



Australian Government



BUSINESS
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Vietnam
Carbon Markets

Lessons and Insights Report

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Authors and acknowledgements

Allotrope Partners

This report was developed by [Allotrope Partners](#).

Allotrope Partners is a leading international industrial decarbonization advisory, project development, and business incubation firm specializing in emerging markets and clean technologies. Headquartered in the U.S., with local staff in Vietnam, Singapore, and the Philippines, Allotrope has pioneered first-in-market efforts to help public and private sector partners advance a wide range of decarbonization solutions.



Allotrope staff have been involved with the global carbon markets and developing greenhouse gas (GHG) emission reduction projects in Southeast Asia for the past two decades. Allotrope's CEO and Founding Partner, Marc Stuart, was one of the earliest pioneers in the carbon markets in the early 1990s and co-founded EcoSecurities in 1997 which became one of the world's largest carbon trading companies carrying forward the first generation of carbon projects under the Clean Development Mechanism.

Business Partnerships Platform (BPP)

The BPP supports partnerships between the Australian Government and inclusive businesses to create both development impacts and sustainable commercial returns through their core business operations.

With BPP support, businesses are creating a social and environmental impact by:

- creating and adapting products and services that improve lives and reduce emissions,
- helping to create more inclusive and productive value chains; and
- expanding inclusive business practices.

Partners benefit from the shared resources, experience, and knowledge of all partners. Successful partnerships are driven by mutual priorities, open communication, accountability, shared risks and benefits, and the ability to recognise and respond to each other's strengths and add value.

BPP champions gender equality and social inclusion and works with partners to strengthen their approach to women's economic empowerment and lift barriers for women to succeed as leaders, employees and as suppliers in the value chain.

BPP partnerships support businesses to de-risk and scale green investments. Through the BPP, businesses are delivering affordable and clean infrastructure, reducing water use and supporting climate resilience and the preservation of natural capital. The BPP is supported by the Australian Government and implemented by Palladium.

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Executive summary

Vietnam is entering a pivotal phase in its carbon market development. With a series of major policy milestones, including the Revised Law on Environmental Protection, Decree 06/2022/ND-CP, and the recent Decree 119/2025/ND-CP issued in June 2025, the government has formally committed to building a national carbon market aligned with its 2050 net-zero target and international obligations under the Paris Agreement. For example, through Decree 119/2025/ND-CP Vietnam announced that its incipient domestic carbon market would accept up to 30 percent of its target obligations in the form of carbon credits, though precise details around that implementation remain unknown. At the same time, voluntary carbon markets (VCM) remain a vital interim pathway for investment, innovation, and project deployment, particularly in land-based sectors.

The Vietnam Carbon Markets Round of the Business Partnerships Platform (BPP) was launched to harness carbon markets as both a tool for climate action and a new source of jobs and income. The program recognized the rapid global expansion of carbon markets, along with the opportunities and risks this poses for local communities, and emphasized the need for projects to meet high standards of integrity, transparency, and inclusivity.

In alignment with Vietnam's ambitious emissions reduction targets and its commitment to greener, more inclusive growth, the Round supported six early-mover partnerships (see Figure 1) piloting credible, inclusive, and scalable carbon credit solutions across forestry, agriculture, and removals (see Appendix 1 for project summaries). The partnerships fell into two categories:

- **Enabling Carbon Markets:** Initiatives to address barriers and create the conditions for inclusive, thriving carbon markets.
- **Carbon Projects:** Innovative pilots generating verified emission reductions and removals under rigorous international standards.

Over two years, these projects grappled with the practical challenges of carbon project development—including policy tracking and alignment where possible, stakeholder engagement, co-benefit design, project registration, monitoring, reporting, verification (MRV) system development, and more discussed in this report—providing rare, field-based insights into what it takes to build high-integrity carbon markets in a rapidly evolving policy landscape such as Vietnam.

Key Insights and Lessons Learned:

- **Early and Regular Engagement with Project Stakeholders:** The most successful tactic to support project development across the cohort was to prioritize early, sustained, and adaptive engagement with local and provincial authorities

and community stakeholders, and to treat stakeholder relationships not as transactional, but as long-term assets critical to unlocking project potential.

- **Remaining Policy Gaps Continue to Constrain Projects:** Unresolved legal questions around carbon credit ownership, export eligibility, and land use remain persistent barriers noted by nearly every carbon project in the BPP cohort. A notable absence for agriculture-specific MRV guidance left rice-related project teams to anchor their MRV designs on recognized international standards while tracking policy updates from the Ministry of Agriculture and Environment (MAE, see below). An unfinalized decree on forest carbon continues to raise questions regarding benefit sharing, overlapping claims, and more. Without clarification of a number of various policy points, the project teams cannot optimally prepare for either domestic or international carbon trading scenarios.
- **Regulatory Reorganizations Streamline Project Development Decision Making:** A very large government reorganization took place this year. In March 2025, MAE was created from the merger of the Ministry of Natural Resources and Environment (MONRE) and the Ministry of Agriculture and Rural Development (MARD). In July 2025, these mergers were replicated into the provincial departments, with multiple provinces also having been consolidated in a parallel process. Although the changes took place after most of the BPP cohort wrapped up their project reporting, most teams are still navigating project development. As a result of these mergers, there is collective optimism from the project teams that project socialization and approvals will be streamlined after an anticipated initial period of delays as key carbon project development decision-making will now take place within one Ministry and/or Department instead of multiple.
- **Community Engagement and Safeguards are key for Success:** Projects that embedded inclusive, culturally appropriate engagement built stronger local legitimacy, mitigated reputational risks, and created clearer pathways to long-term project sustainability. This was particularly evidence across nature-based carbon project Education on carbon market fundamentals using localized communication resources and transparent benefit-sharing were essential for building trust and informed participation.

Strategic Implications for BPP Partners, Investors, Community Members, and the Vietnam Government:

- **For Project Developers:** Early positioning, strong local partnerships including with government agencies, and flexible multi-track strategies (i.e., for the VCM, Article 6, and domestic market pathways) will be key to navigating near-term policy ambiguity while preparing for integration into the national system. Projects that combine technical rigor, strategic alignment, and proactive policy engagement—like those in the BPP cohort—will be best positioned to participate in Article 6 markets and international cooperation mechanisms.
- **For Investors:** Policy clarity is improving but remains incomplete for long-term capital commitments. Unresolved issues around credit ownership, export rules, and Article 6 adjustments heighten transaction risks. Nonetheless, Vietnam's staged roadmap provides growing visibility, and early movers who structure deals

with adaptable risk-sharing mechanisms may be well placed to capture first-mover advantages. At the same time, BPP partners' experiences demonstrate that technically robust, socially inclusive projects are already feasible in Vietnam. Combined with Vietnam's staged roadmap, this creates growing visibility for investors. Early movers who adopt adaptable risk-sharing mechanisms may not only manage policy uncertainty but also secure first-mover advantages in a market with high potential for credible, scalable carbon projects.

- **For Community Members:** Land-based projects can offer significant co-benefits for community members—ranging from income diversification to greater climate resilience—but outcomes will depend on the government establishing transparent benefit-sharing frameworks and ensuring clear communication of rights and responsibilities. These measures are also critical for project developers to align with international best practices. Without these, projects risk inequitable participation or social conflict, which could undermine their long-term sustainability. Adequate awareness of these opportunities and risks within the community, and application of best practice free and prior informed consent principles are imperative.
- **For the Vietnam Government:** BPP pilots demonstrate that a diverse set of carbon project developers in Vietnam are ready and willing to participate in both domestic and international markets. These projects have already generated valuable learnings—ranging from practical approaches to project registration concerning land tenure and benefit-sharing, to tools for community engagement and digital MRV alternatives, as well as comprehensive analyses of international standards—that can inform the national frameworks as they take shape. By drawing on these real-world experiences, the government has the opportunity to refine policies on issues such as carbon credit ownership, international standards recognition, and Article 6 implementation. Continued dialogue and coordination between policymakers, international partners like DFAT, and the pilot carbon projects will help ensure that Vietnam's emerging carbon market is both inclusive and high integrity. Based on the BPP Carbon Market experience, the following recommendations are provided for consideration:



Clarify Carbon Credit Ownership Issue interim guidance on asset classification and ownership rights, especially for communal and state-managed lands.



Recognize International Standards Develop transparent rules for accepting credits from international standards within the national system.



Publish Article 6 Procedures Provide step-by-step guidance for credit export, bilateral cooperation, and corresponding adjustments under the Paris Agreement.



Accelerate Agriculture MRV Protocols Develop agriculture-specific MRV systems, modelled after the forestry sector.



Enable Interim Registry Functionality Establish a basic registry for credit issuance, tracking, and retirement before the official exchange launches.



Develop Benefit-Sharing Mechanisms Issue guidelines for equitable benefit-sharing to ensure fair community participation and project integrity.



Build Government Capacity Train and build capacity for officials at all levels on carbon markets, MRV, and project management.

In summary, Vietnam's carbon market is no longer an aspiration, it is in motion. Early Pilot Projects Provide Critical Real-time Insights: BPP carbon projects have demonstrated that well-designed pilots can generate timely, field-based evidence to inform Vietnam's evolving carbon market systems, helping policymakers and practitioners refine regulations for legal and institutional clarity, market access and transaction pathways, benefit-sharing models, and more while they are still being developed.

Relevant examples of these insights can be found throughout the report. The BPP Carbon Markets Round has not only tested what's possible but helped shape what's next. This report provides a roadmap for translating early progress into a durable, high-integrity carbon ecosystem, one that delivers climate impact and local value in equal measure.

