

s22(1)(a)(ii)

s22(1)(a)(ii)

s47C(1) and s33(a)(iii)

From: s22(1)(a)(ii)

Sent: Thursday, 6 January 2022 8:35 PM

To: s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: FW: Prime Minister - Joint Media Statement - Papua New Guinea-Australia Annual Leaders Dialogue - Thursday 9 December 2021 [SEC=OFFICIAL]

OFFICIAL

Hi [s22\(1\)\(a\)\(ii\)](#)

Further to our call today, below is the joint statement from the recent PNG Annual Leaders' Meeting [s47C\(1\)](#) and [s33\(a\)\(iii\)](#)

Look forward to discussing further.

Kind regards
[s22\(1\)\(a\)\(ii\)](#)

From: PMO - Media <PMOMedia@pm.gov.au>
Sent: Thursday, 9 December 2021 8:28 PM
Subject: Prime Minister - Joint Media Statement - Papua New Guinea-Australia Annual Leaders Dialogue - Thursday 9 December 2021 [SEC=UNOFFICIAL]

UNOFFICIAL

The Hon. Scott Morrison MP
Prime Minister of Australia

The Hon. James Marape MP
Prime Minister of Papua New Guinea

JOINT MEDIA STATEMENT

Thursday 9 December 2021

PAPUA NEW GUINEA-AUSTRALIA ANNUAL LEADERS DIALOGUE

Prime Minister Scott Morrison and Prime Minister James Marape held the third Papua New Guinea-Australia Annual Leaders' Dialogue virtually on 8 December 2021.

The two Prime Ministers recognised the critical importance of the Australia-Papua New Guinea bilateral relationship, the continued close cooperation between our two countries, and our shared interests in a secure, stable, peaceful, prosperous and democratic region. They underlined their ongoing commitment to the Papua New Guinea-Australia Comprehensive Strategic and Economic Partnership (CSEP).

Papua New Guinea and Australia are working hand in hand to counter the health and economic damage from COVID-19. Prime Minister Morrison advised that in addition to more than \$340 million in COVID-19 related assistance that Australia has delivered to support Papua New Guinea's response to the pandemic, Australia will provide a further \$35 million in sector budget support towards the Papua New Guinea Government's tuition fee subsidy for primary schools, ensuring around 1.1 million primary school students can continue their education. Prime Minister Marape thanked Australia for its steadfast commitment to comprehensive COVID-19 vaccine supply for PNG, and delivery support.

The Prime Ministers also discussed Australia's financial assistance to support Papua New Guinea's economic reforms and budget repair, and the suspension of Papua New Guinea's principal and interest repayments on a 2020 loan from Australia, consistent with the G20 Debt Service Suspension Initiative. Prime Minister Marape welcomed the confidence shown by Australian companies including Santos, Fortescue Future Industries and Telstra, to invest in Papua New Guinea despite global economic challenges.

The Prime Ministers recognised the close partnership Australia and Papua New Guinea have built to meet infrastructure needs in Papua New Guinea, including through the Australian Infrastructure Financing Facility for the Pacific (AIFFP). They discussed the pipeline of high quality, sustainable infrastructure projects, including transport-related infrastructure and energy projects being developed under the AIFFP.

They warmly welcomed cooperation under the AIFFP to provide quality, climate-resilient ports infrastructure that will provide significant economic and social benefits to the people of Papua New Guinea.

The Prime Ministers recognised the enormous value of preserving Papua New Guinea's forests, including to contribute to the global response to climate change, which poses especially serious challenges for the Pacific. They agreed that Australia would provide additional support to Papua New Guinea's forestry sector, including project support for nature-based climate solutions. The Prime Ministers welcomed the signing of the Memorandum of Understanding on Cooperation on Building Capacity for Participation in Global Carbon Markets by Ministers at COP26 in Glasgow, establishing a partnership under the Indo-Pacific Carbon Offsets Scheme.

