

**Forum on Promoting Business Engagement in
the Joint Crediting Mechanism (JCM)
Towards Readiness for Vietnam's Carbon Market**

Hanoi Daewoo Hotel, 360 Kim Ma, Ha Noi, 22nd July 2025

■ **Overview of the Forum on Promoting Business Engagement in the Joint Crediting Mechanism (JCM) in Vietnam towards Readiness for Vietnam's Carbon Market**

- Date and time: July 22, 2025, 9:00-17:00
- Venue: Hanoi Daewoo Hotel
- Format: In-person and online
- Hosted by: Ministry of the Environment of Japan, Ministry of Agriculture and Environment of Vietnam
- Partner Organizations: Overseas Environmental Cooperation Center, Japan (OECC), Institute for Global Environmental Strategies (IGES)/ A6IP (Paris Agreement Article 6 Implementation Partnership) Center, Energy and Environmental Consultancy Joint Stock Company (VNEEC)
- Participants: 392 people, including Vietnamese government officials and representatives from Japanese and Vietnamese private companies (200 in person, 192 online (excluding event organizers))
- Languages: Vietnamese and English (simultaneous interpretation)

■ **Main program contents**

Opening Remarks:

Dr. Tang The Cuong, Director-General of the Department of Climate Change, MAE

- Mr. Cuong expressed appreciation for the participation of Japanese delegates and stakeholders at Forum on Promoting Business Engagement in the Joint Crediting Mechanism (JCM) Towards Readiness for Vietnam's Carbon Market.
- Since its launch in Vietnam in 2013, JCM has facilitated 14 registered projects, 15 approved methodologies, and issued over 35,000 carbon credits, with Japan committing around USD 35 million.
- Ongoing support targets sectors with high emission reduction potential such as agriculture, livestock, and energy, with plans to expand into complex areas like carbon capture and storage and wind energy.
- He affirmed the importance of the forum in advancing Vietnam-Japan collaboration and reiterated the government's commitment to creating a transparent, efficient carbon market aligned with international standards.

H.E. Ito Naoki, Ambassador Extraordinary and Plenipotentiary of Japan to Viet Nam

- Mr. Ito introduced that Japan and Vietnam, both committed to net-zero emissions by 2050, have collaborated on over 50 Joint Crediting Mechanism (JCM) projects in sectors like renewable energy, energy efficiency, and waste-to-energy.
- He further explained about recent progress that includes the issuance of JCM credits after a five-year hiatus, thanks to efforts by Vietnam's Ministry of Agriculture and Environment.
- Mr. Ito also stressed the importance of JCM in balancing Vietnam's climate and economic goals and praised Vietnam's move to complete domestic legislation aligning with Article 6 of the Paris Agreement, and expressed his hope that the forum would enhance decarbonization investment and accelerate progress toward shared climate targets.

Viet Nam's regulations on carbon market; cooperation approach for the exchange of GHG mitigation outcomes and carbon credits in the domestic and international carbon market by Mr. Nguyen Van Minh, Head of Carbon Market Division, Department of Climate Change, Ministry of Agriculture and

Environment of Vietnam (MAE)

- Mr. Minh explained about Decree 06 which came into effect in January, 2022 and is an important law aimed at reducing GHG emissions and developing a domestic carbon market.
- Decree 119 came into effect in June, 2025 by partially revising and supplementing the Decree 6 and stipulates introduction of Article 6.2 and 6.4, start of a pilot ETS for emission intensive industries in 2025 as well as preparation for full operation of domestic Emission Trading Scheme in 2029.
- Based on the Decree 119, MAE has been currently working to issue a new decree which covers Article 6 authorization and will be finalized this year.

Establishment of the domestic carbon exchange and carbon exchange regulations in Vietnam by Mr. Tran Minh Giang, Deputy Head, Financial Market Legal Division, Ministry of Finance of Vietnam

- Mr. Giang explained about a draft decree on the Domestic Carbon Trading Exchange (DCTE).
- The main objectives to establish the DCTE are to establish an effective price-setting mechanism and create economic incentives to promote emission reductions and investment in environmentally friendly technologies.
- The market model of the DCTE will be to accommodate both compliance and voluntary carbon market, while Hanoi Stock Exchange will provide the trading services.