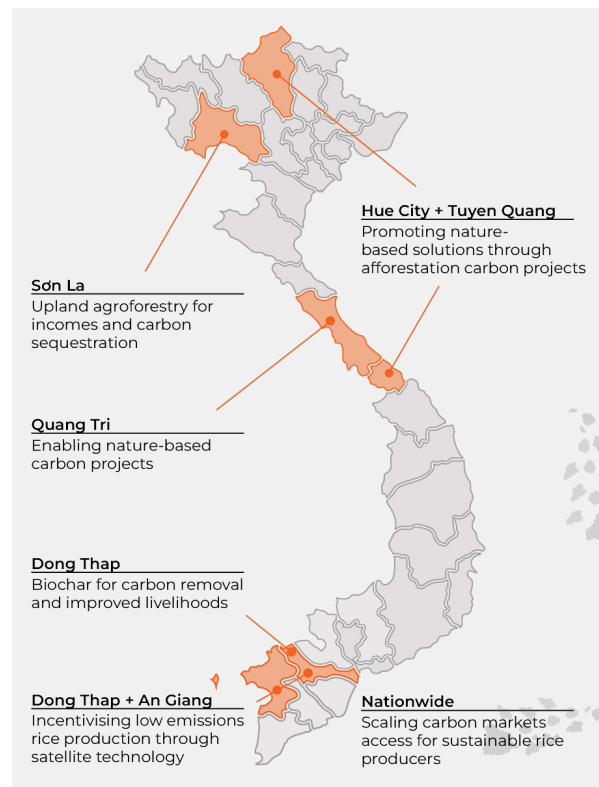


Figure 1

Introduction



Figure 2: BPP Climate Investment Networking Day, Ho Chi Minh City, 2024

BPP Carbon Markets Learning Agenda

Early in the BPP Vietnam Carbon Markets Round, an in-person learning and networking workshop was convened in Hanoi, bringing together all implementing partners across the six projects. This gathering created a valuable space for peer-to-peer exchange and enabled the co-creation of a targeted learning agenda specific to this Vietnam Carbon Markets round. Through open dialogue, partners collectively identified a set of priority knowledge gaps and learning needs:

- navigating Vietnam's evolving regulatory and operating context
- communicating effectively about carbon credits at the community level
- understanding best practices in local engagement throughout the project lifecycle
- addressing technical implementation challenges such as MRV at scale and methodology aggregation

The learning agenda that emerged from this process reflects these priorities, with a stronger focus on sectoral and enabling environment insights relevant to Vietnam's rapidly developing carbon market. Key learning questions were defined around two themes, served as a guiding framework for partner reporting and reflection throughout implementation which have been used to structure this report:

- **Section 1** discusses **the factors that support or challenge carbon project development in Vietnam**, such as land use, health and safety, project registration, and exporting credits. It reflects on **best practices for engaging local communities** to ensure informed participation, safeguard adherence, and the achievement of co-benefits including improved incomes and gender equality, disability, and social inclusion (GEDSI); and summarizes key lessons from across the portfolio
- **Section 2** – provides a summary and analysis of the state of play in the Vietnam Carbon Markets, and in the context of the BPP learning provides **actionable insights and recommendations to support future practice in Vietnam's carbon market landscape**, of relevance to Government, industry and community stakeholders

The insights presented in this report build on those partner contributions, while also drawing from the October 2024 Learning Event (see Figure 2), and contextualize the analysis with consideration of the current state of play in the carbon market in Vietnam. **Section 3** of the report consolidates findings and presents actionable lessons.

Lessons from the BPP Carbon Markets Round

Factors that support or challenge Carbon Market Projects in Vietnam

Land Tenure, Land Use and Planning Alignment

Land tenure is among the most influential factors shaping the feasibility of land management-based carbon market projects in Vietnam, which is reflected in both the preponderance of the BPP portfolio and projects developed for the voluntary carbon market over the past 10+ years. Project developers are typically required to demonstrate legal control over project areas, **but this can be difficult in areas where land boundaries on the ground regularly do not align with formal land tenure certificates** (commonly known as “red books”, and more recently, “certificates of land use rights”²).

These issues were prominent in *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam*, which encountered inconsistencies between actual land use and formal documentation of land rights. Strict carbon project registration requirements under leading international standards like Gold Standard and Verra—especially around the verification of land use right certificates—compelled the project to find an alternative pathway to avoid the risk of households being disqualified due to issues related to land use right certificate inconsistencies. These discrepancies introduce legal uncertainty and drastically complicate validation processes with most international carbon standards and must be addressed before moving forward.

Fortunately, the project team was able to find a positive resolution by merging with an Acorn project. Acorn, backed by the Dutch cooperative bank Rabobank, specifically focuses on supporting smallholder farmers to access carbon markets through agroforestry through Plan Vivo-certified projects. Plan Vivo's certification process is also smallholder-friendly, recognizing that official land tenure documentation may not be available and offering alternatives to enable projects to move forward (e.g., community-recognized land rights with the condition that the project works with the government to acquire official recognition of land tenure).

During the course of this project and related initiatives, the team also observed a marked increase in interest from local stakeholders - including government bodies - in forestry and agroforestry carbon projects. **This growing enthusiasm reflects recognition of the potential value of carbon markets, but it is accompanied by considerable confusion about carbon accounting requirements at the project level, uncertainties around carbon rights across different land ownership scenarios (particularly in protected forest zones), and about the emerging domestic market framework.** In part, the Draft Decree on Forest Carbon released in early Q2 2025 took a promising step towards resolving some of these issues around carbon ownership and revenue distribution, but the implications will depend on how the final decree is enacted and implemented (see Section 2.)

2 The 2024 Land Law (No. 31/2024/QH15) will change the name of red books to “certificates of land use rights”.

In addition, carbon project activities must align with national and provincial land use plans, which may limit options for certain interventions such as reforestation or wetland restoration. *BPPVCM017: Incentivising Low Emissions Rice Production through Satellite Technology in Vietnam* faced a related challenge. Midway through the project, the Vietnamese government launched its flagship “1 Million Hectares Program for High-Quality, Low-Emission Rice” in conjunction with the World Bank. The project team had to rapidly reassess its institutional and technical approach to align with this new national sustainability initiative, which on its surface could undercut the additionality arguments of any individual project opportunity. *BPPVCM028: Scaling carbon markets access for sustainable rice producers in Vietnam* also commented on the 1 Million Hectares program’s lack of clarity around guidelines and additionality concerns that has affected project developers’ willingness to engage in Vietnam rice carbon projects. The nuance between whether the 1 Million Hectares program’s ambition represents a national enabling framework for investment in sustainable rice cultivation or an active government program and policy framework requirement for compliance will ultimately determine whether this initiative drives substantial incremental finance into this crucial economic sector for Vietnam.

Carbon projects also face competition from higher-return land uses such as real estate or commercial agriculture, therefore finding carbon project eligible land in itself required careful consideration and stakeholder alignment. *BPPVCM029: Promoting nature-based solutions through afforestation carbon projects in Vietnam* noted that the diversity of land uses in certain provinces has resulted in limited or scattered areas for nature-based project activities, which poses challenges for long-term land use commitments. To counter this, the project team conducted spatial analyses to identify eligible project areas and jurisdictions that aligned with both their project objectives but also the preferences of the sub-national governments who wanted to pursue different types of projects that were not included in the original BPP business plan. This data-driven approach helped the team pivot more quickly to more tenable project opportunities.

Similarly, *BPPVCM047: Enabling nature-based carbon projects in Vietnam* also completed an opportunity mapping exercise, paired with ground truthing, that resulted in a map of key hotspots for nature-based carbon projects across Vietnam and prospective project sites (see Figure 3). This valuable resource was shared with key ministerial departments to support evidence-based decision making and policy discussions.

Improved Forest Management

Improved forest management	Description / layers	Total amount
Total suitable area	Total forestry concession and planted forest area	3,060,168
Total eligible area	Remove areas cleared of forest cover in past 10 years	2,302,336
Total priority area	Areas with Acacia and Eucalyptus	2,159,595
Total likely maximum area	30% of total priority area	647,879
Average carbon yields over project lifetimes per Ha	Adapted from carbon density data	264 tCO ₂ -e
Total carbon credits over 30 years (likely maximum area)		171,039,924



Figure 3: Example extract from report undertaken by BPPVCM047: “Enabling nature-based carbon projects in Vietnam” – adding to the information and evidence base in support of carbon project planning.

Balancing the long-term carbon credit revenues against the shorter-term returns from traditional crops and fast-cycle agroforestry remains a complex challenge for communities, making decisions about committing to carbon projects far from straightforward. For example, *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam* found that sustained engagement and localized communication methods were essential to build trust and understanding. Community members needed clarity not only on how carbon revenues would materialize over time but also on how these could complement the more familiar income from high-value tree species. By demonstrating how diversified agroforestry systems could deliver both near-term livelihoods and long-term carbon income, the project better aligned farmer interests with the longer-term opportunities generated by carbon markets including by selecting tree species that provided both short and long-term benefits.

These project experiences underscore **that land use and tenure considerations are not merely technical requirements, but foundational determinants of project feasibility and bankability in Vietnam’s carbon market.** Misalignments between actual land use and formal tenure documentation, unresolved carbon rights across ownership scenarios, and a lack of clarity around additionality in the context of evolving national programs collectively create significant uncertainty. While the Draft Decree on Forest Carbon signals positive momentum toward greater regulatory clarity, projects must still navigate a multi-layered governance environment where national directives, provincial discretion, and landholder priorities intersect—sometimes unpredictably.

In this context, **the most successful tactic to support project development was to prioritize early, sustained, and adaptive engagement with local and provincial authorities, and treat stakeholder relationships not as transactional, but as long-term assets critical to unlocking project potential.** As Vietnam’s carbon market architecture matures, project

developers will need to continue calibrating their approaches to land access, credit ownership, and regulatory alignment—anchored by a pragmatic understanding of how land governance operates on the ground.

Safeguards considerations

Safeguard considerations, both physical and social, play an important cross-cutting role in the design and implementation of carbon market projects in Vietnam. While they were not identified as the primary barriers in the BPP portfolio, safeguard risks, including in relation to health and safety (H&S), and free and prior informed consent (FPIC) did emerge across multiple contexts, particularly in field-based work and engagements with vulnerable communities.

Vietnam has basic occupational H&S regulations in place², but enforcement and consistency vary significantly by region and sector. For smaller or community-driven carbon projects operating outside formal industrial environments, H&S practices are often informal and under-resourced. Several BPP projects included activities in environments that posed physical risks—such as land preparation, planting, and monitoring in challenging environments or exposure to heavy machinery.

For example, in *BPPVCM054: Biochar for carbon removal and improved livelihoods in Vietnam*, which involves heavy machinery to transform rice husk feedstock to biochar, does pose H&S risks, in terms of risks operating and maintaining the equipment and exposure to air pollution such as smoke and particulate matter. The implementing team took steps to apply stringent operating procedures based on Australia's H&S benchmarks, a proactive step aimed to actively ensure a higher baseline for worker protection and risk management in the field. However, this alone is not sufficient. Ongoing opportunities remain to strengthen safeguards, particularly through adequate worker training, consistent understanding of standard operating procedures, and improved awareness of risks during equipment testing and calibration phases.

Equally important are the social dimensions of H&S, particularly when projects engage with rural, indigenous, and/or ethnically diverse communities. Culturally appropriate communication, meaningful information sharing, and informed consent sought sufficiently in advance without coercion, intimidation, or manipulation are critical safeguards to prevent unintended social harm and ensure free, prior, and informed consent (FPIC; also covered in Protocol Adherence and Safeguards).

In *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam*, this was paramount. Many local farmer participants had limited formal education or literacy, which made it difficult to fully explain carbon project requirements, long-term commitments, or benefit-sharing arrangements. Noticing an imbalance, BPP intervened to ensure significant and additional measures were taken to address concerns raised in early project reviews. **Without adequate safeguards and support, there is a real risk of misinformed participation, unrealistic expectations, and future grievances—particularly in projects involving behavioral change, community labor, or financial co-investment—which could create social harms.**

In the current regulatory vacuum, carbon projects are left to interpret and manage these safeguard-related issues independently, which introduces variability and raises

2 Law on Occupational Safety and Health (Law No. 84/2015/QH13)

the potential for reputational or implementation risks. These concerns highlight the need for clear, consistent occupational and social H&S guidance as Vietnam's domestic carbon market evolves. Areas for strength framework and policy guidance, relevant to the Vietnam government, identified by BPP partners³ include:

- recognize the rights of ethnic minorities as Indigenous Peoples
- formalize FPIC requirements
- enhance customary land tenure recognition
- decentralize benefit-sharing governance
- improving grievance redress mechanisms.

