

THE ASIA AND THE PACIFIC REGIONAL WORKSHOP, PROMOTING THE CDM AND THE MARKET MECHANISMS

Bangkok, Thailand, 13-15 October 2014

Approval process of CDM project and PoA in Viet Nam



**HOANG MANH HOA
and TRUONG THI YEN**

**Department of Meteorology, Hydrology and Climate Change,
Ministry of Natural Resources and Environment of Viet Nam,
Viet Nam DNA**

CONTENTS

I. Current status

II. Legal Framework

III. Requirements for CDM projects in Viet Nam

IV. Approval process

V. Challenges

VI. Solutions

I. Current status

The Ministry of Natural Resources and Environment (MONRE) was assigned by Vietnamese Government as a National Focal Agency for taking part in and implementing the UNFCCC, KP and Clean Development Mechanism (CDM).

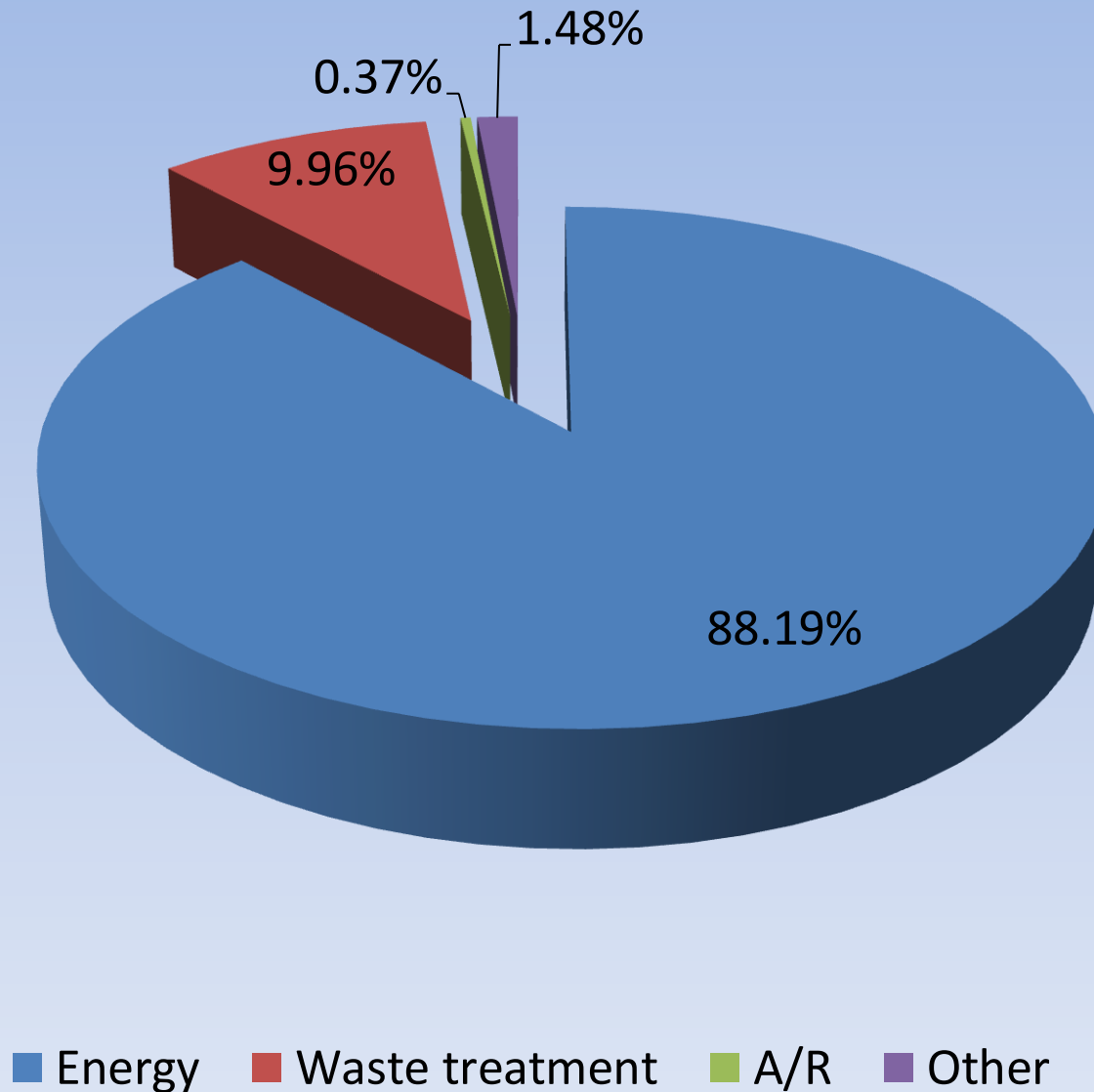
The Department of Meteorology, Hydrology and Climate Change (DMHCC) of MONRE is the Designated National Authority for CDM in Viet Nam (DNA).