Current implementation status and potential of the JCM in achieving national GHG emission reduction targets and updates on the JCM Rules and Guidelines by Mr. Iino Satoru, Director, Global Environmental Bureau, the Ministry of the Environment (MOEJ), Japan

- Mr. Iino firstly introduced overview of JCM by explaining that Japanese companies and government cooperate with mitigation activities in partner countries and share mitigation outcome through JCM, while JCM incentivizes Japan's investment in decarbonization projects bringing various benefits including reduction of cost of green energy/material.
- As for current implementation status of the JCM, he introduced that there are 30 JCM partner countries especially in Southeast Asia including Vietnam, while there are more than 250 JCM projects in Renewable Energy, Energy Efficiency, Waste, Transport, etc. with over 3 billion USD of investment.
- He also explained about Revision of JCM Rules and Guidelines which include Guidelines for Sustainable Development Implementation Plan and Report, Project Idea Note, Authorization, Reference Emission, etc.

Experience in implementing carbon credit projects in promising sectors

Japanese and Vietnamese companies introduced their carbon credit projects with advanced low-carbon technologies as mentioned below.

Biomass Power and Energy Security - JCM Enabling Decarbonization and Economic Growth by Mr. Saito Yasushi, Managing Director, Head of Vietnam Business Management, erex Co., Ltd. / President, erex Intl Co., Ltd.

- Mr. Saito explained that erex Co., Ltd is a leading company in biomass power generation in Japan and introduced the important concepts for Japan's Energy Policy on S+3E which means Safety, Energy security, Economic efficiency and Environment.
- He continuously explained that biomass power generation helps Vietnam achieve decarbonization and economic growth through stable power supply, contribution to employment and carbon neutral.
- He finally introduced three Vietnam's first commercial biomass power plants in Tuyen Quang, Lao Cai and Hau Giang which will have potentials to reduce a total of 282,000 t-CO₂/year.

Carbon credit generation project in Vietnam through AWD (Alternate Wetting and Drying) by Mr. Long Borareaksmeay, Regional General Manager, Green Carbon Co., Ltd.

- Mr. Borareaksmeay explained that the project development policies of the company is to contribute to protection of environment and food security of local communities through profit sharing, job opportunities, yield increase and additional support to increase income.
- He also introduced collaboration with Vietnamese research institutions in project development, methane

gas measurement and agricultural research activities.

- Actual outcomes of the AWD Projects in Vietnam were explained. For instance, methane emission was reduced by 58% in Nghe An Province 2024, while yield was increased by 22% in Vinh Phuc Province in 2024 by through the AWD Projects.

Efforts to launch commercial CCS projects in Vietnam and expectations for JCM by Mr. Kato Ayato, Deputy Director General, CCS Project Department, JOGMEC

- Mr. Kato firstly explained about Carbon dioxide Capture and Storage (CCS) and its advantages including a large-scale CO₂ reduction in a short period and support for domestic hard-to-abate industries.
- He introduced a planned CCS Hub Project with PETROVIETNAM and ENEOS Xplora in Vietnam. The Project will aim at being started by the mid-2030s and reducing a total of 20-90 MM ton of CO₂ emission.
- He further said that main challenges to realize CCS business in Vietnam are neither CCS legal framework nor CCS business model.

Vingroup's Approach to the Carbon Market by Vingroup's Approach to the Carbon Market by Mr. Tran Ky Anh, Transaction Manager - Carbon Credit Department, VinGroup JSC

- After overview of the Vingroup, Mr. Anh introduced its achievements in mitigating GHG emission in Vietnam. They include 5.9 million tCO₂ projected mitigation from VinFast's delivered EVs in 2024 for their whole lifecycle and 48,000 tCO₂ estimated mitigation from VinBus' operation in 2024.
- As for its future plan in mitigating GHG emission, he explained about 14,000 MW renewable energy and 4,800 MW LNG thermal energy in the period from 2025 to 2030 as well as about 3 high speed railway projects (Ha Noi – Quang Ninh, HCMC – Can Gio and North – South HSR) in Vietnam.
- He also explained about Vingroup's current and future carbon credit projects including V-Green charging infrastructure, VinFast e-scooters and Son La solar energy project.