The Prime Ministers discussed Australia's long-standing support for PNG's national elections processes, noting continuing cooperation through their respective national election bodies and logistical and other support for PNG's 2022 national election.

The Prime Ministers discussed Australia and Papua New Guinea's swift deployments alongside Fiji and New Zealand at the request of the Solomon Islands Government to support the Royal Solomon Islands Police Force response to civil unrest. They emphasised the importance of resolving any differences peacefully, lawfully and through dialogue.

The Prime Ministers undertook to continue working together to respond to the shared challenges of the Pacific family. They discussed the importance of the Pacific Islands Forum and its critical role in responding to shared challenges, and expressed their hopes for the continued unity of the Forum.

[ENDS]

Media Contacts:

Prime Minister's office: Press Office, (02) 6277 7744

The Hon. Scott Morrison MP, Sydney

Press Office of the Hon. Scott Morrison MP, Prime Minister, Canberra

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s22(1)(a)(ii)

From: s22(1)(a)(ii)
Sent: Tuesday, 28 June 2022 1:00 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: RE: URGENT INPUT REQUESTED: Climate Finance Delivery Plan Progress Report - please provide input by 30 June [SEC=OFFICIAL]

Follow Up Flag: Follow up
Flag Status: Flagged

Hi ^{s22(1)(a)(ii)}

I'll ask ^{s22(1)(a)(ii)} to look a little more closely at this, but a quick read suggests we could say IPCOS will make a contribution, under the following three elements:

- Improving the effectiveness of private finance mobilized
- Reporting on our collective progress transparently
- Assessing and building on lessons learned

s22(1)(a)(ii)

OFFICIAL

From: s22(1)(a)(ii)
Sent: Tuesday, 28 June 2022 12:21 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: FW: URGENT INPUT REQUESTED: Climate Finance Delivery Plan Progress Report - please provide input by 30 June [SEC=OFFICIAL]

OFFICIAL

Hi ^{s22(1)(a)(ii)}

s47C(1)

Welcome your thoughts on this and, ideally a sentence or two for the response if you think it a go-er.

Thanks in advance.

Also, would be good to catch up informally in the coming days to chat through some of the MOG outcomes for our collective work.

Hope all's well. Regards,

s22(1)(a)(ii)

s22(1)(a)(ii)

Director | Business Partnerships and Carbon Markets
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Pages 7 - 9 (incl) exempt in full - s33(a)(iii)

s22(1)(a)(ii)

From: s22(1)(a)(ii)
Sent: Monday, 8 August 2022 3:11 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)
Subject: RE: Meeting s47C(1) 9 August [SEC=OFFICIAL]

Thanks
 & Sorry – my eye is obviously not on the ball at the moment!
 Chat then.

OFFICIAL

From: s22(1)(a)(ii)
Sent: Monday, 8 August 2022 2:57 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: RE: Meeting s47C(1) 9 August [SEC=OFFICIAL]

OFFICIAL

Hi s22(1)(a)(ii)

I rescheduled it to 10:30AM on Friday this week to manage some clashes – should be in your calendar.

Best,

s22(1)(a)(ii)

s22(1)(a)(ii)

Policy Officer
 Climate Change and Sustainability Division
 Department of Foreign Affairs and Trade
 P s22(1)(a)(ii) | M s22(1)(a)(ii)
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[We acknowledge](#) the Traditional Custodians of Country throughout Australia, and their continuing connection to land, waters and community. We pay our respects to all First Nations peoples, their cultures and to their Elders, past, present and emerging.

From: s22(1)(a)(ii)
Sent: Monday, 8 August 2022 2:53 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: RE: Meeting s47C(1) 9 August [SEC=OFFICIAL]

Hi s22(1)(a)(ii)

Have you had any luck setting this meeting up for tomorrow morning?

