



4th VEPG High-Level Meeting – 24 January 2022
Opening Remarks - EU Ambassador Giorgio Aliberti

Your Excellency Vice-Minister Dang Hoang An,
Ms. Carolyn Turk, Country Director of the World Bank,

Dear fellow Ambassadors,
Dear ladies and gentlemen,

Despite all the limitations due to the COVID-19 pandemic, I am pleased that we are meeting today for the fourth VEPG High-Level Meeting. I am happy to welcome not only those guests present in person today, but all participants that are joining us via live stream. Welcome everyone!

Over the past four years, the Viet Nam Energy Partnership Group has been a 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.

I would like to thank your Excellency, Vice Minister Dang Hoang An, for your continuous guidance and commitment to the success of the VEPG, which is also reflected in the intense efforts and participation of leaders and officers of the Ministry of Industry and Trade. To date, the 40 VEPG policy recommendations for the transformation of the energy sector, which were adopted at the VEPG High-Level Meeting in 2018, have been partially or fully implemented. This reflects remarkable progress and is a demonstration of the power of collaboration and dialogue. I also would like to express my gratitude to the VEPG Secretariat for your dedication and for organising today's event.

Ladies and gentlemen, two months ago the international community met for COP26 in Glasgow and discussed crucial next steps for the implementation of the Paris Climate Agreement. The latest IPCC report on climate change once again reminded us of the urgency of a rapid energy transition in order to meet each nation's Nationally Determined Contribution, as well as the common goals of the Paris Climate Agreement.

Viet Nam is among the countries most vulnerable to climate change, but at the same time relies heavily on coal and other fossil fuels for its rapidly growing energy use. We all need to take decisive action and change the course now, both at national and global scales. During COP26, Viet Nam was among the 137 countries committing to net-zero emissions by 2050, and the more than 40 countries pledging to shift away from coal.

The European Union, as a global leader in the fight against climate change, committed to net-zero emissions by 2050 through a socially fair transition, a transition to a greener economy, and particularly the de-coupling of economic and energy growth in the EU.

Viet Nam's commitment to an energy transition towards a cleaner, greener energy mix and more efficient use of energy is an important contribution, not only to the sustainable development of its economy but also to the global fight against climate change.

Dear Vice Minister Dang Hoang An, I want to re-assure you that "Team Europe", which is the EU and its 27 Member States together, together with other development partners, will continue to provide substantial financial support and expertise to Vietnam to realise this energy transition, while ensuring

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access to affordable energy for all and protecting Viet Nam's competitiveness at local, as well as international level.

Today, we reflect on the achievements of the VEPG over the last years and look ahead at the remaining challenges and key steps to address them. I would like to highlight some achievements and opportunities that I believe are of crucial importance and worth reflecting on.

First of all, we have seen a tremendous growth in renewable energy, particularly in solar and wind power and predominantly in the Centre and South. In 2019 and 2020, solar PV investments skyrocketed, and Viet Nam now has a total installed solar capacity of almost 17 GW, both ground-mounted and rooftop solar projects, and more than 100,000 solar systems reflecting decentralised production. In 2020, Viet Nam was ranked third on the global market and first in the ASEAN region in terms of added solar PV capacity. In 2021, the private sector invested heavily in wind farms resulting in around 4 GW in commercial operation at the end of the year. Unfortunately, mainly due to COVID-19 related restrictions, a number of wind farms could not be completed before the deadline of the wind Feed-In Tariff. It is urgent now that the Government decides on a special support mechanism to allow this additional green wind power to come online in 2022. I am well aware that this massive growth in solar and wind power generation also comes with challenges to grid integration and infrastructure, sometimes requiring curtailment, but I am confident that these challenges can be gradually addressed and solved in the short to medium term. I would however like to express my concerns that MOIT seems to have the intention not to add any additional solar and wind power in 2022.

Secondly, we have right now a great opportunity to shape the course of Viet Nam's energy development. The government is integrating its ambitious COP26 commitment in its revision of the draft Power Development Plan 8 for the period 2021–2030, vision 2045, and at the same time, the Resolution 55 on strategic directions for long term energy development adopted by the Politburo early 2020 is being rolled out. The rapid developments in the solar and wind energy market in Vietnam do give us the confidence to be ambitious and realistic. And we have not even started to tap the huge potentials of offshore wind and energy efficiency. In this context, it is also necessary to plan for a just transition away from coal.

To make this energy transition happen, all sector stakeholders need to join hands and work together. An enabling environment for the private sector will be key to securing the necessary investments in additional renewable energy generation capacity and increasing energy efficiency. EU experience with our energy transition is also that a lot of green jobs will be created in the local labour market.

Last but not least, other key stakeholders are representatives of the civil society, NGOs, which with their direct contribution can make the transition a far more sustainable process, as we know from our own transition process in Europe. Our citizens can be at the same time active players of change and ultimate beneficiaries, as a better environment will allow better lives for future generations. But to fully profit from the positive energy coming from citizens' involvement, an enabling environment is needed to favour everyone's contribution to the good cause. And in our experience, very often they can be very constructive and helpful in defining possible solutions to the complex challenges raised by the energy transition. They should be seen as a key ally of the government in this complex endeavour. They are part, and an important part, of the solution, and not part of the problem!



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Dear Vice Minister Dang Hoang An, the EU and the Government of Viet Nam, represented by MOIT, have signed in December 2021 the Financing Agreement for the EU – Viet Nam Sustainable Energy Transition Programme, a sector budget support programme financed with an EU grant of EUR 142 million. I would like to thank the MOIT Minister, you and MOIT colleagues for your great cooperation and support during the approval process of this important programme. It aims at improving energy efficiency, increasing the share of renewables in the energy mix, and improving the performance of the Viet Nam Energy Information System. We will also continue to provide financial support for the operation of the VEPG and will work with MOIT on a roadmap for the long-term financial sustainability of this partnership, including strategies to raise additional, public, private and development partner funds to sustain its operations.

Over the last year, the VEPG Secretariat and the Chairs and Co-Chairs of the VEPG Technical Working Groups, supported by colleagues from MOIT, the World Bank and the EU Delegation, have been working hard to redesign the VEPG’s structure to better reflect the current priorities of the energy sector and offer new modes of collaboration to achieve more conducive and timely inputs to the various policy projects and processes. A sustainable energy transition requires a clear vision and a comprehensive roadmap with ambitious medium and long-term targets and with clearly defined actions and milestones, as well as responsibilities. I am confident that the new structure of the VEPG will continue to provide a useful and unique platform to coordinate dialogue, concrete actions and inputs to fulfil Viet Nam’s vision of its energy transition.

I would like to thank you again, your excellency Vice Minister, for this fruitful cooperation and the strong and reliable engagement of your Ministry. I look forward to the coming years of working together!

Thank you very much, Xin cảm ơn!