



Maximizing the Co-Benefits of Climate Action by Enhancing the NDCs of Vietnam and other ASEAN Member States

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Highlights

- The update of Vietnam’s Nationally Determined Contribution (NDC) can serve as a role model for putting the socio-economic opportunities and co-benefits of climate action into focus. Among five ASEAN Member States (AMS) (Singapore, Vietnam, Thailand, Brunei Darussalam and Cambodia), Vietnam (and Cambodia to some extent) has incorporated a new section into its updated NDC which highlights the socio-economic co-benefits of climate action for the country. The other ASEAN Member States (AMS) should follow this lead.
- By making socio-economic opportunities part of their NDCs, the AMS could validate the multiple benefits of ambitious climate action while enhancing their national climate policies. Apart from revealing potential opportunities and rallying domestic support for climate action, addressing the co-benefits in NDC-related communications could spark emulation around the world and contribute to creating a global momentum towards building strong alliances for ambitious and early climate action.

According to Article 4 of the historic Paris Agreement, the signatory nations are expected to submit more ambitious commitments – through their Nationally Determined Contributions (NDCs) – every five years. This “ratchet mechanism” was included in the Agreement to ensure that a regular updating of policies specifically aimed at reducing global greenhouse gases emissions occurs. By the end 2020, five ASEAN Member States (AMS) (Singapore, Vietnam, Thailand, Brunei Darussalam and Cambodia) had communicated their updated NDCs to the UNFCCC, together with 40 other “parties” (39 countries plus the EU’s 27). Table 1 shows some of the key features of the updated NDCs submitted by the AMS:

Table 1 Some Key Features of the Updated NDCs Submitted by the AMS

Country & date of NDC submission	Type of target	Sector coverage	Peak year	GHGs coverage	Higher ambition (according to Climate Action Tracker)	LTS submission
Singapore (31/03/2020)	Single-year absolute target	Economy-wide	~2030	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃	N	Y
Vietnam (11/09/2020)	Baseline target	Economy-wide	-	CO ₂ , CH ₄ , N ₂ O, HFCs	N	N
Thailand (26/10/2020)	Baseline target	Economy-wide (excluding LULUCF)	-	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆	N	On-going
Brunei (31/12/2020)	Baseline target	Economy-wide	-	CO ₂ , CH ₄ , N ₂ O	-	N
Cambodia (31/12/2020)	Baseline target	Economy-wide	-	CO ₂ , CH ₄ , N ₂ O	-	N

(For more details about the updates, see *ASEAN Climate Action: A Review of Nationally Determined Contributions Updated in 2020*. ACE Policy Brief No. 02 / February 2021).

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The ambition level of the AMS' NDCs could be raised higher. Though the AMS, along with all the other countries of the world, are currently struggling to find ways to recover effectively from the COVID-19 pandemic crisis, the update of Vietnam's NDC can serve as a role model for including socio-economic opportunities and co-benefits in its focus. Among the five AMS which have submitted their updated NDCs, Vietnam (and Cambodia to some extent) has incorporated a new section which highlights the socio-economic co-benefits of climate action for the country. According to Helgenberger, Jänicke and Gürtler, "co-benefits" refers to simultaneously meeting several interests or objectives resulting from a political intervention, private-sector investment, or a mix thereof". This first official inclusion of "co-benefits" elucidates how climate action can help Vietnam meet its socio-economic development goals as well as its Sustainable Development Goals (SDGs).

Vietnam's updated NDC suggests multiple co-benefits of decarbonising the energy sector

The synergies between climate change adaptation, mitigation and socio-economic development are highlighted in the text of Vietnam's updated NDC. It also explains the process of setting targets and prioritising actions in the NDC review:

Actions taken in different potential sectors can enhance synergy with socio-economic development in different ways. For example, in the energy sector, mitigation measures that can provide synergy with socio-economic development at high to very high levels include wind power, solar power, power-saving lighting, and efficient cooling.

All sectors in Vietnam's updated NDC are expected to provide socio-economic benefits in one way or another. Mitigation measures within the energy sector are regarded as being very promising with a rating of high to very high in terms of synergies with socio-economic development. In particular, the use of wind and solar power, in combination with energy efficiency measures are expected to yield potential socio-economic co-benefits. The decline in coal imports will help increase Vietnam's energy independence as well as encourage a turn towards developing previously untapped solar and wind resources, thereby enhancing the country's energy security.

The energy mitigation measures proposed in Vietnam's updated NDC are also expected to stimulate socio-economic development by supporting the development of new industries, creating favourable conditions for investment, strengthening assembly and maintenance services, etc. Significantly, developing mitigation technologies in the power sector, including renewable forms of energy, can be expected to lead to more green jobs, higher incomes and greater economic prosperity.