Promoting the Energy Transition Towards Green Production and Sustainable Development at the Vietnam National Industry - Energy Group by Mr. Nguyen Van Tuan, Deputy General Manager, Division of Safety Environment & Sustainability, Vietnam National Industry - Energy Group

- Mr. Tuan briefly explained about PETROVIETNAM- Vietnam Oil and Gas Group changed its name to Vietnam National Industry and Energy Group according to Decision by Prime Minister in 2025. It is Top 3 biggest corporate in Vietnam and has three strategic pillars of Energy, Industry and Services with Energy.
- As its main businesses related to green production and sustainable development, he introduced the LNG-GAS Thermal Power which maximizes the use of domestic natural gas for electricity production, the Offshore Wind Power by referring to the first offshore wind farm project in South Central Vietnam as well as others including Nuclear power, Green Hydrogen project from solar energy, Pumped Storage Hydropower, Carbon Capture and Storage, Forestry Projects, etc.
- Finally, he recommended early completion and promulgation of legal regulations on Vietnam's Carbon market and simplifying international regulations and mechanisms on carbon credits including JCM.

Panel Discussion

- The first panel discussion began with an overview of Vietnam's progress on operationalizing Article 6.2 in Vietnam. Officials from the MAE and the MOF presented Vietnam's current legal and institutional framework related to carbon markets, including updates on Decree 06/2022 and Decree 119/2024. These decrees define the roadmap for building a domestic carbon market, aligning with international mechanisms like Article 6 of the Paris Agreement.
- A key highlight was the government's intention to develop a robust domestic carbon credit exchange platform, aiming for full implementation by 2028 and readiness for international linkage by 2029. The government is prioritizing market transparency, legal certainty, and strong monitoring, reporting, and verification (MRV) systems. However, speakers acknowledged that several technical and procedural gaps remain, particularly regarding issuance of Letter of Authorization (LOA), credit registration procedures, and project approval timelines.
- MOEJ reaffirmed their long-standing support for Vietnam's JCM, citing 14 approved projects and 15

established methodologies since the mechanism's inception in Vietnam in 2013. On the other hand, A6IP encouraged Vietnam to focus on "quality over quantity" by emphasizing environmental integrity and co-benefits like biodiversity and community development.

- Corporate representatives from both countries, including Green Carbon and Idemitsu, shared experiences of participating in JCM projects. They pointed out legal uncertainties and lack of clarity on revenue generation through carbon credits as significant barriers. Green Carbon stressed the need for legally enforceable LOAs and project timelines, while Idemitsu called for more clarity in the methodology approval process. Vingroup, a Vietnamese company expressed interest in entering the carbon market but cited insufficient information and weak internal capacity as hurdles.

JCM credit issuance procedures and authorization under Article 6 of the Paris Agreement by Mr. Koakutsu Kazuhisa, Director, A6IP Center

- Mr. Koakutsu firstly explained about authorization for JCM by saying that with the CMA decisions and rules and guidelines of the JCM, Japan and each partner country needs to make authorization for the JCM, while Japan proposes effective and simple authorization arrangements to ensure environmental integrity and enhance foreseeability for mitigation activities.
- He further mentioned that Japan takes two step authorization for JCM which are namely; 1. Authorization of JCM as a cooperative approach, Step 2a. Authorize the estimated quantity of ITMOs and Step 2b. Authorize the quantity of actual ITMOs.
- He also explained about importance of Initial Report and emphasized that submission of initial report and authorization of JCM as cooperative approach is a requirement for the use of JCM credits as ITMOs mandated by A6.2 guidance.

