

## EU's carbon tax regime enters transitional phase

VietnamPlus – October 05



### SUMMARY



#### 1. POLICY & LEGAL

- 1 article on CBAM
- 1 article on wind towers
- 1 article on hydropower
- 3 articles on the EU green legislations



#### 2. RENEWABLE ENERGY & ENERGY EFFICIENCY

- 2 articles on JETP
- 2 articles on LNG
- 1 article on electricity imports
- 1 article on electricity generation
- 3 articles on energy investments



#### 3. CIRCULAR ECONOMY

- 3 articles on waste management
- 1 article on textile recycling
- 1 toolbox on circularity in NDCs



#### 4. WATER

- 1 article on water scarcity
- 2 articles on water legislations
- 2 articles on wastewater technology



#### 5. SUSTAINABLE CITIES & BUILDINGS

- 1 article on flooded cities
- 1 article on urbanization rate
- 1 article on green buildings
- 2 articles on decarbonization



#### 6. SUSTAINABLE FINANCE

- 3 articles on carbon credits
- 2 articles on green bonds
- 1 article on carbon taxes
- 1 article on VCM
- 1 article on ESG rating



#### 7. OTHERS

- 3 articles on COP28
- 1 article on catfish industry
- 1 article on green transport



#### 8. EVENTS

- 5 upcoming events on sustainability



# 1. POLICY & LEGAL



## [EU's carbon tax regime enters transitional phase](#)

*VietnamPlus – October 05*

The EU's effort to cut carbon emissions globally is going into high gear as the bloc's Carbon Border Adjustment Mechanism (CBAM) entered its transitional phase on October 1. Many manufacturers in Vietnam are to face more challenges in reporting total verified greenhouse gas emissions of goods exported to the EU.

## [VN initiates anti-dumping investigation wind towers imported from China](#)

*Net Zero Vietnam – October 01*

The Ministry of Industry and Trade has issued Decision No 2494/QĐ-BCT to initiate an anti-dumping investigation on wind towers imported from China. Local producers were proposing an anti-dumping tax rate of 97 per cent.

## [EU passes law to improve water quality standards](#)

*RTE – October 05*

The new law has been described as one of the most significant overhauls of EU water policy in over 30 years. Producers will have to contribute towards financing the removal of micro-pollutants through a "polluter pays" principle. The proposal will also see wastewater treatment plants across Europe becoming energy neutral by 2040. It will add a fourth level to water treatment processes, which will place significant pressure on operators of water treatment plants.

## [Greening the bond markets: MEPs approve new standard to fight greenwashing](#)

*European Parliament – October 05*

MEPs on Thursday adopted a new voluntary standard for the use of a "European Green Bond" label, the first of its kind in the world. The regulation lays down uniform standards for issuers

who wish to use the designation 'European green bond' or 'EuGB' for the marketing of their bond. The standards will enable investors to direct their money more confidently towards more sustainable technologies and businesses. The standards align with the EU's taxonomy framework that defines which economic activities the EU considers environmentally sustainable.

## [Hundreds of small hydropower projects have been excluded from the planning](#)

*VnExpress - October 15*

According to the Minister, after reviewing and inspecting various hydropower projects, the management authorities have removed 8 cascade hydropower projects, 486 small hydropower projects, and 213 potential locations from the planning. "These are projects that occupy a significant amount of land, have environmental and social impacts, or low economic efficiency," said Mr. Dien. The remaining projects within the planning have mostly been carefully reviewed and updated in Power Plan VIII for further investment.



## [Circular economy: new recommendations for national authorities to increase the return of used and waste mobile phones, tablets and laptops](#)

*European Commission – October 06*

The collection rate of small electronic devices across the EU remains low. For example, the collection rate of mobile phones is reported to be under 5% and an estimated stock of 700 million unused and waste mobile phones are stored in households across the EU.

Today, the Commission has adopted a set of policy recommendations for Member States to improve and incentivise the return of used and waste mobile phones, tablets, laptops and their chargers. The recommendations aim to support national authorities to ensure maximum collection rates and subsequent re-use, repair, refurbishment and recovery of these small electronic devices.