Investing in climate action means investing in Vietnam's future

According to the updated NDC of Vietnam, the investment costs of achieving the unconditional commitment (a 9% emissions reduction compared to BAU by 2030) are estimated at about USD 24.7 billion. According to a recent communication by the Vietnamese Ministry of Environment (MONRE), these investments would need to be more than doubled, to USD 56 billion, to meet the conditional target of a 27% emissions reduction compared to BAU by 2030. This is a tall order for a lower middle-income country, especially given the recent negative effects of the COVID-19 pandemic.

However, given the multiple co-benefits noted in the updated NDC, these investments can be regarded as an investment in a future-oriented economy for the Vietnamese people. According to a recent study published by the Institute for Advanced Sustainability Studies (IASS) and the COBENEFITS project, replacing coal-powered plants with solar or wind projects would more than double the number of jobs per average megawatt (MW) of power generation capacity. In the 15-year period from 2015 to 2030, solar and wind are expected to create 3.5 jobs and 2.8 jobs, respectively, per average installed MW capacity, compared to just 1.4 jobs/MW in coal-based power generation. Similar studies have recently been published on the positive impacts in terms of people's health and rural development.

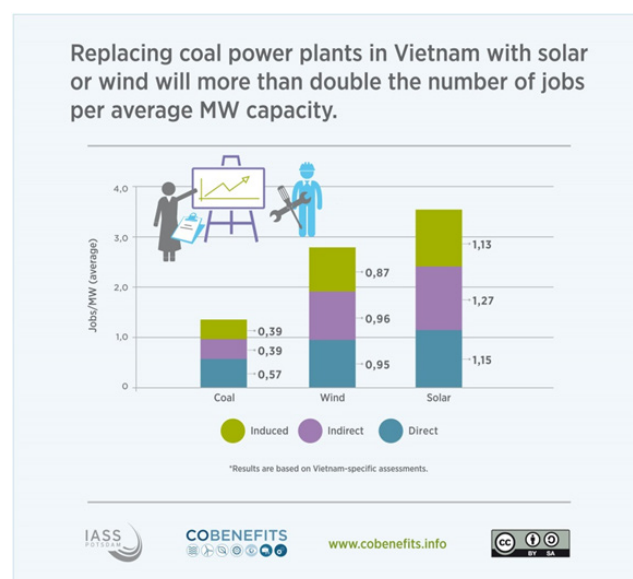


Figure 1 Employment Co-Benefits of Decarbonizing Vietnam's Power Sector (IASS / COBENEFITS 2020; www.cobenefits.info)

Such a transformational investment in a low-carbon economy will not only help prevent global warming from exceeding the temperature limit set by the Paris Agreement and advancing

the various SDGs, but will also ensure a **green recovery post-COVID-19** in the medium term for Vietnam. Furthermore, by identifying strategic tasks aimed at improving adaptive capacity, enhancing resilience and reducing climate-induced risks, the adaptation component in the updated NDC will also contribute to achieving Vietnam's sustainable development strategy.

Re-framing climate action in the ASEAN Member States: highlighting the multiple benefits

The NDCs are a central feature of the Paris Agreement. The latest climate science underscores the urgent need for more ambitious and more effective climate action worldwide. This means that parties to the Paris Agreement need to go beyond their current commitments by enhancing their NDCs.

The case of Vietnam shows how NDCs can be a pledge to the planet and global population, as well as a strong signal to seize the social and economic opportunities of a climate-friendly transition in our energy systems and economies. In this regard, Vietnam's updated NDC can be a role model for re-framing climate action in the AMS and beyond.

By making socio-economic opportunities a part of the NDCs, the AMS could highlight the multiple benefits of ambitious climate action while enhancing their national climate policies. Apart from spotlighting potential opportunities and rallying domestic support for climate action, highlighting the co-benefits in NDC-related communications can spark worldwide emulation and contribute to creating a global momentum towards building strong alliances for ambitious and early climate action.

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This edition is a joint product with:



This policy brief is a product of the **ASEAN Climate Change and Energy Project (ACCEPT)**.

ACCEPT is funded by the Norwegian Government under the Norwegian-ASEAN Regional Integration Programme (NARIP) and is jointly implemented by the ASEAN Centre for Energy (ACE) and the Norwegian Institute of International Affairs (NUI). The project includes the active involvement of key ASEAN stakeholders, and helps enhance modelling, analytical and regional policy planning capacities within ASEAN.

ACE is an intergovernmental organisation within ASEAN structure that represents the 10 ASEAN Member States' (AMS) interests in the energy sector.

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