and the Article 6.4 mechanism. This proposed instrument provides the foundation for project registration procedures, authorization of international transfers, and the application of corresponding adjustments, while clarifying the governance responsibilities of MAE in overseeing these processes.
- **Critical gaps:** Despite this progress, several areas require further strengthening. These include clearer institutional coordination and decision-making mechanisms for authorizing international transfers, stronger alignment between international transfer rules and the emerging domestic carbon market, and a more transparent analytical basis for determining eligible mitigation activities and maximum international transfer rates specified in Appendix I.

Strategic Directions

Based on these findings, several strategic directions emerge to support Viet Nam's effective participation in international carbon markets:

- **Safeguarding national mitigation objectives:** International transfers should be carefully managed to ensure that they do not compromise the achievement of Viet Nam's NDC targets and long-term climate commitments.
- **Strengthening institutional coordination:** Clear and efficient decision-making arrangements involving relevant ministries and agencies are needed to ensure transparent and timely authorization of international carbon transactions.
- **Enhancing transparency and predictability for investors:** Clear guidance on project approval procedures, authorization processes, and benefit-sharing arrangements will reduce regulatory uncertainty and help attract investment in mitigation activities.
- **Ensuring coherence between domestic and international carbon markets:** The regulatory framework for international transfers should be aligned with the development of the domestic carbon market to maintain policy consistency and effective market functioning.

- **Advancing technical infrastructure and data systems:** Priority should be given to developing registry systems, accounting procedures, and data transparency mechanisms capable of supporting international reporting requirements and the implementation of corresponding adjustments.