## 2. RENEWABLE ENERGY & ENERGY EFFICIENCY

### **WB proposed EVN to invest in renewable energy projects.**

*Vietnam Energy – October 05*

At the meeting, Ms. Carolyn Turk proposed EVN ideas for cooperation in the energy field such as installing floating solar power projects in Vietnam, importing electricity from Laos to Vietnam and cooperating in developing offshore wind power and pumped storage hydropower projects.

### **Vietnam ramps up imports to diversify in energy security**

*Vietnam Investment Review - October 11*

Vietnam Electricity (EVN) started the construction of the Monsoon-Thanh My 500kV transmission line project on September 30, with a total investment of \$45.26 million.

The line is expected to be put into operation by the end of 2024 and will transmit a maximum capacity of about 2,500MW, contributing to improving the operating capacity of the national power system through importing electricity from Laos.

### **Electricity generation in 9M reaches 210 billion kWh**

*VnEconomy – October 05*

Of the nine-month total, 97.2 billion kWh was generated from coal thermal power plants, accounting for 46.3 per cent, 58.05 billion kWh from hydro power plants, or 27.7 per cent, and 29.13 billion kWh from renewable energy, or 13.9 per cent.

### **VN has opportunity to seek UK support in just energy transition**

*Net Zero Viet Nam – October 10*

Amid limited public resources, it was critical for Việt Nam to ensure an attractive business environment for investors. To attract investment in the power sector, it is critical for Việt Nam to ensure transparency in electricity pricing.

Việt Nam should not subsidise and oversubsidise sectors that consume traditional primary resources such as coal, oil and gas, while these resources should be used to encourage green energy transition instead.

In addition, policies should be raised to provide support to disadvantaged groups such as poor households and those in difficult circumstances to access clean energy.



### **World's electricity supply close to 'peak emissions' due to growth of wind and solar**

*Eco-Business – October 11*

Carbon dioxide (CO<sub>2</sub>) emissions from the global power sector grew just 0.2 per cent in the first six months of 2023, with rapidly rising wind and solar outpacing sluggish demand growth.

### **Vietnam, EU, UK discuss implementation of energy transition partnership**

*VietnamPlus - October 03*

Deputy Minister of Industry and Trade Nguyen Sinh Nhat Tan had a working session with the European Union delegation to Vietnam and the British Embassy in Hanoi on October 3 to discuss the implementation of the Just Energy Transition Partnership (JETP).

At the working session, Tan informed that a technology and energy working group was set up under the ministry to support the JETP implementation, adding the group is responsible for reviewing and completing policies as well as regulations on equitable energy transition besides coordinating technical activities and promoting technology transfer.



## 2. RENEWABLE ENERGY & ENERGY EFFICIENCY

### Why are LNG power plant projects progressing slowly and not being implemented?

*Newspaper of Industry and Trade - October 14*

Therefore, the Deputy General Director of PV Power proposes that the government promptly establish electricity pricing frameworks for these projects. This should include mechanisms and policies allowing LNG power projects to transfer gas costs to electricity prices. Moreover, there should be a commitment to a suitable long-term annual electricity output (Qc) to ensure funding arrangements.

Additionally, specific mechanisms should be in place to encourage investment in LNG power projects that support stable power grid operation. Furthermore, the government should expedite the development and issuance of technical standards and regulations in Vietnam for constructing LNG storage and import facilities, and consider reducing import duties on LNG and power plant construction equipment. Reducing income taxes for enterprises investing in green energy development is another approach to promote investments.

### Owner of coal power project wants to switch to gas power: We can't wait anymore!

*Bao Moi - October 03*

Coal is nearly at the end of the line for new investments, and the only way forward is shifting towards LNG power. The project owner of the Cong Thanh Thermal Power Plant reflects that, even though they are not demanding any incentives, everything is prepared and ready, but they are anxiously waiting...



### EVNGENCO1 looking for new power source investment projects

*The Law - October 06*

In October, EVNGENCO1 placed a high focus on ensuring the safe and efficient operation of power plants, aiming to complete the assigned electricity output of 3,060.7 million kWh. It continues to conduct surveys and collaborate with local authorities to seek new electricity generation projects, with a priority on renewable energy sources such as offshore wind power.



### Biggest challenge of renewable energy development is investment capital

*Mekong Asean - October 03*

Mr. Hung mentioned that investing in renewable energy projects requires significant capital and carries high risks due to the capacity and output dependence on weather, climate, and the extended payback period caused by higher initial investment and electricity prices compared to traditional energy sources.

