

Viet Nam Energy Partnership Group

Technical Working Group on Energy Efficiency

Report of the 6th Meeting

Date: 13 April 2021,
Location: Meeting room 101, 25 Ngo Quyen, Hoan Kiem, Ha Noi, and online via Microsoft Teams
Time: 14.00-17.00

Key agenda points:

1. Updates on the implementation of **the Viet Nam Energy Efficiency Programme / National Energy Efficiency Action Plan (NEEAP)**
2. Partners' inputs on Energy Efficiency
3. **Planning and priority topics** for the Technical Working Group on Energy Efficiency in 2021

Vice Minister Đặng Hoàng An, Ministry of Industry and Trade

Chair and Co-Chair:

- **Mr. Trịnh Quốc Vũ**, Deputy Director-General of Department of Energy Efficiency and Sustainable Development/ Ministry of Industry and Trade (DEESD/MOIT)
- **Ms. Sitara Syed**, Deputy Resident Representative of UNDP

Agreed Conclusions and Actions: (See next page)

Agenda: See Annex 1

Participants: See Annex 2

Minutes: See Annex 3

Agreed Conclusions and Actions:

Conclusion / Decision	Action
<p><u>2021 TWG Themes</u></p> <ul style="list-style-type: none"> - Assistance office for the VNEEP Steering Committee. - National Action Plan for the implementation of VNEEP 3 - MOIT sent official dispatches to other Ministries and People's Committees of provinces and cities to propose and coordinate to develop the 2021 implementation Provincial Energy Efficiency Action plan - Awareness-raising and capacity building for ESCO models <p><u>Proposed Activities for the TWG in 2021</u></p> <ul style="list-style-type: none"> - Share International and regional experiences on EE laws; - Provide technical support for EE law revision: Needs analysis and/or policy recommendations for Energy Efficiency Law - Showcasing energy efficiency in specific sectors, such as buildings/construction, and link up with other events, such as Green Building Week. - Promote action plan by ministries on energy efficiency measures and raise awareness of the public service. For example, the cost-norms currently for retrofiting usually are not sufficient for senergy-efficient technologies. - Provide Technical support to Ministries and Provinces, cities, and companies to develop EE Action Plans. - Support development of new Energy Efficiency policy recommendations and updating the VEPG TWG 2 Policy Recommendations (matrix) 	<p>VEPG Secretariat to continue to collect more inputs, comments, and recommendations for the TWG's priorities in 2021 and beyond 2021.</p>
<ul style="list-style-type: none"> • The OECD has requested to incorporate activities under its MoU with the Government of Viet Nam/MOIT into the VEPG going forward. • The IEA has suggested specific activities to support Viet Nam in data collection, capacity building and cooperation related to energy efficiency. • GIZ proposes to support the TWG themes and activities in 2021 as per the attached addendum. 	<p>The VEPG Secretariat will include these proposals in reporting to the Steering Committee for decision at the June 2021 Steering Committee Meeting.</p>

ANNEX 1 – FINAL AGENDA

13.55-14.00 Log-In & Guidance for Webinar Users

14.00-14.20 Welcome & Secretariat Report

Vice Minister of Industry and Trade Đặng Hoàng An

- *Opening remark*

Mr. Trịnh Quốc Vũ / Ms. Sitara Syed

- *Opening and introduction to the agenda*

Ms. Nguyễn Phương Thảo

- *Report of the VEPG Secretariat and planning for 2021.*

14.20-15.00 VNEEP3/NEEAP Implementation

- *DEESD/MOIT: Update on NEEAP implementation: activities in 2020, planning for the period 2020-2025, budget, and Provincial EE Action Plan*
- *DEESD/ MOIT: Introduction of Project "Promoting Energy Efficiency in Industry in Viet Nam"*
- *Discussion and Q&A*

