

Your Excellency Vice-Minister Dang Hoang An,
Mr. Ousmane Dione, Country Director of the World Bank,
Dear colleagues Ambassadors,
Dear ladies and gentlemen,

The Viet Nam Energy Partnership Group, which was launched a little more than two years ago, is a **great platform for coordination and policy dialogue** between the Ministry of Industry and Trade and all concerned stakeholders on the development of the energy sector in Viet Nam.

Recently, I co-chaired together with MOIT Vice Minister Hoang Quoc Vuong and the Country Director of the World Bank, Mr. Ousmane Dione, the 5th VEPG Steering Committee meeting. I was impressed by the work of the VEPG and the five Technical Working Groups.

I would like to take this opportunity **to thank your Excellency, Minister Tran Tuan Anh, for your excellent guidance and commitment to the success of the VEPG**, reflected in the intense efforts of the relevant staff from the Ministry of Industry and Trade. The productive collaboration with the development partners and other stakeholders including the private sector and civil society resulted last year in the **adoption of a set of 40 policy recommendations to support the government in transforming the energy sector**. Many of them have seen encouraging progress with implementation in 2019. I also would like to thank the VEPG Secretariat for its excellent support. The VEPG certainly could not be as it is today without all this support.

It was - and still is - nothing less **than a historic transformation of the energy sector that has significantly developed over two decades**, supplying more than 90 million people with energy and fuelling continued economic growth. **It is a formidable task to transform the power system of Viet Nam**, which currently relies on centralized power generation, distribution of power over long distances, and on the extensive use of coal and other fossil fuels, towards **a more sustainable and decentralized system that builds on local renewable energy sources and innovative ways of saving energy.**

Viet Nam needs to develop a system that provides clean, secure and affordable energy to all people and to the thriving businesses and industries. A system that simultaneously contributes to national and international efforts

to fight climate change, protects the health of its people and reduces pressure on its precious ecosystems.

Ladies and gentlemen, at this very moment, **the international community is meeting for COP 25 in Madrid to discuss crucial next steps for the implementation of the Paris Climate Change Agreement.** Viet Nam is among the nations most vulnerable to climate change, but also still relies heavily on coal and fossil fuels for power generation. **There is an urgent need to take action and change the course now.**

Dear Minister Tran Tuan Anh, I want to re-assure you that **the European Union** - as many other development partners that have gathered here today - **is here to provide support and expertise to make this energy transition happen.**

Today, we look back to the hard and focused work on **supporting the implementation of the 40 VEPG Policy Recommendations in 2019.** And we look ahead at the remaining challenges and key steps to address and overcome them. Without anticipating the Report of the VEPG Secretariat, I would like to **highlight some issues that are part of our Policy Recommendations** and that I believe are of crucial importance and need our full attention:

First of all, we have seen this year **a tremendous growth in renewable energy, particularly solar,** in the South of the country. More than 4,500 Megawatt-peak capacity were added within a timeframe of only 3 months by the end of June. **This is unprecedented in the region and beyond.** There are short-term challenges linked to grid integration, but I am confident these challenges are being addressed.

Despite this rapid growth in renewable energy installations, we are all **impatiently waiting for the approval of the follow-up regulation,** the new support mechanism for solar that is expected to provide a reliable and clear legal framework for the many other projects that are ready to be realised and representing up to 20,000 Megawatt-peak of solar power projects under development!

Why are we impatient? Not only because investors, developers and a growing local industry are willing to invest in the Vietnamese market, contributing to sustainable development and creating green jobs for tens of thousands of Vietnamese. More importantly, **this clean energy capacity is desperately**

needed to meet the fast-growing electricity demand of the country. A demand that is growing faster than the economic development of the country! Thus, in order to relieve the Vietnamese power system from this mounting pressure, we also need to invest a lot more in Energy Efficiency.

The Viet Nam Energy Efficiency Programme number 3 is a great opportunity to slow down the growth of electricity demand and at the same time save money. We know that there are many “low hanging fruits” to achieve higher efficiencies in the key energy consuming sectors, such as industry, building and transportation, with some investments having very short payback times of 2-3 years, after which real savings can be realised.

Secondly, I would like to highlight the great opportunity we have right now to shape the course of Viet Nam’s energy development. The government is developing a **Power Development Plan** for the period 2021–2030, vision 2050, and at the same time, the Communist Party of Viet Nam is finalising its new Resolution on strategic directions for long term energy development.

This is a **critical window and a unique opportunity for us to join hands in recalibrating the course towards more sustainable energy**, shifting away from polluting to cleaner energy sources. The **effects of climate change are severe and growing in frequency and intensity**, both here in Viet Nam and around the world. These global and national transition processes to cleaner energy systems must be accelerated, with an ambitious commitment from the government and with the strong support of its development partners.

The transition must be gradual for sure. However, it requires a clear vision and a comprehensive roadmap with ambitious medium and long-term targets and with clearly defined actions and milestones.

The question of the ‘right energy mix for Viet Nam’ is not an easy one to answer and there is not only one response. But what is clear is that the current planning is still too reliant on fossil fuels and that a greater shift away from coal to renewable energy is possible. Current developments in the solar and wind energy market give us all reason to be ambitious. And we have not even started to exploit the great potentials of off-shore wind and bioenergy.

Dear Minister Tran Tuan Anh, I would like to assure you again that **the EU is very committed to assist you in Viet Nam's transition from brown to green**

energy, while also ensuring access to affordable energy for all and protecting Viet Nam's competitiveness.

We believe that **the Viet Nam Energy Partnership Group plays a crucial role in this process** and I am looking forward to listening to the Report on VEPG's work in 2019 and the results of the intense consultations and cooperation with the Government, the private sector, academia and civil society.

Let me once again thank you Minister for your commitment and your Ministry for its intense efforts. With joint hands we shall continue our endeavour towards a clean energy sector and a prosperous Viet Nam.

Thank you very much, Xin cam on!