Cheers,

s22(1)(a)(ii)

s22(1)(a)(ii)

Assistant Director

Markets & Partnerships

Ph: s22(1)(a)(ii) Mobile: s22(1)(a)(ii)

Ngunnawal Country



OFFICIAL

From: s22(1)(a)(ii)

Sent: Tuesday, 26 July 2022 9:59 AM

To: s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: RE: Meeting s47C(1)

9 August [SEC=OFFICIAL]

OFFICIAL

Great, thanks.

Next week s47C(1)

which I'll send to you to inform the discussion on 9 August.

Best,

s22(1)(a)(ii)

From: s22(1)(a)(ii)

Sent: Monday, 25 July 2022 5:03 PM

To: s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: RE: Meeting s47C(1)

August [SEC=OFFICIAL]

Hi all,

Yes – I can be there! (well, here, but able to join a virtual meeting ☺)

10:30 suits me.

Cheers,

s22(1)(a)(ii)

s22(1)(a)(ii)

Assistant Director

Markets & Partnerships

Ph: s22(1)(a)(ii) Mobile: s22(1)(a)(ii)

Ngunnawal Country



OFFICIAL

From: s22(1)(a)(ii)
Sent: Monday, 25 July 2022 4:32 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: RE: Meeting s47C(1) August [SEC=OFFICIAL]

I won't be available on 9 August – s22(1)(a)(ii) will you?
s22(1)(a)(ii)

s22(1)(a)(ii)
International Climate | Markets and Partnerships
Department of Climate Change, Energy, the Environment and Water
P s22(1)(a)(ii)

OFFICIAL

From: s22(1)(a)(ii)
Sent: Monday, 25 July 2022 4:30 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: Meeting s47C(1) 9 August [SEC=OFFICIAL]

OFFICIAL

Hi s22(1)(a)(ii)

Are either/both of you available morning of Tuesday 9 August? s47C(1)

Likely to be 10:30AM but I'm really keen for one/both of you to make it so can be flexible on timing.

Best,

s22(1)(a)(ii)

s22(1)(a)(ii)

Policy Officer | Business Partnerships and Carbon Markets Section | Climate Financing & Programming Branch
Climate Change and Sustainability Division
Department of Foreign Affairs and Trade
s22(1)(a)(ii) | s22(1)(a)(ii)
W dfat.gov.au



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s22(1)(a)(ii)

Subject: s47C(1)
Location: Microsoft Teams Meeting
Start: Fri 12/08/2022 10:30 AM
End: Fri 12/08/2022 11:30 AM
Show Time As: Tentative
Recurrence: (none)
Meeting Status: Not yet responded
Organizer: s22(1)(a)(ii)

OFFICIAL

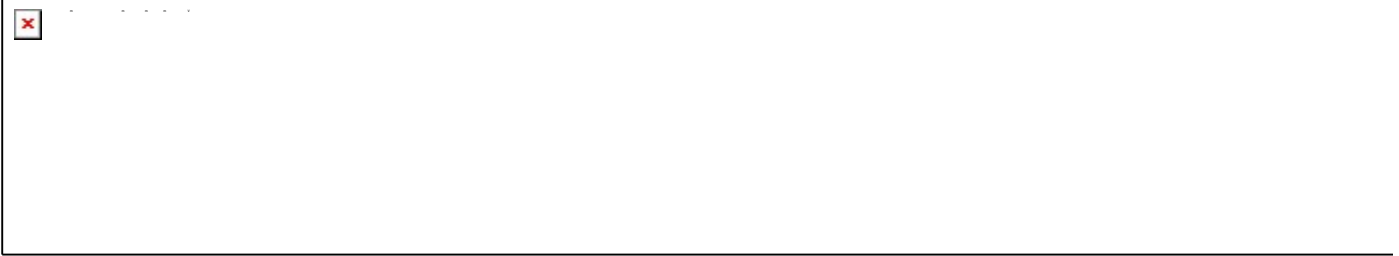
Hi all,
s47C(1)

Kind regards,

s22(1)(a)(ii)

s22(1)(a)(ii)

