



Australian Embassy
Vietnam



Ho Chi Minh National Academy
of Politics

THÁCH THỨC TRONG PHÁT TRIỂN BỀN VỮNG

CHALLENGES TOWARD SUSTAINABLE DEVELOPMENT

Hanoi, 21 March 2024



Outline

The Report includes three themes that impact the sustainable development of Vietnam in the coming period:

- Just Energy Transition
- Development of a Circular Economy Toward Green Growth
- Carbon Market Development

JUST ENERGY TRANSITION

Focus on aspects of equity

- Reducing the scale of fossil fuel production and consumption, causing job losses for workers. Creating new jobs in the renewable energy sector.
- Narrowing inequality gaps and increase risks for poor households, but in the long term, the transition will contribute to poverty reduction. Exacerbating the inequality of opportunity between regions having coal mines/coal-fired thermal power plants and regions having business development opportunities provided by renewable energy projects.
- Impacting gender inequality between male and female workers, as women may face more barriers to employment opportunities in the renewable energy sector than men
- Increasing the demand for training in new renewable energy-related fields.
- Increasing unemployment benefits and social assistance for the unemployed. Increasing pressure on social security systems due to due to heightened labor migration.

Policy recommendations

- **Finalizing the legal framework for just energy transition:** (i) Establishing clear policy roadmap in combination with setting energy transition goals; (ii) Reviewing legal documents to ensure compliance with the Declaration on Establishing the Just Energy Transition Partnership; and (iii) Integrating just energy transition into planning and implementation processes.
- **Promoting green and sustainable employment:** (i) Promoting the development of frameworks and occupational skills standards related to renewable energy professions; (ii) Integrating just energy transition into education and labor market development strategies; (iii) Providing opportunities for farmers to implement models of integrating solar energy with agricultural production.
- **Supporting groups of vulnerable labor and households:** (i) Establishing support programs for job creation, skill training, and temporary salary insurance schemes; (ii) Developing and designing mechanisms to ensure affordable electricity, and (iii) Expanding power transmission and distribution infrastructure to ensure access to energy at reasonable costs

Policy recommendations

- **Providing training and refresher courses for those affected by the energy transition:** (i) Developing appropriate training programs that incorporate principles of a just energy transition into the education system; (ii) Formulating a comprehensive strategy for vocational education and training and higher education in the renewable energy sector, and (iii) Organizing training courses for personnel involved in the transition process.
- **Improving the social security system:** (i) Prioritizing infrastructure investment in regions heavily impacted by labor migration and developing support policies for affected enterprises; (ii) Crafting coordinated development plans for regions with coal mines and coal-fired thermal power plants; and (iii) Implementing solutions to actively reduce gender inequality in the workforce.

DEVELOPMENT OF A CIRCULAR ECONOMY TOWARD GREEN GROWTH

Opportunities

Developing a circular economy helps to:

- Drive innovation and improve labor productivity, contributing to the promotion of green growth through the restructuring of the economy and renovation of growth models for enhanced efficiency.
- Enhance connectivity among enterprises and economic sectors.
- Improve competitiveness and resilience of enterprises and supply chains to withstand external shocks.
- Target a green economy and carbon neutrality, contributing to the global goal of limiting temperature rise.

Challenges

- The mindset of implementing a circular economy from the stage of designing development orientations remains limited;
- An information and data system, along with a monitoring mechanism for implementing the circular economy, remain absent;
- Crucial technical standards and regulations, which are pivotal in implementing the circular economy, are absent;
- The market for goods and services related to the circular economy has not received adequate attention and support;
- The production and consumption of environmentally friendly products and services are not widespread;
- The engagement and participation of stakeholders in circular economy models are not up to expectations and have not formed an ecosystem of circular economy in a specific field;
- Most Vietnamese enterprises are small and medium-sized enterprises who have very limited technological capacity for recycling and reuse, let alone contributing to the recovery of resources.

Policy recommendations

- Improving the policies and legal framework related to technical standards and regulations, limiting non-recyclable waste, developing plastic recycling technology, and supporting the development of waste recycling markets.
- Developing and improving mechanisms and policies to encourage resource and energy conservation and environmental protection, attracting private investment in public-private partnerships to develop infrastructure for green industries, eco-industrial parks, circular urban areas, organic agriculture, and environmental services.
- Integrating updated content on environmental industry development into strategies, policies, and legal normative documents on agricultural and aquaculture product processing, industrial zones, and economic zones.
- Enhancing corporate social responsibility to promote sustainable production, environmental protection, energy saving, emissions reduction, and wastewater and solid waste reduction.
- Developing a system of information and statistics to effectively measure and monitor the success of these implementations.

CARBON MARKET DEVELOPMENT

Advantages

- Having a system of national legal documents supporting the development of the carbon market;
- Having considerable potential for reducing GHG emissions, especially in sectors such as energy, agriculture, land use, land use change and forestry, waste management;
- Having certain experiences in implementing a carbon market.

Challenges

- Lack of detailed mechanisms, policies, and regulations for the development and operation of a carbon market, with many overlapping provisions.
- Weak technical capacity, especially enterprises' capabilities in trading carbon credits and in research and technology application.
- Difficulties in ensuring technical infrastructure to support the operation of a carbon market, such as the national data system, standardized methods for GHG inventory, technological infrastructure, MRV system of GHG emission reduction at the national and sectoral levels.

Policy recommendations

- Improving the system of policies related to carbon pricing tools, including carbon taxes, carbon credits, exchanges, carbon trading operations, regulations on GHG inventory, emission standards, and emission reporting, and providing information about the carbon market.
- Promoting research and technology application in building databases, and technical infrastructure for managing GHG emission caps and carbon credits.
- Developing human resources and a network of home and overseas experts on GHG inventory, GHG emissions reduction verification, and carbon market development to meet management requirements, ensuring the alignment with the pre-set roadmap and compliance with domestic regulations, and international conventions on climate change to which Vietnam is a signatory.
- Strengthening international cooperation in GHG emissions reduction, international carbon market engagement, and domestic carbon market development to exchange information, share management experiences, knowledge, and skills, and mobilize maximum support for developing the carbon market.

THANK YOU!

TRÂN TRỌNG CẢM ƠN!