15.00-15.45 Energy Efficiency Support Activities

- *Scheduled inputs from partners and discussion*
 - *GIZ: EE investment from the perspective of the private sector*
 - *OECD: EE financing mapping*
- *Discussion and Q&A*

15.45-16.45 Priority Topics in 2021

Ms. Amber Sharick, VEPG Secretariat

Discussion on the themes and focus topics of the TWG on EE in 2021

16.45-17.00 Closing Remarks

Mr. Trịnh Quốc Vũ / Ms. Sitara Syed

ANNEX 2 Participants:

Vice Minister Đặng Hoàng An, Ministry of Industry and Trade
Chair and Co-chair

- **Mr. Trịnh Quốc Vũ**, Deputy Director General of DEESD/MOIT
- **Ms. Sitara Syed**, Deputy Resident Representative UNDP

Participants

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| • Mr. Lê Bá Việt Bách , DEESD/MOIT | • Ms. Trần Thị Bích Phương , GIZ |
| • Mr. Đặng Hải Dũng , DEESD/MOIT | • Ms. Nguyễn Thanh Phương , GIZ |
| • Mr. Lương Quang Huy , MONRE | • Ms. Bùi Ngọc Thủy , GIZ |
| • Mr. Đinh Chính Hiệp , MOC | • Mr. Sven Enerdal , GIZ |
| • Mr. Nguyễn Kiên Cường , VAST | • Ms. Anja Latacz , GIZ |
| • Mr. Vũ Quang Đăng , ADB | • Mr. Markus Bissel , GIZ |
| • Ms. Hyunjung Lee , ADB | • Mr. Nguyễn Đỗ Thuyên , GIZ |
| • Ms. Nguyễn Thị Thành An , AFD | • Mr. Jacquemin Alain , Luxdev |
| • Ms. Nina Seahra , Canada | • Ms. Cecilia Tam , OECD |
| • Ms. Trần Hồng Việt , Denmark | • Mr. Brendan Coleman , OECD |
| • Ms. Tran Thuy Duong , EUD | • Mr. Yannick Millet , UNDP |
| • Mr. Marshall Brown , GGGI | • Ms. Le Thao , UNIDO |
| • Ms. Le Hanh , GGGI | • Ms. Vũ Thị Thu Hằng , UNDP |
| • Ms. Ta Huong , GGGI | • Mr. Hà Đăng Sơn , USAID/V-LEEP |
| • Mr. Trần Bảo Minh , GGGI | • Ms. Elizabeth Gelb , USAID/V-LEEP |
| • Ms. Kalyani Basu , Carbon trust | • Mr. Le Tra , Finnsea |
| • Mr. Minh Ha Duong , CIRED/CNRS | • Mr. Michael DiGregorio , The Asia Foundation |
| • Mr. Helge Rosenberg , Danish Energy Agency | • Mr. Rainer Brohm , RB Renewable Energy Consulting |
| • Mr. Ren Tao , European Investment Bank | • Ms. Do Minh Tam , WWF |
| • Ms. Akiko Ishii , EY | |

VEPG Secretariat

- **Ms. Amber Sharick**, VEPG Secretariat
- **Ms. Nguyễn Phương Thảo**, VEPG Secretariat
- **Mr. Đỗ Quang Nhật**, VEPG Secretariat
- **Ms. Trịnh Ngọc Thúy**, VEPG Secretariat
- **Ms. Vũ Minh Hiền**, GIZ Support Team