Valuable insights such as these elevated from the BPP cohort will support Vietnam while they consider establishing national minimum standards and/or adopting best practices from international frameworks (e.g., Verra or Gold Standard) to ensure more consistent protections for participants and improve overall project quality.

Project registration

Project registration efforts across this cohort have been shaped as much by regulatory uncertainty at the national level as by administrative hurdles at the provincial level. In the absence of a fully operational domestic system, projects adopted a dual-track strategy: progressing under international VCM standards while aligning as closely as possible with emerging domestic policy. This has allowed continued technical development, investment mobilization, and credibility-building, while preserving optionality to transition into Vietnam's compliance market over time. Projects have drawn on standards such as Verra's VCS, Gold Standard, Plan Vivo, and the Ecosystem Restoration Standard (ERS).

Amid these uncertainties, the most effective strategy utilized by BPP projects has been sustained engagement with local, provincial, and national authorities. Across the cohort, teams built relationships with the former MARD and MONRE (now MAE), the former provincial-level Departments of Agriculture and Rural Development (DARDs) and Departments of Natural Resources and Environment (DONREs) that now fall under provincial Departments of Agriculture and Environment (DAEs), as well as various land management boards, People's Committees, commune leaders, and more⁴.

BPPVCM047: Enabling nature-based carbon projects in Vietnam took a bottom-up approach, which focused on gaining support through the local and regional government committees with informal agreements and support letters. They found establishing this documentation with government stakeholders helped clarify expectations, even in the absence of formal legal instruments. ***BPPVCM029: Promoting Nature Based Solutions (NBS) through afforestation carbon projects in Vietnam*** similarly shifted their stakeholder engagement to focus on DARD and the Provincial Peoples' Committee. These engagements provided a practical basis for trust and accountability and created space for iterative problem-solving as the regulatory environment continues to evolve.

³ These are detailed in the report "Comprehensive Review of Vietnam's National Safeguards for Carbon Projects in Comparison with International Standards", co-authored by Dr. Sang Phan of the BPPVCM033 project team

⁴ A March 2025 announcement merged MONRE and MARD in the Ministry of Agriculture and Environment.

This, at times though, proved still not to be enough and significant project registration related delays were still encountered. In the case of *BPPVCM017: Incentivising Low Emissions Rice Production through Satellite Technology in Vietnam*, project partner Rikolto International, an international non-governmental organization, was unable to secure permission from the provincial DARD to host their project's stakeholder consultation meeting, which is an important project registration requirement. The project team requested on three separate occasions to hold their fully planned stakeholder consultation events, but never received approval from the provincial DARD authorities to proceed during the BPP project time frame. This occurred despite dedicated socialization and sustained relationship building with the provincial authorities.

They are not alone; most of the projects were stymied by delays associated with not receiving the required government approvals, or having to meet government requirements that may be out of step with usual project development sequencing and processes. For example, *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam* reported a five-month delay waiting for approval from the Son La Provincial People's Committee. *BPPVCM029: Promoting NBS through afforestation carbon projects in Vietnam* was required to present detailed feasibility studies to the provincial DARDs prior to obtaining Memorandums of Understanding to proceed to data collection and calculating estimates of mitigation potential, starting the stakeholder consultation process, and conducting capacity-building sessions on MRV, safeguards, and benefit-sharing frameworks, which are increasingly expected components of project design.

Some projects have taken a systems-building approach to ease registration burdens not only for themselves, but for future project developers and other stakeholders, and not only in Vietnam, but internationally.

BPPVCM028: Scaling carbon markets access for sustainable rice producers in Vietnam is one notable example. The project team developed and successfully launched a new Gold Standard methodology for rice methane reduction through improved water management, enhancing the technical rigor and credibility of rice-related carbon projects⁵. More than 40 projects are currently listed on Gold Standard's Impact Registry as utilizing the new methodology thus far⁶. In addition, the methodology has since been officially endorsed by the World Bank's Transformative Carbon Asset Facility (TCAF) as the technical foundation for the "1 Million Hectares" program.

This endorsement not only underscores the methodology's credibility but also its applicability to future Article 6-aligned transactions. In parallel, they established a publicly accessible "Rice Sustainability Hub" (see Figure 4) featuring training videos, pre-filled Gold Standard templates, and a Vietnamese-translated project registration guide. This resource lowers entry barriers for local developers, as well as verification bodies, and represents an important contribution to institutionalizing best practices in Vietnam's rice sector.

5 Gold Standard. <https://globalgoals.goldstandard.org/437-luf-agr-methane-emission-reduction-awm-practice-in-rice/>

6 As reported by the project team on August 4, 2025

RICE SUSTAINABILITY HUB

The Rice Sustainability Hub hosts resources, tools and templates to support project developers and validation and verification bodies (VVBs) seeking to develop and validate projects that reduce methane emission from rice cultivation. The hub focuses on promoting sustainable rice activities in Vietnam with selected documents also made available in Vietnamese. Many of the resources and tools are also relevant for projects located in other countries.

This hub was developed through a partnership between the International Rice Research Institute (IRRI) and the Australian Department of Foreign Affairs and Trade (DFAT) through the Business Partnerships Platform. The partnership aims to scale carbon market access for sustainable rice producers in Vietnam.

Gold Standard and IRRI invite feedback and suggestions from all stakeholders on the resources hosted on the Rice Sustainability Hub. General feedback can be submitted through [this form](#). For more detailed feedback, including on specific resources, please get in touch at help@goldstandard.org.

Submit your feedback

The Rice Sustainability Hub will be updated periodically to reflect user feedback and to include additional resources.

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Figure 4: Rice Sustainability Hub landing page. Supported by the BPP the hub provides resources for carbon abatement project developers in Vietnam, with applicability globally

A second example is *BPPVCM017: Incentivising Low Emissions Rice Production through Satellite Technology in Vietnam*, who are piloting a satellite-based remote sensing MRV system supported by methane chamber testing for ground truthing. This innovative approach aims to greatly reduce the burden of manual and time-consuming ground-based MRV with a resource-saving digital approach. Over the course of this project, they have worked with leading carbon standards, including Gold Standard, to advocate for, design, and implement (to varying degrees of completion) the adoption of digital MRV processes with the registration process.

Altogether, **the experience of this cohort underscores the importance of sequencing project registration efforts not only around methodological readiness and financing, but also around regulatory readiness, both nationally and provincially.** Until domestic systems mature and approvals become more standardized, adaptive engagement with local authorities—and in some cases, efforts to shape the broader enabling environment—will remain essential to advancing project development while Vietnam’s carbon market solidifies.

Exporting Credits and Accessing International Markets

Despite Vietnam having an active VCM portfolio that has helped build market credibility and attract early investment⁷, the pathway to international credit exports remains complex. Like most countries, Vietnam's legal framework does not formally recognize VCM credits as transferable assets, leaving key issues around credit ownership, export rights, and authorization in a gray area, albeit one where the de facto interpretation has been to allow such transactions during the period since the closure of the Kyoto Protocol. While recent policy developments signal increasing government focus on these issues, there are indications that Vietnam may limit its engagement with VCMs in favour of emissions reductions that contribute to its own NDC.



Figure 5: Consultation Workshop on access to finance in low emission rice value chain in Vietnam as a part of BBPVCM028: Scaling carbon markets access for sustainable rice producers in Vietnam

In Vietnam's 2022 NDC updates, sectoral emission reduction targets for the energy, agriculture, land use, land-use change, and forestry (LULUCF), waste, and industrial sectors became more ambitious. The unconditional contributions increased from 9 percent to 15.8 percent and the conditional contributions increased from 27 percent to 43.5 percent⁸. **These heightened targets reinforce the government's prioritization of Paris Agreement-aligned NDC markets under Article 6, creating uncertainty for the voluntary carbon market.** Land-based projects on state-managed land are likely to be absorbed into the NDC framework, while industrial and energy projects may continue to find space in the VCM in the near term. The eventual role of Vietnam's Decree 06 domestic carbon market will hinge on its final design, particularly which credits qualify and how ambitious the emission reduction pathway proves to be, factors that will ultimately shape market demand and pricing.

This uncertainty is amplified by a domestic policy environment that is evolving in ways that may open alternative opportunities. Under Vietnam's commitment to establish a domestic carbon market—beginning with a pilot emissions trading scheme (ETS) phase that includes thermal power plants, iron and steel, and cement sectors—recent regulatory updates (see more on Decree 119 in Section 2) allow market participants to meet up to 30 percent of their emissions obligations using low cost carbon offsets, whether generated domestically or sourced internationally. **While many details remain unclear, such as how offsets will be qualified: this signals formal recognition of offsets as compliance tools.** Historically, early-stage emissions trading systems tend to be oversupplied with allowances for political reasons, leading to lower prices. However, the emergence of a regulated, wide ranging domestic offset market in Vietnam could create a floor price and improve investment opportunities for local carbon project developers, particularly those already aligned with emerging compliance sectors.

This shift introduces additional complexity for developers. **While Vietnam has significant potential to supply high-integrity international mitigation outcomes, the evolving**

⁷ As of early 2025, the country had registered over 44 projects under Verra's VCS and 41 projects under the Gold Standard

⁸ United Nations. November 9, 2022. <https://unfccc.int/documents/622541>

political stance means that access to voluntary buyers may become more restricted, or at minimum subject to direct national oversight. Developers targeting international markets must now plan for engagement not only with standard-setting bodies and buyers, but also with national authorities tasked with managing corresponding adjustments and authorization under Article 6. This will be a challenge for developers like BPPVCM054: “Biochar for carbon removal and improved livelihoods in Vietnam” who indicated that their business model would focus on selling credits in the VCM because of the uncertainty of not only Vietnam’s own domestic market development but also how Vietnam will address engineered carbon removals like biochar.

In response, several BPP projects have begun adjusting their approaches to anticipate these regulatory shifts. *BPPVCM047: Enabling nature-based carbon projects in Vietnam* reported how they worked closely with legal and policy experts to anticipate potential regulatory pathways for carbon project approvals and potential roadblocks, and developed mitigation strategies, which resulted in aligning their projects with both Decree 06/2022 and Article 6.2 of the Paris Agreement. In addition, they shared that they made a strategic pivot toward compliance-driven opportunities, particularly under Article 6.2 of the Paris Agreement, which required realigning their investor engagement strategy to focus on institutional investors and compliance market buyers rather than purely voluntary market participants.

BPPVCM017: Incentivising low emissions rice production through satellite technology in Vietnam worked closely with both central and provincial stakeholders, such as with MARD, the provincial DARD, the Departments of Crop Production and Internal Cooperation at the central level, and more recently, the newly established MAE and other local authorities—to align project design with national low-emission agriculture goals. While registration delays and market volatility continue to challenge credit issuance forecasts, the project team has maintained a flexible engagement strategy with potential off-takers, including the Singapore government negotiating bilateral pathways under Article 6. The project also reflects broader global market trends, namely, rising demand for high-integrity, science-based credits and scalable, cost-effective MRV solutions—which reinforce the relevance of digital tools for rice-sector decarbonization in Vietnam.