Policy Officer
Climate Change and Sustainability Division
Department of Foreign Affairs and Trade
s22(1)(a)(ii) | s22(1)(a)(ii)
W dfat.gov.au



Microsoft Teams meeting

Join on your computer or mobile app

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Or call in (audio only)

s47E(d) Australia, Sydney

Phone Conference ID: **s47E(d)**

[Find a local number](#) | [Reset PIN](#)



Australian Government

Department of Foreign Affairs and Trade

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s22(1)(a)(ii)

From:
Sent: Monday, 15 August 2022 4:23 PM
To: zz [External] s22(1)(a)(ii) Hugh Watson
Cc: Cate Rogers; s22(1)(a)(ii)
Subject: RE: For input by COB Thursday 11 August: Quad Climate Working Group - handover [SEC=OFFICIAL]

OFFICIAL

Hi s22(1)(a)(ii)

s22(1)(a)(ii)

s33(a)(iii) and s47C(1)

s47C(1)

Hope this helps!

s22(1)(a)(ii)

s22(1)(a)(ii)

Director
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s22(1)(a)(ii)

s22(1)(a)(ii)

From: s22(1)(a)(ii)

Sent: Thursday, 18 August 2022 10:14 AM

To: ICB – International Partnerships <ICB-InternationalPartnerships@industry.gov.au>; s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

s22(1)(a)(ii)

Subject: Safeguard reforms consultation - int'l units are for later [SEC=OFFICIAL]

FYI folks,

The consultation paper on reforms to the Safeguard Mechanism was released today (closing 20 Sept)

<https://consult.industry.gov.au/safeguard-mechanism-reform-consultation-paper>

The consultation doesn't currently include the draft Safeguard Amendments Bill, but I understand that will also be published soon.

FYI section 4 of the paper on 'Crediting and trading, domestic offsets and international units' (pp15-20) might be of interest, in particular section 4.3 on International offsets (p19) s47E(d)

"We acknowledge that some stakeholders see international offsets as another opportunity for lowering or limiting the costs to Australian businesses of meeting Australia's climate targets.

However, we would only consider international offsets in the Safeguard Mechanism if the units are of high integrity and the mitigation outcome can be formally transferred to count towards Australia's Paris Agreement commitments. Limits on the use of such international offsets may also be appropriate, so they do not become a mechanism to avoid transforming our domestic economy.

The NGER Act allows for the possibility of using international offsets, but focuses on Kyoto units and is now outdated. These Kyoto units are generally not relevant to our Paris Agreement Commitments and the Paris Agreement rule book agreed in Glasgow. If international offsets are to be relevant to the Safeguard Mechanism, the NGER Act would need to be amended to ensure that only units that contribute to our Paris Agreement targets and meet relevant accounting rules could be included in the scheme.

The details of the rules and accounting issues for cross-border transfers are still being developed. The market for international offsets is also still developing and will be different to other international units currently used in voluntary carbon markets. The Government is also working with our neighbours on developing regional carbon markets through the Indo-Pacific Carbon Offsets Scheme.

Given the state of market development and focus on domestic benefits, both for Safeguard facilities and the Australian carbon market, international offsets are not proposed to be part of the initial enhanced Safeguard Mechanism. However, there may be benefit in amending Safeguard legislation before the revised scheme commences to allow for the possibility that relevant and high integrity international units could be used for compliance purposes at some point in the future.

Should international units be able to be used for compliance under the Safeguard Mechanism at a future time, noting that any decision would depend on the rules for international trading?"

Congrats to the Safeguards team for getting this out there!