ANNEX 3 - SUMMARY MINUTES

Agenda item	Summary
<p>Welcome & Secretariat Report</p>	<ul style="list-style-type: none"> • <u>Vice Minister (VM) Đặng Hoàng An, Ministry of Industry and Trade (MOIT), Chair of the VEPG Steering Committee</u> welcomed the participants to the meeting. The VM has expressed his interest in joining meetings of the TWG during the 6th Meeting of the VEPG Steering Committee, in particular, the TWG on Energy Efficiency with UNDP as the Co-chair of the Group. He noted that Viet Nam is one of ASEAN's fastest-growing economies which will see the challenges to meet the energy demand. Energy efficiency, therefore, is a priority solution for Viet Nam and other nations to achieve the goal of energy security. The MOIT is implementing the Viet Nam Energy Efficiency Programme for the Period 2020 – 2030 (VNEEP 3) with the achievements of EE rate reaching 3.5% and will reach 5.6%, and 8.6% in 2030, contributing to the Viet Nam's commitments in the Paris Agreement. ESCO model has been successful but there are not many ESCO service providers in the country. In addition, there is a need for international support with regards to the institutionalization of the EE services company.. The Power Development Plan was also submitted to the Prime Minister for Approval with the target that Viet Nam will meet the electricity demand while meeting international commitments on emission. • <u>Mr. Trịnh Quốc Vũ, Deputy Director-General of DEESD, Chair of the TWG</u>, thanked the Vice Minister for his remark and welcomed online and in-person participants to the 6th meeting of the TWG. Mr. Vũ noted that since the establishment of the TWG in June 2017, many issues on EE have been discussed including the issue of establishing a financing mechanism for the EE in the previous meeting. The Chair set the agenda for the meeting. • <u>Ms. Sitara Syed, Deputy Resident Representative, UNDP, Co-Chair of the TWG</u> also thanked the Vice Minister for his remark and participation in this meeting. The Co-chair shared the opinion that energy efficiency is a key measure to reach Viet Nam's emission reduction target in the Nationally Determined Contribution (NDC) in September 2020. She also emphasized the meeting objective of setting key themes and activities for the TWG in 2021. In addition, the TWG should also look back in the Policy recommendation in 2018 and look to the future for the key priorities for EE in Viet Nam. • <u>Ms. Nguyễn Phương Thảo, VEPG Secretariat</u>, presented on the work plan and the outcome of the 6th Steering Committee of the VEPG (Annex 4.1).
<p>VNEEP3/NEEAP Implementation</p>	<ul style="list-style-type: none"> • <u>Mr. Lê Bá Việt Bách, DEESD/MOIT</u>, presented the result of the implementation of VNEEP in 2019-2020 (Annex 4.1) • <u>Mr. Trịnh Quốc Vũ, DEESD/MOIT</u>, provided additional information on the presentation. Highlights included: <ul style="list-style-type: none"> - The MOIT has issued MOIT Circular 25 on planning and reporting the implementation plans for energy efficiency; implementation of energy audit and submitted it to the MOIT for approval of a new