BPPVCM028: Scaling carbon markets access for sustainable rice producers in Vietnam stands out as a strategic, enabling initiative aligned with Vietnam’s evolving position. Their methodology is approved by an international carbon standard (Gold Standard) and has also been a significant influence for the ‘1 Million Hectares’ program’s methodology (i.e., the project team reported that their explanations of stratification material and approach were utilized). The team has also hosted and contributed to a series of national-level consultations and workshops on agricultural carbon policy, MRV, and climate finance, including direct engagement with the former MARD, the Vietnam Rice Sector Association, the State Bank of Vietnam, and key domestic and international financial institutions.

These efforts have strengthened the enabling environment for future credit development and export, especially in a policy landscape that seems to increasingly value nationally authorized, Article 6-compliant mitigation outcomes. While no credits have yet been exported from Vietnam under BPPVCM028’s accompanying Gold Standard methodology, the project’s contributions to methodology development, institutional engagement, and capacity building offer a model for how VCM-rooted initiatives can evolve to support Vietnam’s national climate strategy within its NDC. As the domestic framework matures, projects that combine technical rigor, strategic alignment, and proactive policy engagement, like those in the BPP cohort, will be best positioned to participate in Article 6 markets and international cooperation mechanisms.

Best practices for engaging local communities in Carbon Markets Projects

Effective community engagement is a foundational element of high-integrity carbon market projects, particularly in Vietnam, where land use types, governance structures, and social dynamics vary widely. Insights from the BPP partnership, including the October 2024 Learning Event, reinforce that inclusive, well-executed engagement is essential not only to project success, but also to long-term credibility, equity, and climate impact.

Approaches to engagement differed across the cohort. In every case, tailored strategies, shaped by local geography, community composition, and project type, were necessary to navigate the complexity of land tenure, governance, and social inclusion. Projects also acknowledged that women and ethnic minority groups often face barriers to participation, prompting the need for intentional design choices that promote equitable involvement and access to benefits.



Figure 6: Farmer in Son La collecting tree saplings as part of BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam

Community engagement is not a single event, but an ongoing and adaptive process that must evolve alongside project implementation. The sections that follow outline four key dimensions of community engagement where BPP projects gained valuable experience: education on carbon markets, informed participation, adherence to safeguards and protocols, and the design of co-benefits that support livelihoods and GEDSI outcomes.

Education on Carbon Markets

A key lesson from the BPP partnerships is that effective carbon project implementation hinges on building a shared understanding of carbon market fundamentals across all stakeholder groups. From government counterparts to local organizations putting together new carbon projects to the local farmers changing their farming methods to achieve carbon results, targeted education efforts were essential, and substantially resource-intensive, to bridge knowledge gaps, build trust, pre-empt misinformation, and ensure alignment around project objectives.

Local government authorities, in particular, required significant support to understand the technical and regulatory underpinnings of carbon markets. While these officials often held decision-making authority over organizing project-related events, land use, forest management, and permitting, many had limited exposure to carbon crediting concepts

or international standards. As a result, project teams invested sizable time in one-on-one engagement and tailored capacity-building activities to bring provincial and local-level officials up to speed.

This was not only necessary to secure approvals to carry out project activities, but also to lay the groundwork for long-term institutional readiness as Vietnam's domestic carbon market evolves. **Partners observed that if local authorities had more regular and ongoing access to carbon market training and resources, project timelines could be significantly shortened, and implementation budgets could be streamlined.** The resources dedicated to government-focused engagement could be redirected toward scaling impact and deepening technical innovation. In this context, strengthening the capacity of subnational government actors emerges as a key enabler for future project replication and policy alignment.

In terms of working with local organizations and community members, it was essential to design learning materials that were both technically accurate and easy to understand in order to build capacity on carbon project subjects. Achieving this balance was often challenging, especially in rural areas where literacy levels and exposure to carbon-related concepts can vary significantly but was more often minimal. For example, the project team of *BPPVCM047: Enabling nature-based carbon projects in Vietnam* authored the *Development of Communication Materials for Nature-Based Carbon Projects with Local Communities in Vietnam*, a valuable resource that can be utilized by other project developers to improve their communication materials for community engagement. The government can also draw on this work to develop standardized communication guidelines and capacity-building tools for provincial authorities and forest owners, helping to ensure consistent, transparent, and accessible messaging in the rollout of national carbon market policies. A central lesson was the value of educational content that is localized, using culturally relevant examples, appropriate visuals, and accessible language, to support meaningful learning and engagement around the carbon project. This concept is also crucially important in terms of encouraging informed participation.

Encouraging informed participation

Without targeted education, informed participation - especially in settings where carbon markets are foreign or even mistrusted - cannot be achieved. **Perceptions of exploitation or opaque benefit-sharing can provoke community resistance and external scrutiny, even when technical standards are met.** Informed participation requires moving beyond basic introductions and delivering tailored explanations of core concepts, roles, and expected benefits. Equipping stakeholders with this knowledge enables meaningful participation and stronger alignment with project goals. Conversely, gaps in understanding and comprehension of these complex subjects, especially at the community level, can lead to confusion, misaligned expectations, and disengagement. These issues not only hinder project outcomes but also carry reputational risks for developers and investors.

This challenge was evident in *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam*, where early-stage consultations revealed that many farmers, despite prior community engagement efforts, lacked a fundamental understanding of what a tree-based carbon project entailed. Key concepts such as carbon sequestration, permanence, additionality, and MRV were unfamiliar, and participants struggled to grasp the rationale behind the selected tree species or the broader mechanics of carbon trading.

Gaps in community understanding placed the communities themselves at risk, potentially investing time and resources based on unclear or misunderstood expectations and outcomes. To address this, the BPP implementation team engaged a community engagement adviser with deep experience within the province to strengthen their local consultations and gather farmer perspectives. Her review identified four sets of issues that could challenge project implementation and compliance with international standards and she was able to provide a set of project-level recommendations regarding improved communication methods and an updated community engagement plan. This was aided by the project having engaged a local staff who speaks Thai language to better communicate with the communities. Additionally, the implementation team assessed project scope adjustments to determine how to support the project's larger registration issues. BPPVCM047's report on *Development of Communication Materials for Nature-Based Carbon Projects with Local Communities in Vietnam* also provided valuable insights and best practices that would be beneficial for future cohorts and NBS projects to utilize to ensure informed participation (see above).

Protocol adherence and safeguards

Strict adherence to carbon market protocols and the implementation of meaningful safeguards are essential to ensure environmental integrity, foster stakeholder trust, and protect vulnerable communities throughout project implementation. Additionally, the integration of safeguards is increasingly a requirement from buyers and registries such as Gold Standard's safeguard principles. **Proactive engagement with local stakeholders in environmental and social impact assessments enables project teams to anticipate challenges and embed adaptive measures** into project design. Mechanisms for feedback and grievance redress also contribute to accountability and sustained trust.



Figure 7: Community meeting with farmers as part of BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam

Compliance with recognized carbon crediting methodologies, particularly around baseline setting, additionality, permanence, and MRV, is foundational to ensuring that emissions reductions are real, measurable, and verifiable. Projects that fail to meet these standards risk being ineligible for credit issuance. For instance, **BPPVCM054: Biochar for carbon removal and improved livelihoods in Vietnam institutionalized the multitude of specific operational requirements to generate carbon credits by integrating them directly into its standard operating procedures.** These crediting protocols are carefully linked to specific biochar production and carbon removal activities, which are then reinforced through staff trainings to ensure alignment with the applied methodology and the MRV framework. This approach minimizes the risk of technical non-compliance and streamlines the pathway toward credit issuance.

Likewise, **BPPVCM047: Enabling nature-based carbon projects in Vietnam** found that community adherence to project timelines and commitments was more likely when

governance structures, monitoring requirements, and compliance expectations were clearly communicated early in the project lifecycle. By embedding protocol education into stakeholder engagement, the project laid a more stable foundation for sustained participation and methodological integrity.

Beyond technical compliance, safeguards must actively prevent and address potential social and environmental harms, particularly in communities with limited adaptive capacity. *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam* underscored this need. During the BPP Ways of Working workshop, all partners agreed that safeguarding community trust was a non-negotiable priority, **and recognized that achieving FPIC to international standards may require adjusting the project's original work plan**. This led to consensus on modifying timelines where needed, setting up monthly engagement check-ins between the project partners, BPP, and the project sponsor DFAT, and utilizing the services of a community engagement adviser to provide support during partner-led community consultation sessions to tailor communication approaches to the local context. While additional project risks were identified during these processes, such as low community understanding of the project, unresolved land tenure issues that could hinder crediting, and potentially unrealistic expectations around benefit-sharing, the time spent to reevaluate and adjust the project mitigated harm to the local community.

What these examples show is that even technically sound projects may falter without early attention to safeguards and community protections. Carbon projects that prioritize both technical compliance and participatory, ethical engagement are more likely to achieve verified outcomes, maintain community support, and withstand future scrutiny.

Maximizing Co-Benefits: Income, Livelihoods, and GEDSI

Carbon projects that deliver measurable social and economic co-benefits, such as improved livelihoods, inclusive income opportunities, and equity across GEDSI aspects, are more likely to be sustainable, locally supported, and developmentally meaningful. To achieve this, **project developers must move beyond emissions reductions alone and intentionally embed strategies for inclusive benefit-sharing and GEDSI outcomes**. Several BPP projects have demonstrated early-stage models to maximize co-benefits, particularly by integrating local livelihoods into the core design of carbon activities.

BPPVCM047: Enabling nature-based carbon projects in Vietnam provided lessons on how to design community-responsive benefit-sharing models. Early engagement revealed that while communities were receptive to carbon projects, long-term support was closely tied to the presence of more immediate direct socio-economic benefits such as employment, skill development, and local infrastructure improvements. **The project emphasized the importance of co-designing benefit-sharing mechanisms directly with the communities to reflect their local priorities, especially in the absence of national standards on benefit distribution**. Within the project team's DaKrong carbon project pilot, co-benefits included 35 percent of the financial benefits going to the communities, in addition to ongoing employment opportunities for project activities, capacity building, and revenues from non-timber forest products.

As expected, engaging the local community on opportunities that allow multiple project-related income streams creates strong incentives. For example, *BPPVCM033: Upland agroforestry for incomes and carbon sequestration in Vietnam* **gave farmers the choice of selecting from several high-value trees, which then sets up the farmers to**

collect revenue from both carbon credits and fruits and resins throughout the 20 year project. The project team is actively working to secure a guaranteed minimum carbon credit pricing of EUR 20 per ton by combining with another local shade coffee carbon project through Rabobank's ACORN program. The project team estimates that for the approximate 500 participating farmers, the average household income will increase by USD 205-265 annually from carbon credits over the 20-year period with an additional USD 20,000 to 24,000 from timber sales, excluding estimates for potential fruit and resin sales. These represent substantial additional incomes for the local community participants.