Cheers,
s22(1)(a)(ii)

s22(1)(a)(ii)

International Markets and Partnerships | International Climate and Technology Division

T: s22(1)(a)(ii)

Please note I work part time and am online until 2.30pm Monday to Thursday.

s22(1)(a)(ii)

From: s22(1)(a)(ii)
Sent: Tuesday, 6 September 2022 5:21 PM
To: climatepartnerships@industry.gov.au
Cc: s22(1)(a)(ii)
Subject: IPCOS update - Australian Embassy in Laos [SEC=OFFICIAL]

OFFICIAL

Dear Climate Partnerships Team

My name is s22(1)(a)(ii) and I work at the Australian Embassy in Laos, covering climate and energy. There is growing interest in carbon markets in Laos - from government, private sector and other development partners.

If possible I'd be really grateful for an update on IPCOS, and any plans for the scheme in second phase countries such as Laos.

Very happy to arrange a call if that would be helpful.

Thanks very much

s22(1)(a)(ii)

Second Secretary (Water and Regional)

Australian Embassy

KM4 Thadeua Road PO Box 292 Vientiane Lao PDR

Ph: s22(1)(a)(ii) | Mob: s22(1)(a)(ii)

Email: s22(1)(a)(ii)



s22(1)(a)(ii)

From: s22(1)(a)(ii)
Sent: Tuesday, 13 September 2022 8:03 AM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: Re: Meeting Request: Global Green Growth Institute s47F(1) Canberra Visit
 14 September [SEC=OFFICIAL]

Follow Up Flag: Follow up
Flag Status: Flagged

Hi team, I'm flying back from Stradbroke late Wednesday afternoon and will meet s47F(1) for dinner, so completely fine to keep discussion of IPCOS at a high level. s22(1)(a)(ii) should be all over it.

s22(1)(a)(ii)

OFFICIAL

From: s22(1)(a)(ii)
Date: Monday, 12 September 2022 at 5:12:48 pm
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)

Subject: RE: Meeting Request: Global Green Growth Institute s47F(1) Canberra Visit 14 September
 [SEC=OFFICIAL]

OFFICIAL

s22(1)(a)(ii)

Thanks for the call this arvo. Apologies for the late reply – got caught up. See attached. First one is the program, second one is some briefing I received from CSD, based on earlier conversations in August. Third one is s47F(1) bio.

Great to hear we can squeeze in some discussion of IPCOS. That will be of interest to GGGI – I'm told that s47F(1) knows s22(1)(a)(ii) quite well but that s22(1)(a)(ii) will be unable to make it due to a clash.

Best,

s22(1)(a)(ii)

s22(1)(a)(ii)

Policy Officer
 Climate Change and Sustainability Division
 Department of Foreign Affairs and Trade
 P s22(1)(a)(ii)

From: s22(1)(a)(ii)
Sent: Tuesday, 6 September 2022 3:07 PM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)

Subject: RE: Meeting Request: Global Green Growth Institute s47F(1) Canberra Visit 14 September
[SEC=OFFICIAL]

Thanks s22(1)(a)(ii) sounds great. Will you be preparing any bios or briefing material on s47F(1) ?

s22(1)(a)(ii) – could you book this meeting into Kushla’s calendar please and reserve a room?

Best,

s22(1)(a)(ii)

s22(1)(a)(ii)

Executive Officer | International Climate and Technology Division
Department of Climate Change, Energy, the Environment and Water

s22(1)(a)(ii)

OFFICIAL

From: s22(1)(a)(ii)

Sent: Tuesday, 6 September 2022 3:01 PM

To: s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: RE: Meeting Request: Global Green Growth Institute s47F(1) Canberra Visit 14 September
[SEC=OFFICIAL]

OFFICIAL

Hi s22(1)(a)(ii)

2-2:30 is great, thank you. I have also been speaking with s22(1)(a)(ii) in David Higgins’ branch about a meeting focused on IPCOS so I’ll try and line that up for afterwards.

Kind regards,

s22(1)(a)(ii)

From: s22(1)(a)(ii)

Sent: Tuesday, 6 September 2022 2:59 PM

To: s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: RE: Meeting Request: Global Green Growth Institute s47F(1) Canberra Visit 14 September
[SEC=OFFICIAL]

Hi s22(1)(a)(ii)

Thank you for the information and for your time on the phone the other day.