Speaking about the funding aspect, the development of LNG projects often demands capital in the billions of USD for the entire gas-to-electricity chain. Therefore, to attract investors and financial institutions to fund these projects, it is essential to enhance the legal framework, management mechanisms, and financial support for such initiatives, stated Mr. Hung.



### 3. CIRCULAR ECONOMY

#### [Investing in Waste Disposal Management in Vietnam](#)

*Vietnam Briefing – October 09*

As reported by Mordor Intelligence, the waste management market in Vietnam is projected to reach a size of US\$5.12 billion in 2023, with further growth expected to reach US\$7.54 billion by 2028. However, complex permitting process, the absence of waste sorting at the source and limited infrastructure & technology poses significant hurdles to effective waste management in Vietnam.

#### [Roadblocks remain in apparel production recycling](#)

*Vietnam Investment Review - October 03*

Many difficulties persist with implementing recycling in textiles and garments because the cost is still quite high when businesses need to both reduce impacts on the environment in production practice and lower the production cost.



#### [Building Circularity into Nationally Determined Contributions \(NDCs\)](#)

*UNEP – October 10*

Integrated into a digital platform, the toolbox provides

policymakers with a step-by-step methodology, resources, and tools to:

- Assess and identify GHG emissions hotspots from material use and establish entry points in the NDCs
- Assess and select circular economy interventions, and adjust targets for the NDCs
- Identify policy instruments and indicators for implementation
- Track and report progress in the Biennial Transparency Report

#### [New economic models awaiting favorable operating environment](#)

*Sai Gon Giai Phong – October 13*

The 2020 Environmental Protection Law mandates waste sorting at its source but does not offer explicit guidance on how waste should be transported and recycled after sorting. This lack of specificity is the main factor hindering the efficient implementation of recycling activities in many regions.

Agricultural byproducts in Vietnam are abundant; however, a substantial portion of them remains unused as raw materials for various other industries. According to statistics from the Ministry of Agriculture and Rural Development, Vietnam has approximately 5-6 million households and 23,500 livestock and poultry farms, generating an annual average of 84.5 million tons of waste.

Regrettably, only 20 percent of this waste undergoes proper processing through composting, bioenergy production, or use for earthworm breeding purposes, while the remainder is

discharged into the environment. This is primarily due to the absence of incentivizing mechanisms and specific legal regulations for the efficient utilization of agricultural byproducts and waste.

#### [Burning waste is synonymous with burning away recyclable resources for the future](#)

*VnEconomy - October 12*

Regarding the internal aspects of the recycling industry, Mr. Kien believes that Vietnam's environmental industry is currently small, with technology and infrastructure not yet suitable for large-scale development and production. It has mainly focused on developing a few specific sectors and fields, lacking diversity and not fully utilizing all waste sources as recyclable materials that various manufacturing sectors may require (such as waste from bamboo, coconut shells to serve the textile industry or glass waste).

In addition, local authorities have not shown much interest in or provided support for waste sorting and recycling efforts. There is still a prevalent mindset that views waste as something to be disposed of, leading many regions to invest in waste incineration facilities to simply burn the waste.





## 4. WATER

### **More solutions needed to curb water scarcity and restoration: expert**

*Vietnam News - October 01*

Data from the World Bank shows that Việt Nam has approximately 840 billion cubic meters of water resources annually. However, this resource isn't evenly distributed across regions. The water that can be used is not the same across regions depending on seasons.

### **Feedback on the Draft Water Resources Law (amendment): There is a need to include additional provisions regarding the protection of water resources.**

*Newspaper of Natural Resources and Environment - September 29*

Mr. Nguyen Van Ve suggests clearly specifying and categorizing sources of emissions to serve as the basis for establishing appropriate management policies. Associate Professor Dr. Ha Luong Thuan suggests removing the phrase "with the potential to negatively impact the stability of riverbanks and riverbeds," as he believes that any activity related to sand and gravel mining should undergo an environmental impact assessment and receive approval from the state authorities responsible for water resources. Only through this approach can we effectively manage and reduce the current situation of sand and gravel mining in riverbeds and streams.