BPPVCM054: Biochar for carbon removal and improved livelihoods in Vietnam incorporated a benefit-sharing model that integrates smallholder farmers and local enterprises into the supply chain by sourcing rice husks from local mills and redistributing revenue from both carbon credits and biochar sales. This model prioritizes vulnerable groups through a tiered mix of financial and in-kind benefits, including proceeds shared along the supply chain and free biochar trials to demonstrate its soil health benefits. In addition to the core revenue-sharing mechanism, the project targeted co-benefits such as improved soil fertility, better farming technologies, and capacity-building through training on biochar's agricultural applications. These were expected to generate income opportunities, enhance yields, and reduce air pollution from open burning. Although commissioning was delayed, these intended co-benefits remain highly relevant to the project's long-term community and environmental outcomes.

BPPVCM017: Incentivising Low Emissions Rice Production through Satellite Technology in Vietnam implemented a performance-based benefit-sharing model, allocating a portion of carbon revenues back to participating farmers based on verified adoption of alternate wetting and drying (AWD) techniques, with additional funds directed to local cooperatives, water user groups, and a reserve fund to cover MRV and administrative costs. This revenue allocation approach aligns with standard carbon project practice to ensure fair distribution and long-term operational sustainability. Beyond the core carbon finance mechanism, the project also achieved notable co-benefits, including a 30 percent reduction in water use, lower chemical inputs, and increased farmer knowledge of climate-smart practices.

BPPVCM017's project design also embedded gender equality strategies, such as adjusting training schedules, engaging women as field facilitators, and addressing land tenure and financing barriers, to actively enhance women's participation, as well as piloting women-focused rice value chain enhancement. Unique to the cohort, the project partnered with the Vietnam Women's Union and trained over 100 women on rice straw mushroom cultivation over 8 workshops to increase the representation of women leadership in the rice value chain.

Looking ahead, Vietnam's emerging carbon market will depend on project models that don't treat social co-benefits as a secondary outcome. Lessons from the BPP cohort show that developing co-benefits that address the local community's priorities, such as improving their livelihoods, generating additional income, and engaging community members into project design from the start is what makes carbon projects as a whole more attractive for investment and replicability.

Key learnings from the BPP Vietnam Carbon Markets Cohort

The BPP Vietnam Carbon Markets Round demonstrates both the promise and the complexity of building high-integrity carbon projects in an evolving policy environment. Across the cohort, five critical themes emerged for project developers, investors, and policymakers to consider.

- **Navigating land use and tenure challenges** requires early, sustained engagement with local authorities and a pragmatic approach to aligning project boundaries with official land records. Projects benefit from building strong local partnerships to manage regulatory uncertainty and enhance social legitimacy.
- **Safeguard risks—both physical and social**—must be systematically integrated into project planning. Culturally appropriate communication and safeguards protect vulnerable communities and mitigate reputational and operational risks.
- **The absence of a fully developed domestic carbon market compels projects to adopt multi-track strategies**, aligning with international voluntary standards while preparing for future domestic regulation and potential participation in Article 6 transactions. Targeted capacity building and accessible tools are essential to overcome technical and methodological barriers.
- **Legal and policy complexities around credit ownership and export** introduce challenges to accessing vital financing pathways for international carbon markets. Proactive legal due diligence, scenario planning, and regulatory engagement are indispensable for export readiness.
- **Projects designed to accentuate co-benefits** with inclusive, context-specific safeguards and benefit-sharing mechanisms that address social equity and promote long-term community support will be more likely to succeed.

Taken together, these lessons underscore that Vietnam's carbon market is no longer aspirational but emerging in real time. **The BPP cohort shows that credible projects can be developed despite uncertainty, and that field-based evidence can meaningfully shape policy design.** As Vietnam advances toward a national system, these pilots provide a practical roadmap for scaling a carbon market that delivers both climate integrity and local value.

The State of Play and Future Directions for Carbon Markets in Vietnam

Vietnam's carbon market is entering a critical implementation phase. With Decree No. 06/2022/ND-CP and its amendments laying the legal foundation for a national compliance carbon market, the government has signalled a clear intent to transition from voluntary and pilot-stage activities toward a regulated system aligned with its NDCs. At the same time, Vietnam-focused project developers continue to engage in the VCM, where international buyers are seeking high-integrity credits, making this a period of strategic dual-track development.

The BPP Vietnam Carbon Markets Round has played an important early role in testing and demonstrating how projects can be developed under real-world conditions, even as national policy frameworks continue to evolve. Lessons from BPP project developers, captured through learning events, semiannual reports, and technical outputs highlights both the practical realities and strategic opportunities being faced during Vietnam's carbon market transition.

This section synthesizes the current state of play, recent policy developments, and institutional architecture underpinning Vietnam's carbon market. It assesses regulatory progress, identifies critical gaps, and analyzes how BPP developers, donors and DFAT can continue to contribute.

Practical entry points include:

1. supporting capacity-building efforts
2. facilitating policy dialogue on voluntary and compliance credit integration; and
3. de-risking early-stage projects to build confidence among both investors and government stakeholders.

By continuing to invest in technically sound, community-anchored, and policy-aligned carbon initiatives, development agencies and partners can serve as a bridge between global market expectations and Vietnam's domestic ambitions, supporting the emergence of a carbon market that is not only operational, but credible, equitable, and catalytic for climate and development outcomes.

Key policy developments

Over the past several years, Vietnam has moved steadily toward establishing a functioning domestic carbon market, with policies evolving from broad climate and green growth strategies into detailed legal frameworks and sector-level implementation measures. Early directives and strategies laid out national low-carbon ambitions, while subsequent laws and decrees created the legal foundation for market mechanisms. More recent instruments have focused on operational readiness, clarifying roles for government agencies, setting measurement and verification rules for land-based sectors, and designing the

phased rollout of emissions trading. **This progression reflects a shift from vision-setting to the practical integration of land-use and forestry activities into the national carbon trading system.** A subset of recent policies relevant for applicability to the BPP cohort are included below:

Decree No. 06/2022/ND-CP

Issued in January 2022, Decree 06 sets the operational framework for Vietnam's carbon market, with a phased implementation culminating in a fully functional exchange. It details sectoral responsibilities for GHG mitigation and MRV, assigning the former MARD (now MAE) oversight for agriculture and forestry. The decree establishes rules for quota management, credit registration, and pilot market activities, while leaving certain elements—such as credit export and voluntary market integration—to later regulation.

Circular 23/2023/TT-BNNPTNT – Forestry Sector MRV Guidelines

Published in December 2023, Circular 23 is Vietnam's first sector-specific MRV framework for forestry. It provides technical procedures for baseline assessments, data collection, carbon accounting, and reporting at both project and provincial levels. The guidance aligns forestry MRV with national GHG inventory requirements and lays the groundwork for credit issuance under the domestic market framework created by the Revised Law on Environmental Protection (LEP) and Decree 06. It applies to public agencies, forest owners, and project developers engaged in afforestation, reforestation, and improved forest management.

Directive 13/CT-TTg

Issued in May 2024, this Prime Ministerial directive instructs ministries—including the former MARD, now MAE—to strengthen carbon credit creation, verification, and management in alignment with Vietnam's NDC targets. It calls for sectoral GHG reduction plans, market readiness

assessments, and cooperation with international partners on credit transfers. The directive also emphasizes transparency, stakeholder alignment, and clear information-sharing to support the integrity of the emerging carbon market.

Decision No. 13/2024/QĐ-TTg

Issued in August 2024 and effective October 2024, this decision updates the official list of facilities and sectors required to submit GHG inventories, replacing the original 2022 list. The new list identifies 2,166 facilities across seven industries—representing about 30 percent of national emissions—which will form the basis for quota allocation and future participation in the national carbon market.

Decision No. 232/QĐ-TTg

Published in January 2025, Decision 232 outlines three phases for establishing and operating the domestic carbon market: legal and infrastructure preparation by mid-2025, a pilot domestic carbon market (i.e., carbon trading floor) from mid-2025 through the end of 2028, and official operation from 2029 onward. It specifies institutional roles for market oversight and operation, defines mechanisms for quota allocation and certified carbon credit issuance, and mandates centralized registries, trading systems, and settlement processes.

Decree 119/2025/ND-CP

Issued in June 2025 and effective August 1, 2025, Decree 119 strengthens and clarifies the framework established under Decree 06. It formalizes quota allocation processes, updates MRV requirements, and introduces early provisions for implementing Article

6 of the Paris Agreement. Crucially, it sets a phased roadmap for Vietnam's carbon market—mandating pilot quota allocation and trading from 2025–2027, with a national carbon exchange to launch by 2028. The decree also clarifies institutional responsibilities, raises reporting standards, and provides greater visibility for project developers and investors, though interim registry functions remain absent. Where Decision No. 232/QĐ-TTg is “directional”, Decree 119/2025/ND-CP is “binding”, taking the roadmap from Decision No. 232 and codifying it into law.

Draft Decree Regulations on Forest Carbon Sequestration and Storage Services

This pending decree on forest carbon will establish the rules for generating,

transferring, and sharing benefits from forest carbon credits in both domestic and international markets. It defines forest carbon services as verified emission reductions or sequestration increases and clarifies that credits may be certified under either domestic or international standards. Forest owners—including organizations, households, communities, and state entities—are eligible to supply credits, while buyers may include regulated emitters (such as the thermal power plants, iron and steel, and cement sectors included presently in Decree 119) or voluntary market participants, both domestic and international. The decree requires that transactions occur via direct contracts or the national carbon exchange, and that credits first contribute toward Vietnam's NDC before being eligible for sale.

Remaining policy gaps

Despite important regulatory milestones, Vietnam's carbon market framework is still incomplete. For project developer—especially including land-based and agricultural project developers—several unresolved issues continue to limit investor certainty, slow project registration, and create operational ambiguity. Below is a review of the most critical gaps and likely next steps.

National Carbon Credit Registry and Trading Platform

- **Gap:** While the foundation for a carbon credit registry and trading platform was laid under Decree 06, the system remains under development. The digital infrastructure for credit issuance, tracking, and exchange has not yet been launched
- **Current Status:** Decree 119/2025/ND-CP codifies a phased approach. It directs MAE to develop the greenhouse gas quota management system, including a registry, trading platform, and supporting digital tools. The decree sets clear timelines: a pilot phase from 2025–2027 to test crediting and exchange mechanisms, followed by the official operation of the national carbon exchange from 2028 onward. At present, however, no interim registry solution exists for issuance, tracking, or retirement of credits.
- **Implication:** This new timeline provides greater clarity for project developers and investors preparing for integration into Vietnam's compliance market. However, the absence of interim registry functions—such as credit recognition, tracking, and retirement—creates near-term uncertainty. The decree does not specify how credits already issued under voluntary standards will interface with the domestic

system during the pilot period, leaving coordination with voluntary market platforms unresolved.