Kushla is available for a meeting with s47F(1) from 2 – 2:30pm on the 13th of September here at 51 Allara Street.

Please let me know if this is suitable.

Kind regards,

s22(1)(a)(ii)

s22(1)(a)(ii)

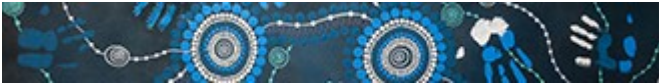
s22(1)(a)(ii)

International Climate and Technology Division
 Department of Climate Change, Energy, the Environment and Water
 Ngunnawal Country, 51 Allara St, Canberra ACT 2601 Australia, GPO Box 3090
 s22(1)(a)(ii)

DCCEEW.gov.au ABN 63 573 932 849

Acknowledgement of Country

Our department recognises the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge First Nations Peoples as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging



OFFICIAL

From: s22(1)(a)(ii)

Sent: Monday, 5 September 2022 11:22 AM

To: s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: Meeting Request: Global Green Growth Institute s47F(1) Canberra Visit 14 September
 [SEC=OFFICIAL]

OFFICIAL

Hi s22(1)(a)(ii)

Thanks for taking my call just now. As discussed I am arranging a visit to Canberra by the s47F(1) of the Global Green Growth Institute s47F(1) on 13 and 14 September.

GGGI are interested in the below outcomes from their visit to Canberra. Based on this I have arranged a series of meetings with Climate Change and Sustainability Division in the morning of 13 September and am expecting to have some conversations with colleagues in the DFAT Office of the Pacific on afternoon of 13 September. I have also arranged a meeting with ACIAR at 1PM on 14 September.

GGGI have separately reached out to s22(1)(a)(ii) to arrange a meeting regarding s22(1)(a) team's responsibility for international and domestic plastics policy which I'm also trying to juggle.

- *Discuss Australia's Climate Strategy (DFAT/CSD and DCCEEW) and focus on the Pacific (DFAT OTP) and Southeast Asia (DFAT OSEA and DCCEEW) as well as present GGGI's Pacific Regional Strategy and discuss its operationalisation*
- *Provide an overview of GGGI activities in the Pacific, new programs under development and opportunities for partnership with Australia*
 - *Sustainable Energy*
 - *E-mobility and Sustainable Transport*
 - *Climate Smart Agriculture and agro-forestry systems*
 - *Nature based solutions / resilient urban infrastructure, including resilient health and education infrastructure*
 - *Strengthening Climate finance access, absorption and implementation across the Pacific*

Welcome your office's views on whether a meeting with Kushla Munro or other teams in the International Climate and Technology Division would be possible pretty much anytime on 14 September **except** 1PM.

Kind regards,

s22(1)(a)(ii)

s22(1)(a)(ii)

Policy Officer
Climate Change and Sustainability Division
Department of Foreign Affairs and Trade
P**s22(1)(a)(ii)**

s22(1)(a)(ii)

From:
Sent: Thursday, 29 September 2022 10:47 AM
To:
Subject: FW: IPCOS [SEC=OFFICIAL]

OFFICIAL

-----Original Message-----

From: s47F(1)
Sent: Thursday, 29 September 2022 10:39 AM
To: s22(1)(a)(ii)
Cc: s47F(1)
Subject: [EXTERNAL] IPCOS

CAUTION: This email originated from outside the organisation. Do not click links or open attachments unless you recognise the sender.

Dear s22(1)(a)(ii)

It was nice talking to you yesterday. As requested, can you please put us in touch with people leading the IPCOS to discuss more and explore opportunities to collaborate ?

Look forward to hearing from you.

