



## [REPORT TASK I.6.3] INSTITUTIONAL REQUIREMENTS FOR THE POSSIBLE NAMA

### EXECUTIVE SUMMARY

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This report belongs to the Task I.6: “Options for matching policy toolkit with NAMA support”. The report for this sub-task I.6.3 will be describing the institutional requirements for coordinating policy options under the possible NAMA Cement of the Phase 1- Designing stage of the NORDIC PARTNERSHIP INITIATIVE PILOT PROGRAMME FOR SUPPORTING UP-SCALED CLIMATE CHANGE MITIGATION ACTION IN VIETNAM’S CEMENT SECTOR.

There are two important outcomes, the Consultant team propose in this report: NAMA institutional framework and NAMA operational arrangements. Following are brief description of the key findings of the report:

- NAMA Cement, like other mitigation program shall be integrated in development planning processes (Social-economic plan) with the responsibility for implementation lying with the ministries responsible for policy-making. Coordination among responsible ministries to ensure synergies and alignment with the national climate change/green growth/energy policies will be an important task for NAMA institutional setting-up.

- MRV institutional set-ups in NAMA Cement will be developed with a bottom-up approach: from the plant level, reporting to sectorial level and finally to national level before submitting the national official data to UNFCCC. Therefore, NAMA Cement institutional setting up shall be corresponding to this concept.
- The roles and task for the most important units in NAMA institution has been defined in chapter 3.3 where, the functions required for NAMA Cement operation are proposed including:
  - Policy coordination
  - NAMAs coordinating unit including the function of MRV and international reporting
  - Climate finance coordination unit
  - NAMA Operating Unit
- Two cases of NAMA institutional set-ups in Indonesia and Dominican Republic have been selected based on their relevance of the sectoral scope and availability of information on institutional arrangements to study in detailed. The cement NAMAs in both countries are in advanced design stage. In Indonesia, each NAMA is managed by the

line ministry supported by other entities for MRV, reporting, managing of financial flows, etc. On the contrary, in Dominican Republic, the institutional arrangements are very centralized with a monopoly role of the National Council on Climate Change and CDM who is in charge of all NAMA process, from NAMA management to MRV, financial management and reporting to UNFCCC. In the Consultant's view, the latter should not be applied in Vietnam or any other countries because sectoral NAMAs should be operated by a line agency, not by a central NAMA coordination unit, who doesn't have neither the detailed knowledge of the sector, nor authority over and established connections with the cement plants (future NAMA implementers).

- The Consultant team would like to emphasize the management and leading role of MOC functioning as NAMA Cement Operating unit. This unit shall be as well responsible for Cement sectorial MRV. In Vietnam, the MONRE acts as the whole country MRV administrator, but different ministries shall manage different industry

sectors and reporters submit their GHG reports directly to the appropriate ministry for their sector. Individual ministries compile and submit GHG reports to MONRE and MOIT. In this case, MOC will consolidate the data for cement sector and report to MONRE (for GHG) and MOIT (for energy).

- NAMA Operating Unit shall coordinate with other ministries at higher level to ensure that the actions are embedded in other national programs. The Consultant team proposes that MOC shall do the coordination through Green Growth Inter-Ministerial Coordinating Board. This set up will avoid installing a separate steering committee for NAMA Cement which could create unnecessary efforts from government agencies.

The operational arrangement for NAMA Cement required that MPI/MONRE/MOC coordinate closely with national submission and evaluation procedure.

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