- **Expected Resolution:** Vietnam's carbon market infrastructure is moving forward in two phases. By 2025–2027, the government is expected to operationalize a pilot registry and trading system for controlled testing of allocation, issuance, transfer, and settlement. The full carbon exchange is expected to formally launch in 2028 with regulations anticipated to define eligible credit types and outline pathways for alignment with international and voluntary markets. This phased approach signals policy continuity and creates a planning horizon for market actors. However, until interim registry or retirement functions are in place, opportunities for near-term integration with international buyers will remain limited.

Agricultural-Specific MRV Development

- **Gap:** Forestry now has sector-specific MRV rules under Circular 23/2023/TT-BNNPTNT, but agriculture (e.g., sustainable rice, agroforestry) lacks equivalent domestic protocols. This forces developers to rely on voluntary methodologies, which may later diverge from domestic compliance rules.
- **Implication:** Creates risk for developers committing to multi-year projects without assurance of compliance eligibility.
- **Expected Resolution:** MAE is expected to issue additional MRV circulars for priority sectors between 2025–2026, modeled on the forestry framework and aligned with Decree 06. These will define inventory requirements, verification procedures, and alignment with recognized international standards.

Sectoral Baselines and Approved Methodologies

- **Gap:** No official list of approved methodologies or sectoral baselines exists for domestic market use.
- **Implication:** Developers do not know if international methodologies (Verra, Gold Standard, Plan Vivo) will be accepted.
- **Expected Resolution:** MAE to begin publishing sectoral baselines and approved methodologies by 2026, starting with energy/industry and expanding to agriculture, forestry, and land use. Conditional recognition of international standards is under consideration.

Carbon Credit Ownership and Legal Status

- **Gap:** Vietnam still lacks a legal definition for carbon credits as financial or tradable assets, and no explicit guidance exists on ownership rights—particularly for credits generated from activities on public, communal, or forest lands.
- **Implication:** This creates legal ambiguity for project developers and limits bankability for investors, especially in sectors such as forestry, agriculture, and biochar.

- **Expected Resolution:** Ownership frameworks likely to be addressed through Civil Code revisions or a dedicated sub-decree. MAE and the Ministry of Justice are expected to lead this work.

International Credit Transfers and Article 6 Readiness

- **Gap:** Vietnam has not finalized the procedures for authorizing carbon credit exports or implementing corresponding adjustments under Article 6 of the Paris Agreement.
- **Implication:** This creates ongoing uncertainty for VCM projects seeking international buyers, and delays investment decisions from actors seeking to align with compliance markets under Article 6.
- **Expected Resolution:** Decree 119 introduces an initial legal basis for credit export by allowing international transfers upon approval by MAE. The decree also lays the groundwork for corresponding adjustments, signaling that a separate MAE-issued circular will detail the authorization process, eligibility requirements, and reporting mechanisms necessary for Article 6 compliance. This regulatory direction provides clarity on where targeted support can assist—particularly in building readiness for tracking, adjustment, and negotiation systems aligned with international standards.

Community Benefit-Sharing and Safeguards

- **Gap:** No uniform standards or legal mechanisms currently exist to ensure community co-benefits or enforce safeguards for social and environmental integrity.
- **Implication:** Risk of community grievances, inequitable benefit distribution, and reputational harm.
- **Expected Resolution:** MAE is reportedly developing safeguard and benefit-sharing guidelines to apply during the 2025–2027 pilot phase. These may build on international standards (e.g., Gold Standard) and could be incorporated into future carbon market participation rules.

Policy implications for Project Developers, Investors, and Community Members

For Project Developers

- The policy trajectory shows clear intent to integrate land-based credits into the compliance market, but the absence of agriculture MRV protocols and approved methodologies increases the risk of having to retrofit projects for compliance later.
- In the interim, developers may continue to use voluntary market standards but should design projects with flexibility for future alignment with domestic rules.

- Registry delays mean that even eligible credits cannot yet be issued or traded domestically, limiting market entry options. This is not yet applicable for the BPP cohort as none of the projects have progressed far enough to generate carbon credits.

For Investors

- Regulatory clarity is improving but still insufficient for most long-term capital commitments.
- Lack of legal certainty on credit ownership, coupled with unclear rules for export and Article 6 adjustments, complicates deal structuring and risk allocation.

For Community Members

- Land-based carbon projects offer potential co-benefits such as income diversification, ecosystem restoration, and resilience-building.
- Without enforceable benefit-sharing standards, there is a risk of inequitable distribution or social conflict, which could undermine project sustainability.
- Communities will need clear, accessible information about rights, responsibilities, and expected benefits to build trust in project participation.

Recommendations for the Vietnam Government based on BPP Partners' experiences

Over the past two plus years, six diverse carbon projects under the BPP Vietnam Carbon Markets cohort have tested, adapted, and navigated the emerging policy landscape in real time. Their collective experience provides a rich evidence base, grounded in practical challenges, pilot innovations, and close engagement with local communities and authorities. From these efforts, a clear set of lessons has emerged on what the Government of Vietnam can do now to accelerate market readiness, reduce uncertainty for investors, and ensure that communities are fairly and meaningfully included. The recommendations that follow are not abstract policy ideas; they are distilled directly from on-the-ground learning and represent the highest-value interventions that would enable projects to move from experimentation to scale.

- **Clarify Carbon Credit Ownership:** Provide interim guidance on carbon asset classification and ownership rights, particularly for projects on communal and state-managed lands, to reduce legal uncertainty and investment risk.
- **Recognize International Standards:** Establish transparent rules on how credits issued under recognized voluntary standards (e.g., Verra, Gold Standard) will be treated within Vietnam's domestic system. The BPP portfolio highlighted the strategic importance of continuity between voluntary and compliance markets, especially for projects already advancing through international registries. Recognition pathways would also attract early-stage investment.
- **Publish Article 6 Procedures:** Issue step-by-step guidance on authorization

and eligibility for international transfers under Article 6. Developers in the BPP cohort identified bilateral cooperation and VCM-linked investment as critical opportunities but lacked clarity on approval timelines and processes. Early procedures would send a market signal and prepare Vietnam to capture international finance flows.

- **Accelerate Agriculture MRV Protocols:** Develop agriculture-specific MRV systems—drawing on the forestry MRV circular as a model—to provide certainty for project design and avoid costly retrofits. Agriculture is central to Vietnam’s carbon market potential, with rice cultivation contributing roughly 75 percent of methane emissions from the sector. Projects such as BPPVCM028 and BPPVCM017 demonstrated that updated methodologies, the Rice Sustainability Hub, and satellite- and community-based MRV tools such as smartphone applications can enable scalable, low-emission rice projects once protocols are codified.
- **Enable Interim Registry Functionality:** Establish a basic registry for credit issuance, tracking, and retirement ahead of the full exchange launch, so projects can begin generating and demonstrating value.
- **Develop Benefit-Sharing Mechanisms:** Establish guidelines for equitable benefit-sharing to ensure fair community participation, safeguard project integrity, and prevent disputes that could undermine project viability.
- **Build Government Capacity on Carbon Markets:** Continue strengthening institutional capacity across ministries and provincial authorities to support the effective rollout of carbon market activities. BPP partners observed a strong and growing interest among government stakeholders, and there is now an opportunity to complement this enthusiasm with targeted training and knowledge exchange.



BUSINESS
PARTNERSHIPS
PLATFORM

Impact spotlight

Incentivising low emissions rice production through satellite technology in Vietnam

Partners: CarbonFarm, Rikolto in Vietnam, the International Rice Research Institute (IRRI) and the Australian Government



CarbonFarm

rikolto



IRRI



Australian Government

Timeframe

November 2022

April 2025

CARBON MARKETS

FUNDING

DFAT

\$820,529

Partners

\$1,218,395

TOTAL

\$2,038,924

A BPP partnership between CarbonFarm, Rikolto in Vietnam, the International Rice Research Institute (IRRI) and the Australian Government has supported Vietnam's smallholder rice farmers access carbon markets and reduce emissions.

Together, they piloted a world-first satellite-based Monitoring, Reporting and Verification (MRV) system across 900 hectares in the Mekong Delta provinces of Dong Thap, Can Tho and Kien Giang. Using artificial intelligence, remote sensing and IoT water sensors, the system can remotely detect water-saving practices and quantify methane reductions at field level, significantly lowering verification costs and making carbon market participation possible for even the smallest farmers.

More than 1,200 smallholder households, including many women farmers, were trained by Rikolto in sustainable rice practices such as Alternate Wetting and Drying (AWD). This technique can halve methane emissions and improve irrigation efficiency by 30 percent. IRRI provided scientific validation, while the Australian Government supported with funding and policy advice.

By combining digital innovation with on-the-ground capacity building, the partnership is creating new income opportunities for farmers while supporting Vietnam's goal to apply AWD across 1.2 million hectares and cut methane emissions by 30 percent by 2030, helping build a low-emission, climate-smart future for the country's rice sector.

Highlights

Building capacity for farmers

Trained and onboarded 1,200+ smallholder households in Dong Thap, Can Tho and Kien Giang in climate-smart practices, especially Alternate Wetting and Drying (AWD).

Pioneering breakthrough technology Piloted a world-first satellite MRV system for rice, combining satellite imagery, IoT water-level sensors and machine learning to detect AWD and quantify methane reductions.

Digitising farmer tools

Upgraded a farm-log app with offline mode, photo uploads and multilingual support to streamline data reporting and strengthen trust in carbon credit systems.

Ground-truthing with science

Completed two rounds of methane chamber testing with IRRI/CLIRRI in Kien Giang.

Progressing carbon market access Enabling Gold Standard readiness with a registered project account and ID, moving documentation forward pending stakeholder consultation. The project, once registered, has the capacity to reduce 14,000 tCO₂e per year across 2500-3000 hectares.

Promoting inclusive participation

Working with the Vietnam Women's Union to adapt training formats and actively engage women farmers, ensuring their voices and roles were central to the transition.



Climate Impact

This partnership demonstrated the potential for rice farming to play a major role in cutting greenhouse gas emissions and saving water, while building a stronger evidence base for carbon credit generation.

- Piloted AWD on **900+** hectares of rice fields in Dong Thap, Can Tho and Kien Giang
- Achieved **20 to 30%** lower methane emissions per hectare through improved water management
- Reduced irrigation demand by an estimated **4 million** cubic metres of freshwater saved per year
- Laid the technical foundation for **14,000** tCO₂e in reductions annually across 2500-3000 hectares, with projected cumulative savings of **70,000 to 280,000** credits over the next 5 to 20 years.



Socio-Economic Impact

By making carbon markets more accessible, the partnership helped smallholder farmers cut costs, increase resilience and prepare for future income from carbon credits.

- Trained more than **1,200** rice farming households in sustainable practices
- Farmers reported lower water and fertiliser costs, boosting net incomes even before credit revenues begin
- Farm-log app upgraded with offline functions and multilingual support, making it easier for farmers to document practices and access future carbon payments
- Preliminary benefit-sharing model developed, targeting 40–50% of net carbon revenue for farming communities.