Thanks

s47F(1)

s22(1)(a)(ii)

From:
Sent: Friday, 30 September 2022 9:43 AM
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: Vietnam carbon markets cable [SEC=OFFICIAL]
Attachments: Vietnam climate and carbon markets cable.doc

OFFICIAL

Hi s22(1)(a)(ii)

The attached cable didn't make it in to the climate cable summary email yesterday, so forwarding it on in case you haven't already been sent it directly from post.

s47E(d) and s47FG(1)

Regards
s22(1)(a)(ii)

s22(1)(a)(ii)

Assistant Director
Climate Resilience and Finance Branch
Climate Diplomacy and Development Finance Division
Department of Foreign Affairs and Trade
M s22(1)(a)(ii)

Please note that I work remotely from Hobart and do not work Wednesdays

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[We acknowledge](#) the Traditional Custodians of Country throughout Australia, and their continuing connection to land, waters and community. We pay our respects to all First Nations peoples, their cultures and to their Elders, past, present and emerging.

OFFICIAL

s22(1)(a)(ii)

s47E(d)

Title: Vietnam: Climate: Charting a path for carbon market cooperation**MRN:** s47E(d) 27/09/2022 03:07:20 PM ZE7**To:** ASEAN Posts; Canberra**Cc:** RR : Ho Chi Minh City**From:** Hanoi**From File:****EDRMS****Files:****References:** s47E(d)

The cable has the following attachment/s -

Attachment 1_Vietnam Carbon Market Ecosystem - Desk Review.docx

Attachment 2_AAS short course on carbon markets_concept note.docx

Attachment 3_BPP carbon markets narrative.docx

Response: Routine, Information Only

Summary

Vietnam's domestic carbon market is at an early stage of development, with the key building blocks beginning to take shape. As Vietnam looks to deliver on its ambitious commitment to reach net zero by 2050, it is seeking support from development partners. Australia's experience resonates because we share a similar market-based approach (cap-and-trade) and they are keen to learn lessons from our upcoming carbon market review. There is scope to deepen our engagement through the Indo-Pacific Carbon Offsets Scheme.

At COP26, Vietnam committed to achieving net zero by 2050 (s47E(d)). One of the key mechanisms to achieve this is through development of a domestic carbon market. With Australia's Indo-Pacific Carbon Offsets Scheme (IPCOS) expanding to include Vietnam as a priority country (s47E(d)), cable summarises state-of- and opportunities for Australian support to inform the Department of Climate Change, Energy, the Environment and Water (DCCEEW)

A domestic carbon market: building blocks coming into place

2. Vietnam is in the initial phase of establishing its institutional framework for domestic carbon market development. Vietnam expects carbon pricing instruments (initially through an Emissions Trading Scheme – ETS) will incentivise private sector investments in low-carbon practices and technologies, and accelerate its implementation of its net-zero commitment.

3. The chief policy document guiding carbon market development is the revised Law on Environmental Protection 2020 (s47E(d)). This law legislates the establishment of a local carbon market in Vietnam. In January 2022, two new regulations under the Law were issued, outlining the timeframe for the domestic carbon markets' establishment over the next five years (coming online in 2027). Six sectors will be required to implement greenhouse gas (GHG) inventory: energy, transport, construction, industry, agriculture-forestry-land use, and waste management.

OFFICIAL

OFFICIAL

s22(1)(a)(ii)

s47E(d)

s33(a)(iii)

6. The period from now until 2027 will be critical, as it will determine the shape and form that Vietnam's carbon market will take. Vietnam will develop regulations on emissions allowances, carbon credits management, capacity building and awareness raising, and piloting carbon offsets and carbon crediting mechanisms. The development of regulations to connect domestic carbon market to international markets will follow.

7. The Ministry of Natural Resources and Environment (MONRE) and the Ministry of Finance (MOF) are the two key government agencies responsible for carbon market development. While MOF will eventually lead the implementation of the domestic carbon markets, at this stage, MONRE is the key player given it is in charge of developing the institutional frameworks. Such frameworks include allowance allocation, technical regulations and the necessary guidelines for the generation of carbon abatement as a certified commodity.