Up to 31 September 2014

- ✓ MONRE has issued the Letter of Endorsement (LoE) to 25 Project Idea Notes (PIN), the Letter of Approval (LoA) to 287 Project Design Documents (PDD) and to 11 Programme of Activities (PoA).
- ✓ 253 projects have been registered by EB, ranks 4th in the world with expected total GHG emission reduction of 137 million tCO₂e during the crediting period;
- ✓ 11 PoAs have been registered by EB, ranks 5th in the world.
- ✓ Viet Nam has received 10,140,533 CERs issued by EB, ranks 11th in the world.



Distribution of registered projects by Scope



Field surveys of CDM projects in Viet Nam



*Landfill gas recovery and utilization
in Nam Son, Tay Mo landfills, Hanoi*



Ngoi Phat Hydropower, Lao Cai



*Bagasse cogeneration project at Lam Son
JSC, Thanh Hoa*



*AVN08-S-01, Methane Recovery and Biogas
Utilization Project, Nghe An Province, Viet Nam*

II. Legal Framework

Legal documents issued by Prime Minister:

- ✓ Directive No. 35/2005/CT-TTg dated 17 October 2005 on the implementation of KP to the UNFCCC;
- ✓ Decision No. 47/2007/QĐ-TTg dated 06 April 2007 on approving KP implementing plan to the UNFCCC;
- ✓ **Decision No. 130/2007/QĐ-TTg dated 02 August 2007** on a number financial mechanisms and policies for CDM projects.

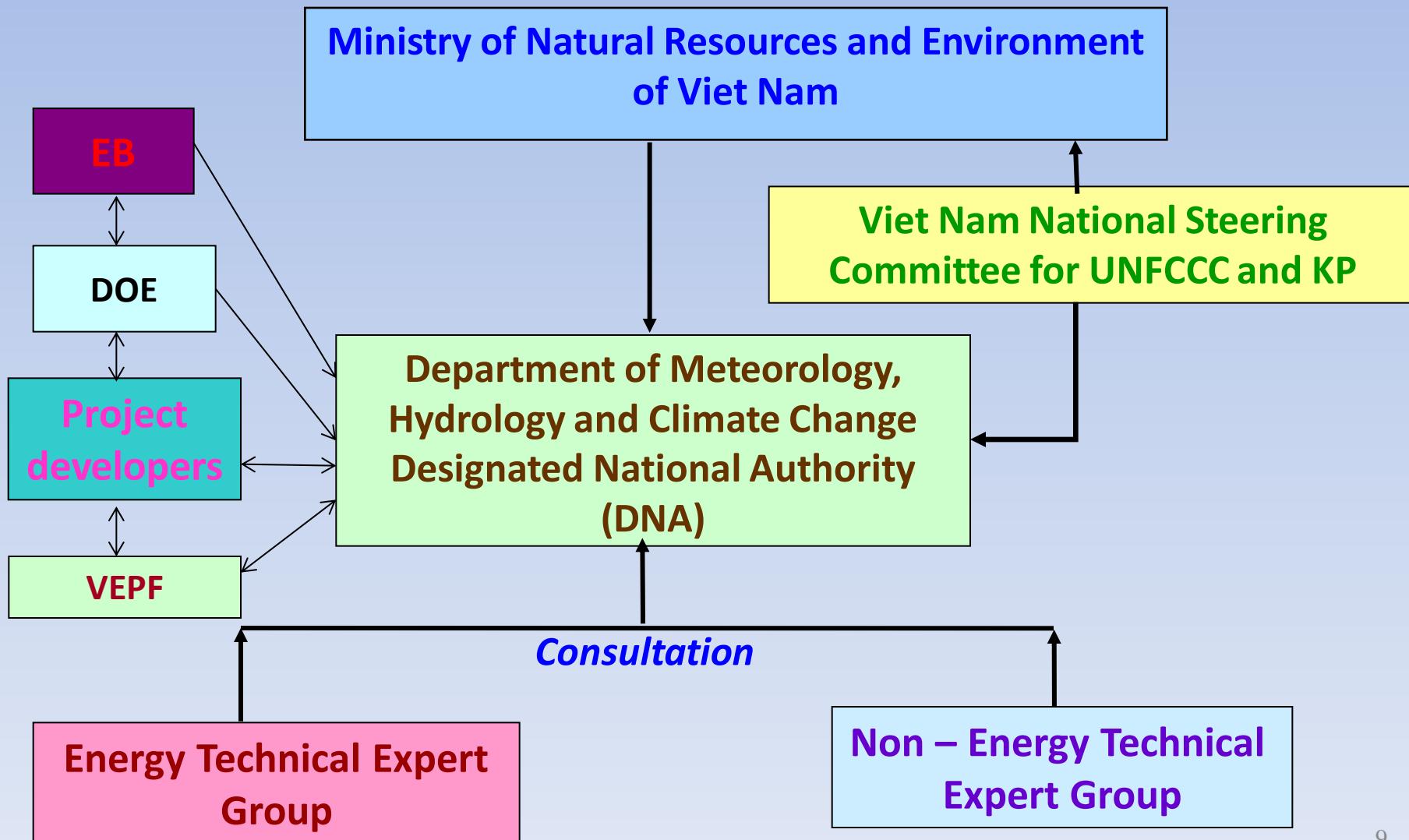
Legal documents issued by MONRE and MOF:

- ✓ Joint-Circulars No. 58/2008/TTLT-BTC-BTNMT dated 04 July 2008 for guiding the implementation of some articles in Decision 130/2007/QĐ-TTg dated 02 August 2007.
- ✓ Joint-Circulars No.204/2010/TTLT-BTC-BTN&MT dated 15/12/2010 to complement for Joint-Circulars No. 58/2008/TTLT-BTC-BTNMT.

Legal documents issued by MONRE:

- ✓ MONRE has issued Circulars No. 12/2010/TT-BTNMT dated 26 July 2010 (replacing Circular No. 10/2006/TT-BTNMT dated 12 December 2006) and
- ✓ Circulars No. 15/2011/TT-BTNMT dated 28 April 2011 on guiding the development of CDM projects under KP in Viet Nam.
- ✓ **Circulars No. 15/2014/TT-BTNMT dated 24 March 2014** on guiding the development of CDM projects under KP in Viet Nam (replacing Circulars No. 15/2011/TT-BTNMT dated 28 April 2011)

Institutional arrangement for CDM in Viet Nam



III. Requirements for CDM projects in Viet Nam

- a) CDM project investors and developers implement and develop CDM project based on voluntary and have to follow current regulations;
- b) GHG emission reduction;
- c) Appropriate with national and local socio-economic development programmes and strategies;
- d) Contribute to sustainable development of Viet Nam;
- e) Ensure the feasibility with advance technology and have suitable financial sources;

III. Requirements for CDM projects in Viet Nam

- f) The amount of GHG emission is reality, have additionality, is calculated and verified directly or indirectly.
- g) Have environmental impact assessment;
- h) Have support from stakeholders;
- i) Have approval of host country;
- j) Register with EB and have its approval;
- k) The implementation of CDM projects do not lead to arise any new responsibilities for Vietnamese Government to KP content.

IV. Approval process

Document application for LoA of PDD/ PoA-DD in Viet Nam

According to the Circulars issued by MONRE, a document application for LoA of PDD/ PoA-DD in Viet Nam has to include:

1. PDD, PoA-DD, CPA-DD developed by project participants.
2. Letter submitted by CDM project developers to Viet Nam DNA for LoA.
3. Comments of stakeholders directly affected by project activities.
4. The approved environmental impact assessment report.