Gender Impact

Women play a central role in rice farming but are often excluded from technical and financial opportunities. This partnership worked to close that gap.

- More than **100** women farmers trained in AWD and climate-smart practices
- Women's Union engaged to support outreach and to ensure women's voices were heard in consultations
- Gender-sensitive training times and formats introduced, increasing women's participation and visibility
- Women farmers began taking on leadership roles in demonstration plots and farmer groups.



Catalytic Impact

BPP support enabled innovation at scale, de-risking new technology and creating pathways for future investment.

- Pioneered the world's **first** satellite and IoT-based MRV system tailored for rice cultivation
- Conducted **two** rounds of methane chamber testing with IRRI and CLRRRI to validate the remote system
- Progressed project registration with Gold Standard, creating a unique project ID and preparing documentation
- Established credibility with government and investors, strengthening prospects for future financing and scaling
- Piloting the digital MRV system through Gold Standard's MRV pilot program.

Satellite innovation opens doors for Vietnam's rice farmers

A world-first digital Monitoring, Reporting and Verification (MRV) system for rice cultivation is transforming how farmers in Vietnam engage in climate-smart agriculture. Powered by satellite data and machine learning, the system delivers field-level insights that make it easier for smallholders to adopt low-emission practices and access carbon markets.

The innovation is being piloted with 1,200 rice farmers in the Mekong Delta region, where rice cultivation is both a way of life and a significant source of greenhouse gas emissions. By simplifying how methane reductions are tracked and verified, the system lowers barriers for smallholders to participate in carbon markets and benefit from new income streams.



Our vision is a world where land stewards are rewarded not only for food production but also for their environmental impact. Through this BPP partnership we piloted that vision with rice farmers in Vietnam, where satellite-verified carbon credits can lower barriers and accelerate the adoption of sustainable practices worldwide.

Vassily Carantino
Co-Founder of CarbonFarm

What's next?

The partners aim to:

- Register the rice carbon project with Gold Standard and advance stakeholder consultations.
- Expand training to more cooperatives and provinces, bringing additional smallholder farmers into the program.
- Scale the satellite-based MRV system across larger areas of the Mekong Delta to cut costs and boost credibility.
- Strengthen benefit-sharing models so farmers gain fair value from carbon credits.
- Attract climate finance and private investment to support wider adoption of climate-smart rice production.
- Continue to pilot the MRV system through Gold Standard's pilot program for MRV that aims to digitise carbon project certification.



BUSINESS
PARTNERSHIPS
PLATFORM

Impact spotlight

Upland agroforestry for incomes and carbon sequestration in Vietnam

Partners: Greenfield Consulting & Development, the Forest Science Centre of Northwest Vietnam, the University of Queensland, ACOM, Son La's Department of Agriculture and Rural Development, the Co Noi Agroforestry Cooperative and the Australian Government



Co Noi
Agroforestry
Cooperative

Son La
Department of
Agriculture &
Rural Development



Australian Government

Timeframe

November 2022

June 2025

CARBON MARKETS

FUNDING

DFAT

\$431,282

Partners

\$403,500

TOTAL

\$834,782

In Vietnam's Son La province, steep hills once dominated by maize and cassava are being transformed through a new agroforestry approach that restores landscapes and boosts rural incomes. From 2022 to 2025, a BPP partnership between Greenfield Consulting & Development, the Forest Science Centre of Northwest Vietnam, the University of Queensland, ACOM, Son La's Department of Agriculture and Rural Development, the Co Noi Agroforestry Cooperative and the Australian Government supported 492 farming households, mostly from ethnic-minority communities, to plant 140,000 timber and multipurpose trees across upland and coffee farms.

With tree survival rates of 85 to 90%, the project has proven both technically sound and locally viable. It is now preparing for registration through Rabobank's ACORN program, which aggregates smallholder agroforestry projects to sell verified carbon removals internationally. Under ACORN, 70% of carbon revenues return to farmers, providing a new income source alongside fruit, resin and timber harvests valued at an estimated US\$10–12 million over 20 years.

A new digital app and web platform enable farmers to geo-tag and track trees, reducing verification costs and building confidence in carbon markets. Together, these innovations have laid the groundwork for one of Vietnam's first smallholder-led agroforestry carbon projects aligned with international standards.

Highlights

Tree planting at scale

140,000 timber and multi-purpose trees planted across upland and coffee plots, surpassing the original 100,000-tree target.

Farmer engagement

492 households supported to diversify livelihoods through timber, fruit, resin and carbon income streams.

Climate change contribution

Projected total carbon sequestration of 80,000–100,000 tCO₂e over 20 years, including both above-ground biomass and soil carbon improvements.

Capacity building

12 training courses for 500 farming households, plus 5 specialist trainings for more than 80 provincial and national staff.

Digital innovation

Launch of Vietnam's first smallholder-focused agroforestry carbon app, enabling geo-tagging and monitoring of trees.

Policy alignment

A national seminar and technical carbon standards review informed Vietnam's forestry carbon standard, embedding lessons into national frameworks.

Market access supported

Project has been supported to join Rabobank's ACORN program. Once registered, this program guarantees a minimum carbon price of €20/tCO₂e and ensure that 70% of carbon revenues flow directly to local communities.



Climate Impact

The partnership showed how upland agroforestry can deliver measurable climate gains while strengthening degraded landscapes. By combining farmer-led tree planting with international-standard carbon methodologies, it created one of Vietnam's first smallholder pathways into carbon markets.

- **140,000** trees planted across Son La province
- Survival rates of **85 to 90%**, ensuring strong carbon storage potential
- Potential to sequester up to **100,000 tCO₂e** over 20 years
- **700+** hectares of cropland converted to agroforestry, reducing erosion and restoring soil health.



Socio-Economic Impact

The partnership introduced new income opportunities for smallholder farmers while building long-term capacity for agroforestry carbon projects in Son La. By exceeding its planting target and linking with Rabobank's ACORN program, it created a sustainable revenue model that farmers can rely on.

- **492** farming households engaged. The partnership prioritised ethnic minority inclusion, with **97.8%** of participants from Thai and other minority communities, using culturally appropriate training materials and integrating traditional knowledge with modern techniques.
- **500** households trained through **12** farmer courses in tree planting, care and monitoring
- **80+** provincial and national staff trained in forestry carbon standards and project design.



Gender Impact

Women played an active role in shaping and benefiting from the agroforestry model. Training schedules and digital tools were adapted to support participation and women took part in both household decision-making and community forest management.

- **30%** of all participants across households were women
- Women trained in tree planting, care and digital monitoring tools
- Greater involvement in land-use decisions, with opportunities for leadership in community forest management.



Catalytic Impact

This partnership set in motion the conditions for Vietnam to scale high-quality NbS carbon projects.

- Supported the development of Vietnam's first smallholder-focused agroforestry carbon project, which is now close to registration through the ACORN program
- Informed the development of Vietnam's national forestry carbon standards through a gap analysis and policy seminars. Established digital MRV tools and cooperative models that can be replicated in other upland regions.
- Launch of Vietnam's first smallholder-focused agroforestry carbon app (available at bpp.gfdapp.net and Google Play), enabling low-cost geo-tagging and monitoring that reduces verification costs and strengthens market confidence.

What's next?

The partners aim to:

- Complete ACORN/Plan Vivo registration and begin generating high-integrity carbon credits with guaranteed minimum pricing
- Expand tree planting and digital monitoring tools to new upland households and cooperatives in Son La and beyond
- Strengthen provincial and national capacity to align Vietnam's forestry carbon standards with international frameworks
- Mobilise new investment by connecting smallholder projects with domestic and international buyers.



BUSINESS
PARTNERSHIPS
PLATFORM

Impact spotlight

Enabling nature-based carbon projects in Vietnam

Partners: NatureCo, the Centre for Nature Conservation and Development (CCD), One Tree Planted, Amplitude Energy and the Australian Government



Australian Government

Timeframe

November 2022

January 2025

CARBON MARKETS

FUNDING

DFAT

\$635,840

Partners

\$635,840

TOTAL

\$1,271,680

Vietnam's forests hold vast potential to capture carbon, restore ecosystems and support communities. Yet few nature-based solutions (NbS) projects have reached the stage needed to access carbon markets. Through the BPP, NatureCo, the Centre for Nature Conservation and Development (CCD), One Tree Planted, Amplitude Energy and the Australian Government partnered joined forces to change this, building local capacity and designing projects ready for investment once Vietnam's carbon policies are fully in place.

From 2022 to early 2025, the partnership mapped national opportunities, trained seven Vietnamese organisations (including 29 practitioners, nearly half women), and developed six project concepts plus a reforestation pilot in Dakrong Nature Reserve. By aligning with international standards, it created a pathway for high-integrity NbS projects that connects global climate finance with local action.

The team also developed communication materials explaining carbon markets in plain language, tested with Indigenous and local communities in Central Vietnam to build understanding of rights and benefits. Together, these efforts provide a practical blueprint for scaling NbS in Vietnam, combining technical training, community engagement and strong governance to ensure that as carbon markets evolve, local organisations and ecosystems are ready to thrive.

Highlights

Mapping opportunities nationwide

Identified priority regions across Vietnam with high potential for nature-based carbon projects, providing the evidence base for future investment.

Building carbon skills

Strengthened the capacity of seven Vietnamese organisations and 29 practitioners (45% women) in carbon accounting, monitoring, reporting and stakeholder engagement.

Developing new projects

Co-designed six nature-based carbon concepts tailored to local ecological and social contexts, aligned with international standards.

Piloting reforestation

Developed a 700-hectare reforestation model in Dakrong Nature Reserve, Quang Tri Province, which is now progressing toward certification under the Ecosystem Restoration Standard (ERS).

Engaging communities

Produced and tested communication materials with local groups in Central Vietnam, supporting local Indigenous communities and households to understand their rights, responsibilities and benefits of NbS.

Mobilising private sector involvement

Brought in support from Amplitude Energy and One Tree Planted to connect corporate partners with future high-integrity NbS opportunities.



Climate Impact

The partnership laid the groundwork for projects that can both cut emissions and restore ecosystems. By aligning with global standards, it created a pathway for measurable climate outcomes and strengthened biodiversity.

- **6** project concepts designed and ready to progress under global standards
- **700** hectares of reforestation planned in Dakrong Nature Reserve
- Potential to generate **364,000** tCO₂e in credits over 20 years once Dakrong pilot project is fully implemented.



Socio-Economic Impact

Strengthening local expertise and systems to ensure communities benefit from NbS and to attract future private sector investment.

- **29** practitioners from seven Vietnamese organisations trained in carbon accounting, monitoring and project design.
- A pool of Vietnamese specialists now equipped to design and deliver NbS carbon projects independently, positioning the country to capture private sector finance.
- In the Dakrong pilot, carbon revenues are earmarked for key stakeholders, including the Dakrong NR management board and local communities, with added co-benefits such as jobs, capacity building and non-timber forest product opportunities.



Gender Impact

The partnership made gender inclusion a priority, ensuring women had access to technical training and a stronger role in future NbS projects.