Opportunities and Needs

8. While the foundations for carbon trading continue to be laid, the Vietnamese domestic market for advice and market support remains in its infancy, which requires external technical support (see [Attachment 1](#)). In addition to establishing a solid regulatory environment, implementation arrangements and clear responsibilities for the domestic carbon market, strengthening capacity in inventory, monitoring and enforcement, is crucial for carbon pricing to work well. Effective communication will also be important to ensure the public understands the benefits of carbon pricing, especially for business and big emitters.

9. In this context, we anticipate two lines of future cooperation, starting with MONRE for technical aspects and regulatory framework development and later with MOF for financial governance and carbon exchange oversight. Support to other relevant line ministries will also be important, including the Ministry of Industry and Trade, Ministry of Transport, and Ministry of Construction, Ministry of Agriculture and Rural Development may also be required for the pilot phase. In parallel, there is also scope to support relevant private sector entities (big emitters) and broader ecosystem for market advice and associated services.

A post-COP26 scale-up in support from development partners

10. To date, development partners have assisted in the development of the regulatory framework for the domestic carbon market – particularly the World Bank, through the Partnership for Market Readiness – PMR (to be followed by the Partnership for Market Implementation – PMI for 2023–2027). The World Bank provided \$3 million for institutional

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capacity building and project piloting. ADB has also provided capacity development support to facilitate collaboration under Article 6 of the Paris Agreement.

11. There are a number of development partners providing support, including through the Clean Development Mechanism (CDM) under the Kyoto Protocol, and REDD+ (focusing on capacity building). Vietnam ranks fourth globally for the number of registered CDM projects, and 11th of granted carbon credits for exchange. Since 2013, Japan's support through the Joint Credit Mechanism (JCM) – a bilateral, private sector-driven project to support Japanese business to invest in carbon projects in Vietnam – has set a good example of joint carbon credit generation and sharing. The majority of the projects are in the energy and waste sectors.

12. Following Vietnam's COP26 commitment and Prime Minister Chinh's call for support on carbon market development in January 2022, other development partners have begun offering support to MONRE. These include Germany through the Emissions Trading Authority (project-based in forestry sector), South Korea (activities under negotiation), the EU (through the Cross-Border Adjustment Mechanism). Regional initiatives, such as Southeast Asian Energy Transition Partnership – ETP – and International Climate Institute, also look at cooperation opportunities in this regard. We understand US, UK and the Netherlands are also examining options for support.

Opportunities for Australia

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14. Hanoi Post has taken a dual track approach to deepen our support: i. we have actively supported DCCEEW to carry out early engagement with MONRE on IPCOS; ii. we have developed two activities to pave the way for our engagement with Vietnam in carbon market-related work. Leveraging the Mekong-Australia Partnership we ran an Australia Awards Short Course on carbon markets (see [Attachment 2](#)) to support Vietnam to develop necessary policies and institutional framework for the establishment of Vietnam's domestic carbon market. We have also leveraged the Business Partnerships Platform (BPP) to support carbon market partnerships (see [Attachment 3](#)) that address identified market or inclusion barriers, or pilot and demonstrate best-practice models in verified carbon credits generation.

Comment

15. Given the similarities between Australia and Vietnam – we focus on cap-and-trade approaches and crediting programs – there are opportunities to share experiences and to create better alignment between the two countries' carbon markets, including the crucial priority for high integrity carbon credits. The next five years will be a critical time in Vietnam's carbon market development, presenting real opportunities for Australia to help strengthen the capacity for carbon inventory. We can also help shape the institutional arrangements for carbon markets operation and governance, and promote the engagement of the private sector in developing carbon projects in Vietnam.

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16. We look forward to assisting Canberra to support consultations with MONRE on IPCOS, carbon markets, and broader cooperation on climate change, including next steps to develop an action plan for IPCOS in Vietnam.

text ends

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