### **Vietnam's wastewater treatment needs better technologies**

*VietnamPlus - September 29*

The latest MoNRE statistics revealed that as of 2022, only about 20% of industrial clusters invested in centralised wastewater treatment systems. The remainder either treated wastewater on their own or

directly discharged it into the environment.

In a World Bank report, in the next two to three decades, Vietnam may not have enough clean water to use, considering this a very alarming threat. Wastewater treatment and management solutions now depend heavily on technological advancements.



### **Wastewater treatment plants in Vietnam have not been designed to remove microplastics**

*Tia Sang Newspaper - October 09*

According to the research group, Vietnam is currently facing a severe water pollution problem primarily caused by untreated wastewater from domestic, industrial, and agricultural activities. At present, the 45 wastewater treatment plants in Vietnam primarily focus on treating only about 12.5% of the total volume of domestic wastewater generated in Vietnamese urban areas.

These treatment plants usually concentrate on the removal of organic matter, nutrients, and pathogens from the water. They undertake preliminary treatment using screens or barriers, followed by secondary

treatment processes, such as Conventional Activated Sludge (CAS), Sequential Batch Reactor (SBR), and Oxidation Ditch (OD). These plants are not designed to remove microplastics from the wastewater, and, to date, Vietnam's wastewater quality standards do not include limits on microplastic concentration. Last year, Associate Professor Dr. Do Van Manh estimated the efficiency of microplastic removal in three centralized wastewater treatment plants in Danang City and found that the removal efficiency was low (22-25%).

### **The Ministry of Natural Resources and Environment is soliciting opinions to develop the National Target Program on Climate Change Response and Natural Disaster Management**

*Newspaper of Natural Resources and Environment - October 12*

According to estimates, Vietnam will need around 7 billion USD to import advanced technologies for wastewater treatment. Therefore, mobilizing funding requires a clear, specific, and detailed plan to execute reasonable proposals.

In the contributions from Mr. Truong Anh Son, a representative of the Ministry of Planning and Investment, it is suggested that the Ministry of Natural Resources and Environment should expedite the implementation of investment projects related to rural solid waste management and urban domestic wastewater treatment for river and lake pollution mitigation. There should also be a reconsideration of the budget allocation for addressing heavily polluted river systems, as this is a particularly challenging task, given the current pollution levels.



## 5. SUSTAINABLE CITIES AND BUILDINGS

### [Poorest districts worst affected in Ho Chi Minh City floods](#)

*Eco-Business – October 09*

This explosive economic growth came with rapid urbanisation, stacked mostly upon soft, alluvial soil. Plumbing infrastructure was slow to catch up to the urban sprawl, so groundwater extraction using makeshift wells became widespread. Thousands of these wells remain in Ho Chi Minh City, pumping groundwater for industrial, domestic and agricultural uses. Where extraction of groundwater exceeds the rate at which it can be replenished, this can cause the water table to lower, and the ground above it to sink.

A 2016 World Bank study found that Ho Chi Minh City's slums ("densely built small households and shelters that have [a] predominantly semi-permanent character") are disproportionately exposed to the consequences of flooding, with 68-85 per cent being at risk, compared to an average of 63-68 per cent across all of the city's urban areas.

### [Hanoi strives to raise urbanisation rate to 75% by 2030](#)

*VietnamPlus - October 09*

The capital city of Hanoi is striving to increase its urbanisation rate to 60-62% by 2025 and around 65-75% by 2030. Other key targets are to expand the urban construction area to about 30% of the total natural land area by 2025 and 33-36% by 2030. The city intends to complete the planning of all districts and satellite urban areas, as well as concrete planning for renovation and reconstruction of old apartment buildings.

### [Building a global action agenda for built environment market transformation](#)

*WBCSD – October 05*

All actors from business, finance, policy and science need to have a shared understanding of the importance of the built environment for climate mitigation and a common vision for its urgent decarbonization as a system, and the importance of radical and deep collaboration across all stakeholders, focusing on the following three levers:

1. Adopt life-cycle thinking and Whole-Life Carbon Assessment across the full value chain, and align key indicators, metrics and targets accordingly.
2. Integrate the carbon cost and reflect it in the

price of products and services throughout the value chain, including in procurement and taxonomy.