Document application for LoA of PDD/ PoA-DD in Viet Nam

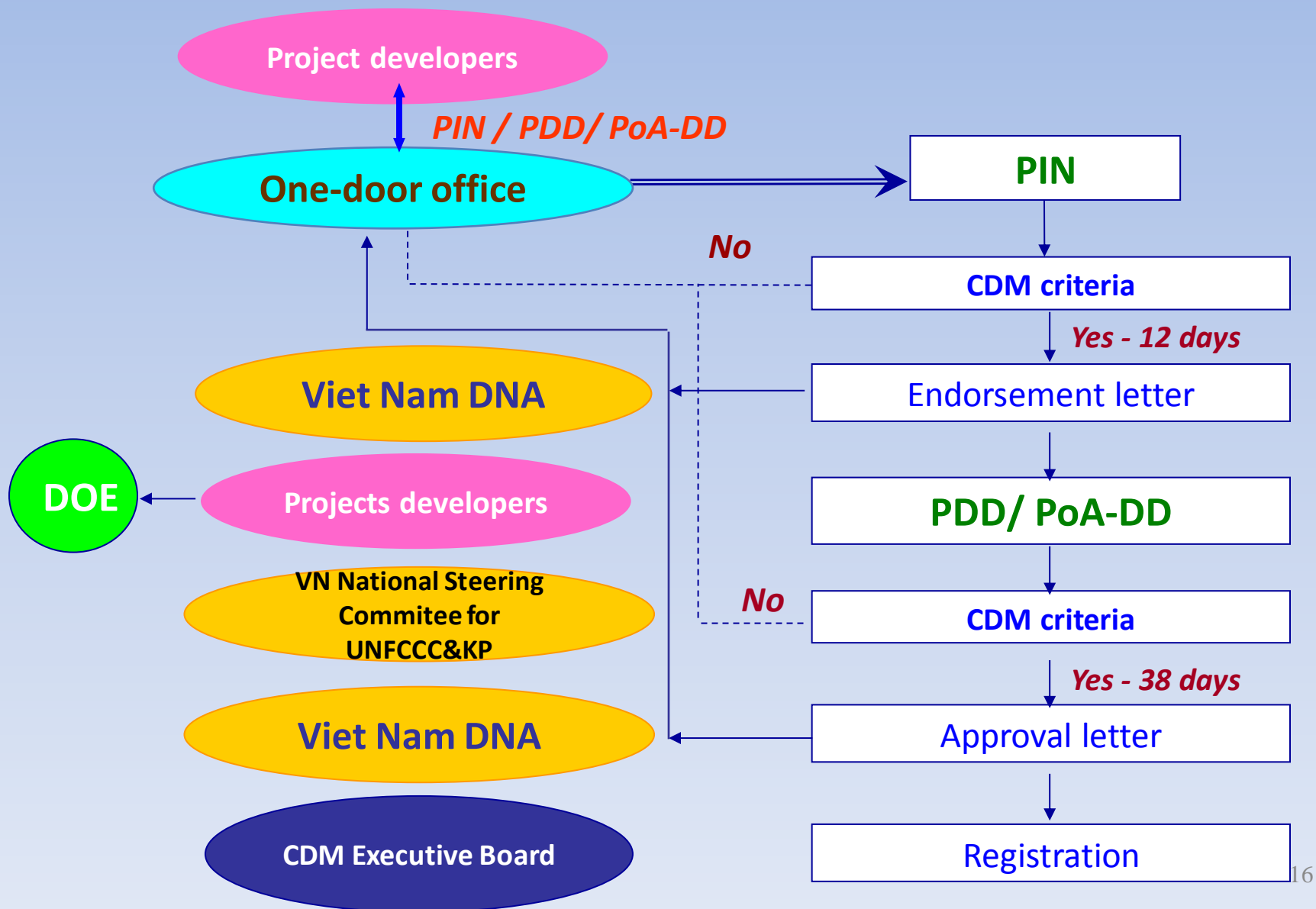
5. The other related licenses (if any) provided by competent authorities for projects in specific fields under current regulations;
6. Technical report for PDD or PoA-DD validation report of a DoE.
7. The authorization letter of foreign investor to domestic investor for executing the obligations on registration and CER fee payment if foreign investors did not have representative office in Viet Nam.

Document application for LoA of PDD/ PoA-DD in Viet Nam

Remarks:

- For electricity generation projects, the emission factor for electricity published by DMHCC is used in PDD/PoA-DD. If the project connects to the national power grid, it needs the support letter from Electricity of Viet Nam (EVN).
- For the hydropower project, it needs the license for using water surface;
- For the wastewater treatment project, it needs the license for releasing wastewater into the river.
- For multi-country PoA, it needs the LoA of the host country.

Approval process for issuing a LoA in Viet Nam



V. Challenges

- ✓ The awareness and knowledge of CDM issues among managers, policy makers, experts, enterprises, general public, private sector, NGOs are still limited;
- ✓ The financial sources for CDM activities in country are limited;
- ✓ The CER price in the world is dropping;
- ✓ The domestic carbon trading market is still under development.

VI. Solutions

- Revise and issue related legal documents to create a favorable legal framework for investors to develop and implement CDM in the country;
- Integrate CDM activities into national, sectoral, local development strategies and plans;
- Strengthen the cooperation between ministries, agencies, organizations and localities in development of CDM projects in Viet Nam;
- Increase the public awareness, capacity building activities on CDM;
- Actively assist project participants in developing the CDM projects.
- Create close co-operations with EB, DOE and project developers.





THANK YOU

For further information please contact:

**Department of Meteorology Hydrology and Climate Change
Ministry of Natural Resources and Environment**

Add: No. 10 Ton That Thuyet Str., Ha Noi

Tel: 84-4-37759384 - Fax: 84-4-37759382

Email: vnccoffice@fpt.vn - Website: www.noccop.org.vn