	<p>Decision to replace Decision 09. The Decision will include the following points: digitalization of the reports from DEUs, development of a database for ease for reporting: http://dataenergy.vn/. The Decision coupled with existing Circulars on energy consumption norms in different industries will allow for better monitoring of the government on Energy Efficiency.</p> <ul style="list-style-type: none"> • The TWG discussed the Presentation from DEESD/MOIT and comment for the Chair of the TWG. Following are the highlights of the discussion: <ul style="list-style-type: none"> - <u>The linkage between the Viet Nam Energy Information System (VEIS) and Energy Data website:</u> the EU is supporting the Electricity and Renewable Energy Authority (EREA) on the VEIS and VEIC. The DEESD is implementing the EE Law and has established the Energy Efficiency Database as a single-door for DEU to report. After the completion of the makeup of the VEIS, the Energy Efficiency Database will become a part of the VEIC. DEESD and EREA will coordinate on the design of the VEIC. - <u>Financing for VNEEP 3 and financing for the EE projects:</u> the MOIT is working with the Ministry of Finance for a Circular for funding for the VNEEP 3 and EE projects. - <u>ESCO and Super ESCO Market:</u> currently ESCO model is implemented in many countries with success. However, in Viet Nam, ESCO still meets with several regulatory barriers. The MOIT has requested a meeting with MOF to solve these barriers and challenges for the ESCO in Viet Nam. To develop the ESCO and Super ESCO Market, there is a needs to develop incentives to generate demand for ESCO services as well as to make ESCO and Super ESCO profitable. - <u>Carbon Credits mechanism for EE project:</u> the Ministry of Natural Resources and Environment (MONRE) is cooperating with the MOIT as the focal point for the development of Carbon Credit Mechanisms. The MOIT will develop a market for the Carbon Credits similar to the RE certification which will be implemented with the Direct Power Purchasing Agreement mechanism between RE GENCO and users. The Carbon Credits market is also connected closely to the ESCO market. A new Decree is in development and will be submitted for public comments in 4 to 6 weeks. - <u>Support for EE in provinces:</u> the DEESD also requested development partners to support developing and implement EE action plans in localities (provinces, cities, etc). It is proposed that a survey on the needs of the DOITs in the development and implementation of the EE action plan should be conducted. • The Vice Minister gave his comments on this topics: <ul style="list-style-type: none"> - Currently, 40 of 63 Provinces and Centrally-administrated cities have issued an action plan for the implementation of VNEEP 3. The DEESD should supervise and support provinces to develop the action plan for the VNEEP. - The Circular for the distribution of the fund for the implementation of the VNEEP 3 needs to be issued soon so that the implementation of the activities within the Program would not be delayed.
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	<ul style="list-style-type: none"> - The targets for the VNEEP 3 are quite clear. The participation of the localities and enterprises is crucial to reach the target planned. He also gave guidance on the factors to successfully implement the targets set out by the VNEEP. - Macro-economic transition to low carbon: this is a long process that goes along with the socio-economic development of the nation. - Technology: MOIT is working with the Ministry of the Science and Technology (MOST) to establish standards on energy consumption quotas. - Energy usage behaviors: increase public awareness for EE solutions via communication campaign (i.e. Earth hour, Trainings).
<p>Energy Efficiency Support Activities</p>	<ul style="list-style-type: none"> • The Organization for Economic Cooperation and Development (OECD) presented activities related to the Mapping on EE Financing Exercises (Annex 4.1) The OECD formally requested cooperation within the framework of the VEPG. • GIZ is aiming at increasing market of energy efficiency service providers and suppliers, in particular for low and medium cost investments, by implementing capacity building activities for the end users of energy. The target group initially included the ca 3,000 Designated Energy Users but should be expanded to the owners and operators of the 16,000 Commercial and Industrial Roof Top Solar Systems with a total installed capacity of almost 8 GW. • As an example introduced the activity “Small Energy Efficiency Group” where external experts are coaching Energy Managers in companies to identify EE Solutions and to make an attractive presentation of the investment opportunities to the management team of the company. GIZ also presented the Website Viet Nam Energy Efficiency Community (VEECOM) as the opportunity of knowledge exchange among EE professionals (Annex 4.1). All donor organisations can upload meaningful studies, report, best practices and share the information with currently 300 registered member of VEECOM. GIZ proposes to support the TWG themes and activities in 2021 as per the attached addendum. • The Development Partners also expressed their continuous support for energy efficiency cooperation through the following activities. <ul style="list-style-type: none"> - <u>EU</u>: the EU will continue its support through the Clean Energy Transition Programme (CETP) - <u>ADB</u>: With MOIT, ADB has been working with 6 cities and provinces for public energy efficiency investments in street lighting and public buildings, under the Smart and Energy Efficient City Project (SEECP). - <u>AFD</u>: AFD would like to develop Green Credit Lines under a non-sovereign scheme with commercial banks in Vietnam. AFD is also one partner of the Energy Transition Partnership Programme in South East Asia (ETP SEA) and hopes to be able to provide support