- **45%** of participants in training workshops were women.
- Women gained practical skills in carbon accounting, monitoring and project design.
- Built a pipeline of female practitioners positioned to influence Vietnam's emerging carbon market.



Catalytic Impact

This partnership set in motion the conditions for Vietnam to scale high-quality NbS carbon projects.

- Built a pipeline of projects that can move quickly once regulations allow.
- Strengthened trust with government and communities, laying the groundwork for smoother approvals and local ownership.
- Positioned Vietnam to tap into the growing global demand for high-integrity, compliance-ready carbon credits.

What's next?

The partners aim to:

- Move the Dakrong pilot project forward through ERS certification and into on-ground implementation, restoring degraded forest and generating high-integrity carbon credits.
- Support local organisations to apply their new skills and community toolkits in designing and launching additional NbS projects across priority landscapes.
- Continue engaging with the government to help shape clear approval pathways and benefit-sharing rules for Vietnam's emerging carbon market.
- Mobilise private investment by connecting credible, investment-ready projects with domestic and international financiers seeking high-quality NbS credits.



BUSINESS
PARTNERSHIPS
PLATFORM

Impact spotlight

Scaling carbon markets access for sustainable rice producers in Vietnam

Partners: International Rice Research Institute (IRRI), The Gold Standard Foundation and the Australian Government



Timeframe

November 2022

September 2024

CARBON MARKETS

FUNDING

DFAT

\$413,344

Partners

\$491,835

TOTAL

\$905,179

This BPP partnership between the International Rice Research Institute (IRRI), The Gold Standard Foundation and the Australian Government aimed to make carbon markets more accessible to farmers by developing clear methodologies, practical tools and a platform to support low-emission rice production at scale.

The partnership developed and launched a new Gold Standard methodology - [Methane Emission Reduction by Adjusted Water Management Practice in Rice Cultivation](#) - which is now publicly available and already in use by project developers. It also established a Rice Sustainability Hub for Vietnam, offering training resources, how-to guides, ready-to-use templates and a simple calculator to estimate emission reductions.

By promoting Programme of Activities (PoA) models, the partnership lowered costs and simplified carbon market participation for smallholders. Targeted training for farmers, verifiers and government officials built skills to apply low-emission practices, while early pilots helped refine tools for ease of use and scalability.

By 2024, the partnership had delivered a cost-effective pathway for farmers to reduce methane, access carbon finance and open new income streams. While designed for Vietnam, the approach offers a blueprint for rice-producing countries worldwide to transform production and contribute to global methane reduction goals.

Highlights

New global standard

Launched a methane emission reduction methodology for rice cultivation, now publicly available and already in use.

Launching the Rice Sustainability Hub

Created the Rice Sustainability Hub for Vietnam, attracting 1,100+ users in its first year, and offering resources, templates and training in English and Vietnamese.

Capacity building

Trained farmers, developers and auditors, with widespread uptake of new resources, templates and tutorials.

Adoption at scale

Three projects were in the pipeline within the first year of the methodology covering 40,000+ hectares, with potential to cut 150,000 tonnes of CO₂ annually.

Globally, there are now more than 40 projects currently listed on Gold Standard's Impact Registry that are utilising the new methodology. Two of the listed projects are already fully certified.

Digital innovation

The partners analysed how AI and remote sensing can reduce implementation costs, feeding into Gold Standard's digital MRV pilots.



Climate Impact

This partnership supported practical pathways for Vietnam's rice sector to reduce methane emissions at scale helping meet national and global climate goals while opening access to carbon markets.

- New rice methodology applied to **3** projects during the BPP project, covering 40,000+ ha and cutting up to **150,000+ tCO₂e** annually. Growing registrations are set to add hundreds of thousands more tonnes each year.
- Methodology informed the World Bank's Transformative Carbon Asset Facility (TCAF) as a technical foundation for the **1 Million Hectares** program.



Socio-Economic Impact

Accessing carbon markets can boost farmer incomes, but high costs often exclude smallholders. This partnership created a cost-effective shared platform, allowing farmers to join grouped projects by contributing "units." The model makes certification simpler, cheaper and scalable.

- The Rice Hub attracted **1,100+** users, **1,400+** sessions and **280+** demonstration video views in its first year.
- Training videos viewed **1,500+** times during the partnership period, building farmer and auditor skills.
- Linked to IRRI training programs with reach to **120,000** farmers.



Gender Impact

The partnership made training and tools accessible to women and other disadvantaged groups, helping ensure carbon market benefits are more inclusive.

- The Programme of Activities model has the potential to **lower barriers for women** smallholders to join.
- Women engaged in **stakeholder workshops** on finance and carbon markets.
- The application of the methodology includes **mandatory gender-sensitive procedures** and strategies that all projects must follow.



Catalytic Impact

Establishing foundational tools and frameworks for scaling sustainable rice farming and carbon markets in Vietnam and globally.

- Rice projects in the pipeline continue to grow with **46** currently listed on the Gold Standard registry under the new rice methodology.
- AI/remote sensing pilots tested with **210+** stakeholders across 32 countries.
- Co-authored policy brief with the Institute of Strategy and Policy on Agriculture and Environment (ISPAAE), **shaping Vietnam's carbon market policy.**

AI for sustainable rice: harvesting carbon credits through smarter technology

A groundbreaking 2024 report by Mantle Labs, produced through our BPP Carbon Markets partnership with Gold Standard, IRRI and the Australian Government, explores how artificial intelligence can lower barriers to carbon market access for rice farmers in Vietnam.

Demonstrated through a case study in Dong Thap Province, the report shows how AI can automate monitoring and verification, cut costs, and increase accuracy. By streamlining these processes, AI is unlocking a new opportunity for farmers: harvesting carbon credits alongside their crops.



What's next?

The partners aim to:

- Expand the Rice Sustainability Hub with new resources, templates and training to help more smallholder farmers use the methodology.
- Scale adoption of the rice cultivation emissions reduction methodology across India, Pakistan and Southeast Asia.
- Support more Validation and Verification Bodies (VVBs) to certify rice carbon projects at scale.
- Deepen collaboration with government, developers and financiers to strengthen enabling policies and unlock international climate finance.
- Support Vietnam's 2030 pledge to cut methane emissions by 30% under the Global Methane Pledge.



BUSINESS
PARTNERSHIPS
PLATFORM

Impact spotlight

Promoting nature-based solutions through afforestation carbon projects in Vietnam

Partners: South Pole, Energy and Environment Consultancy Joint Stock Company (VNEEC) and the Australian Government



Australian Government

Timeframe

February 2023

January 2025

CARBON MARKETS

FUNDING

DFAT

\$400,000

Partners

\$592,377

TOTAL

\$992,378

South Pole, VNEEC and the Australian Government have partnered through the BPP since 2023 to advance high-integrity, nature-based forest carbon projects in Vietnam. Together, they are helping turn early ideas into credible, certifiable projects while strengthening the systems needed for transparent and inclusive carbon markets.

With BPP support, the partnership conducted feasibility studies on afforestation, reforestation and improved forest management approaches, alongside community and government consultations to align with regional priorities. In May 2024, they signed Memorandums of Understanding with provincial Departments of Agriculture and Rural Development in Thua Thien Hue and Tuyen Quang.

South Pole and VNEEC prepared two detailed project designs that meet international certification standards (Gold Standard and Verra). The Thua Thien Hue project restores degraded land with native species, while the Tuyen Quang project extends harvest cycles to strengthen forest health. Together, these have the potential to remove over 30,000 tonnes of CO₂ annually.

Beyond project development, the partnership built local capacity and informed Vietnam's emerging policy and legal frameworks for carbon markets. The result is a stronger foundation for scaling high-integrity Nature-based Solutions that attract long-term investment and deliver tangible benefits for communities and the climate.

Highlights

Designing two pilot projects

Prepared full project designs for afforestation/reforestation in Thua Thien Hue and improved forest management in Tuyen Quang, both meeting international certification standards.

Engaging stakeholders

Held local consultations with forestry companies, provincial governments and communities to align projects with regional priorities and ensure transparency

Building partnerships

Signed agreements with provincial Departments of Agriculture and Rural Development in Thua Thien Hue and Tuyen Quang to support long-term implementation.

Strengthening capacity

Delivered knowledge-sharing and capacity building on benefit-sharing, MRV, and safeguarding frameworks, helping local partners prepare for project rollout.

Laying the groundwork for impact

Early estimates show strong enhanced carbon removal potential, with Thua Thien Hue and Tuyen Quang projected to enhance the removal of 5,800 tCO₂e/annum and 27,185 tCO₂e/annum respectively.



Climate Impact

This partnership laid the foundation for large-scale forest carbon projects in Vietnam, creating credible pathways for carbon removals and reductions in the forestry sector while supporting national climate commitments.

- **Two** pilot projects designed in compliance with Gold Standard and Verra's requirements for afforestation/reforestation and improved forest management respectively.
- Early estimates indicate high enhanced carbon removal potential of **32,000** tCO₂e/annum for the two projects combined
- Long-term projections of more than **1.2 million** tCO₂e removals and reductions across both projects over 30 to 40 years, based on preliminary estimates.
- Projects integrate benefit-sharing, MRV and safeguards to ensure high integrity and alignment with international standards.



Socio-Economic Impact

By exploring the potential for forest carbon projects, this partnership helped lay the foundation for future forest carbon project development with local stakeholder involvement.

- Signed Memorandums of Understanding with provincial governments to promote carbon project development so that future carbon revenues can be channelled into forestry and community development.
- Delivered training to provincial officials and forestry staff, equipping them with the skills to run carbon projects and attract investment.
- Provided capacity building which included concepts on monitoring, reporting and verification (MRV), benefit-sharing mechanism and safeguards.
- The partnership ensured women's voices were included from the start and set the stage for equal participation in future carbon projects.



Catalytic Impact

BPP support helped de-risk early investment and create the foundation for Vietnam's first scalable forest carbon projects.

- Detailed feasibility studies mapped viable pathways for afforestation/reforestation and forest management.
- Two flagship projects designed based on international standards, with the project design document for the improved forest management project ready for listing, while the afforestation/reforestation project is ready for local stakeholder consultation, advanced drafting, and validation.
- Memorandums of Understanding signed with provincial governments to support implementation and scale.



Nature-based solutions can provide over one-third of the cost-effective climate mitigation we need between now and 2030. By working with nature, rather than against it, we can create long-term benefits for the climate and for people.

Ladaporn Khunikakorn
Regional Director, Climate Projects, APAC
South Pole

What's next?

The partners aim to:

- Complete the local stakeholder consultation for the afforestation/reforestation project.
- Register and launch the A/R project in Thua Thien Hue and the IFM project in Tuyen Quang.
- Implement benefit-sharing mechanisms so local forestry companies and other stakeholders gain fair value from carbon credits.
- Scale pilot models into other provinces as blueprints for high-integrity nature-based forest carbon projects.
- Support Vietnam's policy development on domestic forest carbon standards, carbon rights, land tenure and project approvals.
- Attract new climate finance and private investment to sustain and expand forest carbon initiatives.



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