Principles and experience in developing JCM methodologies in potential mitigation sectors (energy, agriculture, waste management, etc.) by Mr. Iino Satoru, Director, Global Environmental Bureau, MOEJ, Japan

- Mr. Iino firstly explained about concepts of JCM methodology by mentioning that Methodology is a key document that Specifies scope and eligibility of the JCM project, Explains methods to quantify the amount of mitigation outcome and Provides estimation of how much JCM credits to be issued.
- He introduced that more than 100 JCM methodologies are already available, while Vietnam is among the top 3 countries having the biggest number of methodologies.
- He also explained about concepts of Setting and Calculation of BaU, Reference and Project emissions in several major sectors including Energy Sector, Waste to Energy, Agriculture (Alternate Wetting and Drying), Forest Sector (REDD+/Afforestation/Reforestation) and Removal of CO₂ (CCS (Carbon Capture and Storage) and CCUS(Carbon Capture Utilization and Storage)).

Q&A session

- One of the central issues discussed was the ambiguity around the issuance of LOAs, which are necessary for transferring emission reductions under Article 6. Vietnamese officials acknowledged delays and committed to issuing detailed guidelines to accelerate the process. Another suggestion was the need for predictable timelines and clear criteria for approval, as project developers often operate under tight schedules and investment commitments.
- Concerns were also raised about capacity of Vietnamese private sector to engage in carbon credit projects. Participants requested more practical training programs for various industries, especially in sectors like manufacturing, agriculture, and energy. There was also a strong call for the development of simplified methodologies that are accessible to small and medium enterprises (SMEs).
- Another key topic was the role of pricing and financial mechanisms. The MOF clarified that while the carbon market will be regulated, credit pricing will be market-driven. However, mechanisms like quotas, trading floors, and auctions will help prevent market distortion. Japanese participants advised Vietnam to build a credit system that ensures environmental integrity and avoids double counting, which is crucial for credibility in international markets.
- On technology and innovation, the dialogue explored the potential of integrating advanced technologies like CCS, direct air capture (DAC), and smart irrigation into the JCM framework. Both sides agreed on the need to prioritize projects with strong co-benefits and scalability potential. It was also explained that

Japan offers to assist with methodological development and feasibility studies for such projects.

Potential JCM projects in Vietnam

Japanese companies introduced their carbon credit projects with advanced low-carbon technologies as mentioned below.

Introduction of T&J Green Energy - The first WtE project Supported by JCM Scheme in Vietnam by Mr. Ohara Takanobu, Deputy General Manager, Recycle Business Promotion Division, JFE Engineering Corporation

- Mr. Ohara explained about the Waste to Energy Project in Bac Ninh Province which has the main characteristics of 41,805 tCO₂/year as GHG reduction, 11.6 MW as Power Generation and 500 ton/day as processing capacity.
- He further mentioned that JCM could help them to mitigate investment risks which include finding a local partner, arranging bank loans, methodology to reduce GHG, etc.
- Finally, he introduced the company's future visions in Vietnam which include CO₂ capture and methanol production, Waste to Chemical, and Circular Economy.

JCM Case Study - The First Wind Farm Project Approval in Vietnam by Mr. Pham Van Tin, Vietnam Country Manager, Shizen Energy Inc.

- Mr. Tin firstly introduced global achievements and pipelines by his company which include operating 56.0 MW in Vietnam (plus Under construction of 40.0 MW and Development of 36.0 MW).
- He briefly explained about three projects in Vietnam and they are 40 MW Quang Tri Wind Farm, 21 MW Phuong Mai 3 Wind Farm and 35 MW Hau Giang Solar Farm.
- Out of the three projects in Vietnam, he explained about 40 MW Quang Tri Wind Farm in details. It is the first wind farm project approved in Vietnam and the project cost is VND 1,434 Billion (USD 58 million).

Our Approaches to Creating Carbon Credits in the Vietnamese Agricultural Sector by Mr. Asahi Hiromitsu, General Manager, Business Strategy Dpt. & General Administration Dpt., IDEMITSU VIETNAM CO., LTD.