	<p>to MoIT to develop ESCO market and financial mechanisms for energy efficiency investments.</p> <ul style="list-style-type: none"> - USAID/V-LEEP: the first phase of the VLEEP is closing. The 2nd phase will continue in the near future with support to EREA, DEESD, ERAV, and the Department for Oil, Gas and Coal of MOIT. In particular, V-LEEP hope to support the financing mechanisms as well as for the legal framework for the ESCO model. • The Vice Minister provided inputs on the topics: <ul style="list-style-type: none"> - To promote the uptake of the EE solutions, different approaches need to be used for the private and public sectors. The public sector will uptake EE solutions due to legal requirements while the Private Sector will implement EE solutions base on cost-benefits analysis. - There is a need for a more private companies to be involved in the discussion. <p style="text-align: center;">The VEPG should organize a private sector dialogue to discuss the challenges and barriers in investing in EE solutions.</p> • The TWG discussed the agenda item. Following are the highlights of the discussion: <ul style="list-style-type: none"> - <u>Financing mechanism for energy efficiency projects:</u> many development partners expressed concerns over how to realize available funds from others. For example, there is a large sum of funding available from previous projects for EE projects funding. However, issues with MOF prevented this fund from being transfered to fund EE projects. <p>In addition, many stakeholders expressed that a funding mechanism for enterprises would be beneficial in encouraging the uptake of EE solutions. However, the MOF does not encourage the model of a fund/foundation outside of the state budget due to the potential for mismanagement and lack of a regulatory framework to manage the fund. The MOIT will work with the MOF to come up with a solution to this issue to release funding for the EE projects.</p>
<p>Priority Topics in 2021</p>	<p>The proposed priorities topics of the TWG include the following themes and activities:</p> <p><u>2021 TWG Themes</u></p> <ul style="list-style-type: none"> - Assistance office for the VNEEP Steering Committee. - National Action Plan for the implementation of VNEEP 3 - MOIT to send official dispatches to other Ministries and People’s Committees of provinces and cities to propose and coordinate to develop the 2021 implementation plan - Awareness-raising and capacity building for ESCO models <p><u>Proposed Activities for the TWG in 2021</u></p> <ul style="list-style-type: none"> - Share International and regional experiences on EE laws; - Provide technical support for EE law revision: Needs analysis and/or policy recommendations for Energy Efficiency Law

	<ul style="list-style-type: none"> - Showcasing energy efficiency in specific sectors, such as buildings/construction, and link up with other events, such as Green Building Week. - Promote action plan by ministries on energy efficiency measures and raise awareness of the public service. - Provide Technical support to Ministries and Provinces, cities, and companies to develop EE Action Plans. - Support development of new Energy Efficiency policy recommendations and updating the VEPG TWG 2 Policy Recommendations (matrix) <ul style="list-style-type: none"> • <u>The Chair and Co-chair</u> tasked the VEPG Secretariat to continue to collect more inputs, comments, and recommendations for the TWG’s priorities in 2021 and beyond 2021.
<p>Closing Remarks</p>	<ul style="list-style-type: none"> • <u>Vice Minister (VM) Đặng Hoàng An, Ministry of Industry and Trade (MOIT), Chair of the VEPG Steering Committee</u> thanked the Chair and Co-chair of the Technical Working Group for leading the meeting. He also thanked the participants for actively contributing and support EE in Viet Nam. • <u>Mr. Trịnh Quốc Vũ, Deputy Director-General of DEESD, Chair of the TWG</u> thanked the Vice Minister for his comments and guidance and the participants for their active contribution. The Chair asked the VEPG Secretariat to continue to collect more inputs, comments, and recommendations for the TWG’s priorities in 2021 and beyond 2021. The Secretariat will also update the work plan accordingly. All the comments on the work of the TWG will be taken into account and included in the report of the TWG on Energy Efficiency. • <u>Ms. Sitara Syed, Deputy Resident Representative, UNDP, Co-Chair of the TWG</u> thanked the Vice Minister for his valuable guidance and comments during the meeting. She also thanked the members of the TWG for their inputs and comments and the Secretariat for the organization of the meeting.

