

Vietnam and Japan advance climate ties through low-emission farming

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Vietnam and Japan are entering a new phase of climate cooperation, focusing on the mobilisation of climate finance for low-emission rice cultivation through the Joint Crediting Mechanism, with Green Carbon and Dragon Capital playing key roles in the effort.

A participatory meeting held in Hanoi on June 30 attracted numerous experts, representatives from state management agencies, research organisations, and local and international businesses.

Flooded rice cultivation emits high levels of methane due to prolonged anaerobic conditions in submerged fields. The alternate wetting and drying (AWD) irrigation technique has been proven effective in disrupting these oxygen-poor conditions, thereby reducing methane generation.

Green Carbon, a carbon credit developer that works with farmers worldwide to create decarbonisation projects, has implemented AWD in Nghe An and An Giang with impressive results. In Nghe An, emissions were reduced by over 60% under direct seeding conditions and over 50% with transplanted rice. The scheme in An Giang spans 116,000 hectares and has the potential to reduce hundreds of thousands of tons of CO₂-equivalent emissions annually.

Green Carbon has developed an internationally recognised measurement, reporting, and verification system, utilising digital technology, satellites, and sensors. This ensures reliable verification of emissions reductions. The resulting carbon credits can be certified under Verra or the Joint Crediting Mechanism (JCM), enabling participation in international carbon markets. These markets provide a new source of finance for farmers, contributing to rural livelihoods.

Dragon Capital acts as a strategic investor, offering funding, training, and technical consulting for low-carbon agricultural projects. The firm collaborates with research institutes to assess ecological value and develop new financial tools. Dragon

Capital is actively exploring biodiversity credits and promoting the integration of environmental, social, and governance standards into investment activities. This approach enhances scalability and sustainability of climate initiatives in agriculture.

The JCM is a bilateral cooperation framework initiated by Japan, allowing both countries to jointly recognise emission reductions from a specific venture. From 2013 to 2020, Vietnam and Japan implemented 14 projects, generating more than 35,000 carbon credits. In the new phase, emphasis will be placed on deploying low-carbon technologies in agriculture. The AWD collaboration in Vietnam is part of this strategy. Vietnam's commitment to reduce greenhouse gas emissions by 43.5 per cent by 2030 with international support necessitates scalable sustainable farming models.

Green Carbon and Dragon Capital are serving as bridges between farmers, businesses, and the government. By combining technical expertise, private capital, and public policy, they are enabling the formation and growth of an agricultural carbon credit ecosystem.

The AWD technology collaboration under JCM exemplifies how developed and developing countries can take joint action towards shared climate goals. Japan will continue supporting Vietnam through financial assistance and advanced technology transfer.

The partnership between Vietnam and Japan is being strengthened through the AWD scheme. The Japanese government has reaffirmed its commitment to provide financial support and technology transfer to Vietnam. Consensus among regulatory agencies, the private sector, and local communities will be essential to achieving the net-zero emissions target by 2050.

Developing a low-carbon agriculture sector goes beyond environmental goals. Carbon credits are becoming financial tools that drive production innovation and create new livelihoods for farmers. Green Carbon is steadily building a nationwide agricultural carbon credit platform, while Dragon Capital continues to expand its climate investment commitments. These two forces are working closely together to transform agriculture into a sustainable, equitable, and climate-resilient sector.