



# VIETNAM

## CLIMATE CHANGE FACT SHEET

Vietnam is one of the world's top five most vulnerable countries to climate change. Typhoons, floods, droughts, and landslides frequently threaten a high proportion of the country's 96 million people and economic assets concentrated along its long, densely populated, coast.

And although Vietnam is a modest greenhouse gas emitter, emissions have multiplied fivefold in the last 20 years—largely fueled by significant growth in electricity demand. The energy sector is responsible for more than half of the country's emissions, followed by agriculture, industrial processes, and waste. USAID partners with Vietnam to strengthen both its environmental security and stewardship. We are working together to reduce greenhouse gas emissions and strengthen adaptation by accelerating Vietnam's transition to clean energy, working to protect the natural environment, and engaging with local communities on environmental pollution, as well as disaster response, preparedness, and risk reduction.

### GOVERNMENT OF VIETNAM CLIMATE PRIORITIES

Vietnam announced at the 2021 United Nations Climate Change Conference (COP26) a target of net zero carbon emissions (GHG) by 2050. To align with this target, Vietnam is reviewing its Nationally Determined Contribution (NDC), a climate action plan to cut emissions and adapt to climate impacts. Vietnam also signed on to the Global Methane Pledge, the Lowering Emissions by Accelerating Forest Finance (LEAF) Coalition, the Leader's Declaration on Forests and Land Use, the Global Coal to Clean Power Transition Statement, the Call to Action to Raise Ambition for Climate Adaptation and Resilience, and the Policy Action Agenda for a Transition to Sustainable Food and Agriculture. The Government of Vietnam released Decree 06 on January 7, 2022, providing regulations on the reduction of GHG emissions and protecting the ozone layer. Per Decree 06, the government is currently drafting the National Climate Change Strategy until 2050 and the National Methane Emissions Inventory 2020, as well as designing an Emissions Trading System.

### USAID'S CLIMATE CHANGE PROGRAM: OBJECTIVES AND RESULTS

USAID supports the Government of Vietnam's development and climate priorities through programs and partnerships on climate adaptation, renewable energy, and sustainable landscapes.

## **ADAPTATION**

USAID supports Vietnam to prepare for and respond to natural disasters, restore habitat, and elevate nature-based solutions as tools to mitigate the effects of climate change. These tools can reduce disaster risk, support livelihoods, and improve food and water security.

## **RESULTS**

- Over \$80 million provided or in planning for climate adaptation, including over \$30 million already provided for disaster response and risk reduction, and \$50 million planned for climate resilient agriculture in the Mekong Delta.
- One-third of the total land area in two biologically significant provinces under improved management. In a third province, an area with 70 percent of its tropical evergreen forest intact became a national park.
- Approximately \$890 million generated through a payment system for forest environmental services resulted in the conservation of approximately 40 percent of Vietnam's forest area (more than 6 million hectares), benefitting about 500,000 rural households in mountainous areas.

## **KEY ADAPTATION PROGRAMS**

**USAID SUSTAINABLE FOREST MANAGEMENT:** (a) reduces carbon emission from forest conversion, (b) increases carbon sequestration through better management of plantation forests, and (c) improves quality, diversity, and productivity of natural production forests.

**USAID BIODIVERSITY CONSERVATION:** In partnership with local communities, government stakeholders, private sector companies, non-government organizations, and development partners, (a) maintains and increases forest quality, and (b) protects and stabilizes wildlife populations in national parks and nature reserves in high conservation value provinces.

**USAID'S MEKONG DELTA COASTAL HABITAT CONSERVATION PROJECT:** protects key coastal habitats in the Mekong Delta region to promote sustainable fisheries, mitigate climate change impacts, and enhance biodiversity conservation.

## **RENEWABLE ENERGY**

USAID works closely with the Government of Vietnam (GVN) to develop and implement energy policies and plans that support scaling up clean energy and mobilizing much needed investment from the private sector.

## **RESULTS**

- Supported government regulators, banks, investors, and private sector developers to spur solar and wind investments in Vietnam totalling more than \$300 million over five years.
- Contributed to Vietnam's exponential growth in solar energy production, which grew from less than 10 megawatts in 2017 to 16,500 megawatts in 2020.
- Integrated significantly higher levels of clean energy into the country's 2021 to 2030 power

development plan with the Ministry of Industry and Trade.

- Supported the Government of Vietnam and stakeholders to develop the draft Direct Power Purchase Agreement (DPPA), enabling corporations to procure clean energy power directly from private generators for the first time in Vietnam. Once approved, the DPPA will enable 400-1000MW of renewable power transactions between private partners.
- Established a \$2.5 million Innovation Challenge Fund to support innovative energy solutions.
- Established a Renewable Energy Data Explorer tool to provide a platform to visualize and analyze province-specific geospatial data on wind, solar, and biomass resources alongside locations of transmission lines, protected areas, and other land and infrastructure features.

#### KEY RENEWABLE ENERGY PROGRAMS

**USAID VIETNAM LOW EMISSION ENERGY PROGRAM (V-LEEP II)**: supports Vietnam's energy sector transformation to a clean, secure, and market-driven sector by mobilizing investment in the deployment of advanced energy systems, enhancing power system flexibility, and increasing competitiveness

**USAID VIETNAM URBAN ENERGY SECURITY**: works with Da Nang and Ho Chi Minh cities to improve distributed energy deployment and investment, supports adoption of innovative energy solutions, and mobilizes private investments for distributed energy solutions

**USAID'S INVEST PROGRAM**: provides technical assistance to de-risk transactions for private sector renewable energy projects and supports greater GVN awareness of international practices on carbon labeling and climate governance.

#### SUSTAINABLE LANDSCAPES

USAID supports Vietnam to reduce emissions by (a) mobilizing domestic resources to advance sustainable forest management, (b) engaging with private sector companies to improve forest management practices and increase income for forest dependent communities, and (c) helping Vietnam access the international carbon market.

#### RESULTS

- The payment system for forest environmental services is now helping Vietnam to sequester and avoid approximately 20 million metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) annually.
- Mobilized \$360 million in private investment for sustainable landscapes.
- More than 18 million tons of CO<sub>2</sub>e avoided/sequestered annually between 2019 and 2021.

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