- Mr. Asahi firstly explained about his corporate carbon neutral initiatives whose target goal is 46% reduction in CO₂ emissions by 2030 compared to 2013 levels not only by transitioning to clean energy and reducing generation but also by utilizing carbon credit.
- He introduced a Carbon Credit generation project utilizing sugarcane fields in Thanh Hoa Province in cooperation with Sagri Co., Ltd and Lam Son Sugar Cane Joint Stock Corporation. The objective of the project is to promote regenerative agriculture to reduce GHG such as nitrous oxide and boost soil organic carbon.
- He mentioned that main challenges identified through the project are Necessity for Guidelines to promote voluntary carbon credit generation, Securing funds for pilot projects and Necessity of utilizing remote sensing.

The Demonstration of Producing Green Hydrogen Utilizing Surplus Electricity from Renewable Energy and Providing System Solutions in the Socialist Republic of Viet Nam by Mr. Tran Nguyen Trong Nguyen, Director, Kenzen Trading and Consulting Co. Ltd

- Mr. Nguyen firstly introduced the current status of using renewable energy in Vietnam. The natural and geographic characteristics of Vietnam has its great potential for renewable energy which is over 1,000 GW (650 GW of wind power and 380 GW of solar power).
- He explained about OBAYASHI (Japanese partner) Hydrogen Supply Chain Business covering Production, Transport/store and Usage by referring to the projects in Japan and New Zealand.
- He introduced a NEDO project on green hydrogen production and storing business in Vietnam by utilizing surplus solar power for producing, storing and using green hydrogen at local factories. The project objective is to reduce 1,000 tons of CO₂ emission during the demonstration period.

Panel Discussion on promoting implementation of carbon credit projects

- The panelists from the JFE Engineering Corporation and Shizen Energy Inc. explained that benefits of JCM are not only the subsidies, but also increasing stability and reducing risk of implementing the project. It was also shared by them that since JCM has international standards, local banks are positive to support their JCM projects.
- As for why Idemitsu is implementing a JCM project in agriculture in collaboration with Sagri although it is one of major oil companies, Idemitsu explained that the energy and industry sectors are the biggest source of GHG emission, while agriculture is one of the main potential and important sectors for the government. In addition, Idemitsu mentioned that they need to explain to stakeholders about our roles and positions to reduce GHG, while its approach of diversification is also important in that it can give them a good chance to develop another approach of using JCM.
- Regarding whether to have a plan to scale up the green hydrogen project, Kenzen Trading and Consulting Co. Ltd explained that if JCM can support future stage of the project, they can consider expanding the project.
- Finally, DCC emphasized that it is necessary to increase capacity of the private sector so that they can create carbon credits, while promising that they will make efforts to improve legal framework for them.

Closing Remarks:

H.E. Matsuzawa Yutaka, Senior Advisor to the Minister (Former Vice Minister), MOEJ

- Mr. Matsuzawa thanked all the participants and all speakers for their participation and contribution. He explained that Japan and Vietnam can share common views that legal framework is foundation of carbon market in Vietnam.
- He appreciated that the Japanese and Vietnamese private companies have been implementing various projects including CCS, AWD, and so on. Finally, Mr. Matsuzawa concluded that insights of the forum are Involvement of private sectors, Continuous work on legal framework and ETS while partnership is a key to implement JCM for achievement of Sustainable Development Goals.

Mr. Nguyen Tuan Quang, Deputy Director General of Department of Climate Change, MAE

- Mr. Quang explained that today's forum proves that many private sectors are interested in JCM that not only targets GHG reduction and Sustainable Development, but also domestic and international Carbon Markets.
- He mentioned that JCM is quite important for Vietnam since it has 30 partner countries and 250 projects, while indicating that 40 JCM projects are proposed by MOEJ. Furthermore, Mr. Quang emphasized that in order to engage in JCM, it is necessary to comply with rules which cover registration approval to carbon credit allocation.
- He explained that DCC commit that it should finalize JCM R&G with MOEJ and that they could learn experiences like Waste to Energy Project in Bac Ninh Province in this forum, while encouraging people to participate in JCM projects.
- Finally, he said that today's forum is quite significant and thanked MOEJ and A6IP Center for their partnerships on JCM and thanked all for your participation.