3. Transform the supply and demand dynamics to incentivize low-carbon solutions based on the Whole-Life Carbon approach.

### [Governments can cut buildings' embodied carbon with new policies, reports say](#)

*Facilities Dive – October 05*

Targeted incentives and building code changes can support the transition to more climate-friendly building materials, say research, advocacy and industry groups.

The report recommends that policymakers focus more on policies that encourage embodied carbon reductions at the project and building scale; many emerging policies instead address the carbon performance of the materials themselves.



### [The demand for green building design and consulting services is increasing significantly in Vietnam](#)

*Tuoi Tre Newspaper – October 11*

Compared to before 2021, the number of clients seeking green design and consulting services has increased by 30%. The variety of green projects spans different sectors, from office buildings and government headquarters to hotels, shopping centers, and factories.

According to Mr. Quang, green projects require an initial investment that is 3-8% higher than traditional construction, but within 5-8 years, investors can recover their capital and begin to profit due to reduced operating costs and energy savings.

However, many people mistakenly believe that green, environmentally friendly buildings are only about planting a lot of trees, while excessive tree planting can have adverse effects.



## 6. SUSTAINABLE FINANCE

### [Vietnam receives \\$41 million from World Bank for sale of forest carbon credits](#)

*Vietnam Investment Review - October 02*

Vietnam has received over \$41 million from World Bank for sale of forest carbon credits, equal to 80 per cent of the committed amount under the Emission Reductions Payment Agreement.

### [The green bond market cannot develop distortedly](#)

*Saigon Times - October 01*

Green bonds will be an effective channel for mobilizing capital to address the bottleneck in funding for green transformation projects, which according to the World Bank, will require approximately \$368 billion USD by 2040 to achieve Net zero by 2050. However, the domestic corporate bond market currently has a non-performing loan ratio of around 12% and may continue to increase due to significant maturity pressure in 2024, leaving no room for discrepancies or shortcomings. The market needs a fundamental change from the appraisal and issuance process to distribution and guarantees to support the development of green bonds.

### [Businesses are borrowing billions of USD to fund "green" projects](#)

*VnExpress - October 10*

Recent loans in the hundreds of millions to billions of USD taken out by infrastructure and manufacturing businesses are all related to sustainable development. According to Mr. Quang, given the limited state budget, mobilizing capital for green growth from domestic capital markets and foreign investors is a crucial solution. However, green projects require long-term investments with long-term loans. The payback period for infrastructure projects such as renewable energy is around 13-15 years, while waste

treatment projects take even longer, over 15 years. Therefore, the development of mechanisms to attract long-term loan capital is a vital step towards implementing the green growth plan. "The bond market is currently stagnant, and most bank loans are short-term. Therefore, green bonds are a viable option," Mr. Thuan suggests.

### [IMF: If carbon taxes are not imposed, the public debt of countries will increase significantly.](#)

*Saigon Times - October 04*

The International Monetary Fund (IMF) warns that if countries rely solely on the state budget to implement measures aimed at achieving the Net Zero carbon emissions target, the public debt of emerging economies with significant emissions could increase by up to 50% by 2050. Therefore, the IMF calls on countries to swiftly implement carbon taxes to mobilize financial resources from the private sector in the fight against climate change.

### [Increase the supply of carbon commodities](#)

*Newspaper of Natural Resources and Environment - October 05*

According to many experts, the current issue in Vietnam is the absence of an entity capable of issuing internationally recognized carbon credits. Hiring foreign organizations for verification adds extra costs and is economically inefficient. Regarding forest carbon credits, which are considered to provide the greatest benefits, the challenge lies in determining a reasonable selling price. Banks and financial institutions will play a role in the carbon market as owners of carbon credits generated under international and domestic carbon credit mechanisms. They can also serve as capital providers to the financial market and provide the financial infrastructure for carbon trading.

In addition, export-oriented businesses in industries affected by the Carbon Border Adjustment Mechanism (CBAM) should be given priority to participate in the market from the pilot phase to reduce the increased costs imposed by EU requirements.



### [Understanding the voluntary carbon exchange landscape](#)

*Eco-Business - October 04*

In certain jurisdictions, there are interactions between compliance and voluntary carbon markets, whereby carbon credits from the voluntary markets are permitted to be used as part of the carbon reduction requirements in the compliance market. These markets have helped put a price on carbon and help to channel funds to finance projects that mitigate climate change through the buying and selling of carbon credits.

### [Can 'transition credits' make Asia's early coal phase-out more economically viable?](#)

*Eco-Business - October 03*

Singapore's central bank recently proposed the use of a novel class of carbon credits, called "transition credits", as a new financing mechanism to hasten the early retirement of Asia's nearly 2,000 coal-fired power plants (CFPPs) in a working paper jointly published with consulting giant McKinsey and Company.

### [ESG ratings: whose interests do they serve?](#)

*Financial Times - October 03*

Regulators and politicians are focusing on the accuracy, transparency and potential for conflicts of interest with sustainability scores.



## 7. OTHERS

### [Addressing the carbon emissions issue in the billion-dollar catfish industry](#)

*Saigon Times – October 11*

### [COP28 chief urges energy groups to prepare for fossil fuel ‘phase down’](#)

*Financial Times – October 04*

### [COP28’s food system focus eagerly anticipated by experts](#)

*Food Navigator - October 13*

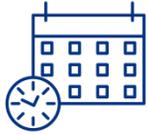
### [COP28 climate summit could suffer collateral damage from Mideast crisis](#)

*Axios - October 13*

### [Vietnam develops smokeless vehicles, considers hydrogen fuel cell cars](#)

*Net Zero Vietnam – October 03*





## 8. EVENTS

### **[New economic models hold huge potential for sustainable growth](#)**

Vietnam New Economy Forum 2023 was co-hosted by VnEconomy / Vietnam Economic Times (VET) and the Central Institute for Economic Management (CIEM) on the afternoon of October 6, with the theme “New economic models to promote breakthrough growth and sustainable development”.



### **[Digital transformation and green transformation are opportunities for businesses to break through](#)**

On September 30th, the "Digital Transformation and Green Transformation for Sustainable Development" forum took place as part of the Techconnect and Innovation Vietnam 2023 event. The program was jointly organized by the Ministry of Science and Technology and the People's Committee of Quang Ninh Province.

### **[Da Nang: Reducing emissions in production for sustainable development, aiming for the Net Zero goal](#)**

On the morning of October 10th, in Da Nang City, a seminar titled "Green Transformation - Sustainable Development Trends for Businesses" was held to connect and share solutions for energy efficiency, renewable energy development, and the implementation of an economic transformation towards sustainability, contributing to achieving the "Net Zero" emissions target by 2050.

### **[Seminar looks at fostering ESG implementation in private enterprises](#)**

The “Vietnamese Businesses and ESG Revolution” seminar, organized by PwC Vietnam in cooperation with the Vietnam Young Entrepreneurs Association (VYEA) and the Phuc Khang Corporation, took place on September 29, focusing on environmental, social, and governance (ESG) transformation and energy transition in private enterprises.

## Upcoming Events

### **[\[Breakfast Seminar\] Renewable Energy - Growth Opportunities and Insurance Challenges in Viet Nam | European Chamber of Commerce](#)**

*October 25, 2023 – Sofitel Plaza Saigon, Ho Chi Minh City, Vietnam*

### **[Green Economy Forum 2023 – European Chamber of Commerce](#)**

*November 02, 2023 - JW Marriott, Hanoi, Vietnam*

### **[Vietnam Circular Economy Forum 2023](#)**

Theme: Develop the National Action Plan on Circular Economy in Viet Nam

*December 05, 2023 – Melia Hotel, Hanoi, Vietnam and Online*

### **[National Stakeholder Forum ASEAN-German Cooperation Project: Reduce, Reuse, Recycle to Protect the Marine Environment and Coral Reefs - GIZ](#)**

*November 22, 2023 - World Trade Center Binh Duong New City, Vietnam*

### **[Global Offshore Wind & Green Hydrogen Summit Asean 2023](#)**

*December 06 - 07, 2023 - Ho Chi Minh City, Vietnam*

**Green Growth Sector Committee**  
**GreenGrowthSC@eurochamvn.com**



*For any feedback on the E-bulletin or our communication channels,  
please contact Nguyen Cong Minh Bao at: [minhbao1973@gmail.com](mailto:minhbao1973@gmail.com)*