

**MINISTRY OF INDUSTRY AND TRADE**  
**General Directorate of Energy**



**Vietnam's experiences on enhancing EE  
investments, how bottlenecks to EE investment  
were overcome, EE financing approaches and  
lessons for RE**

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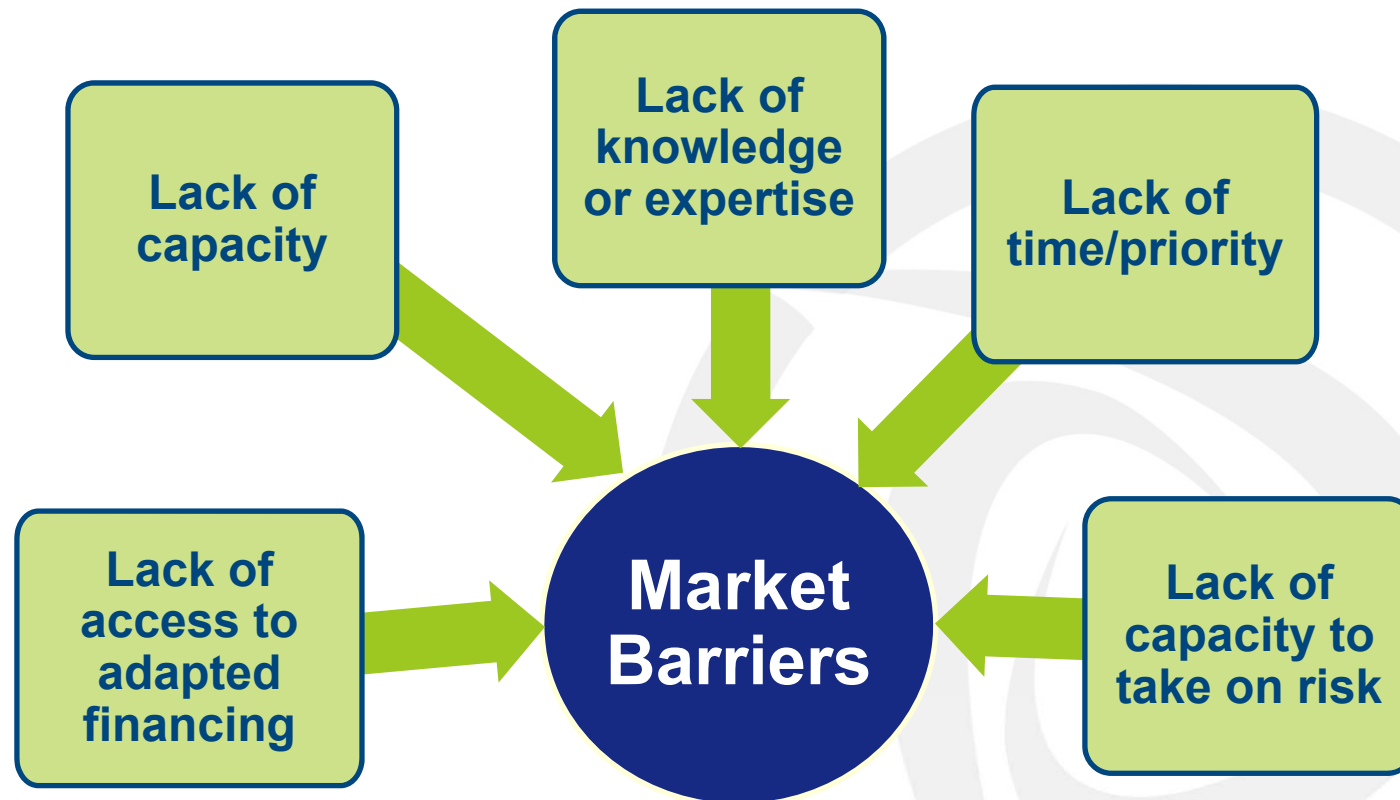
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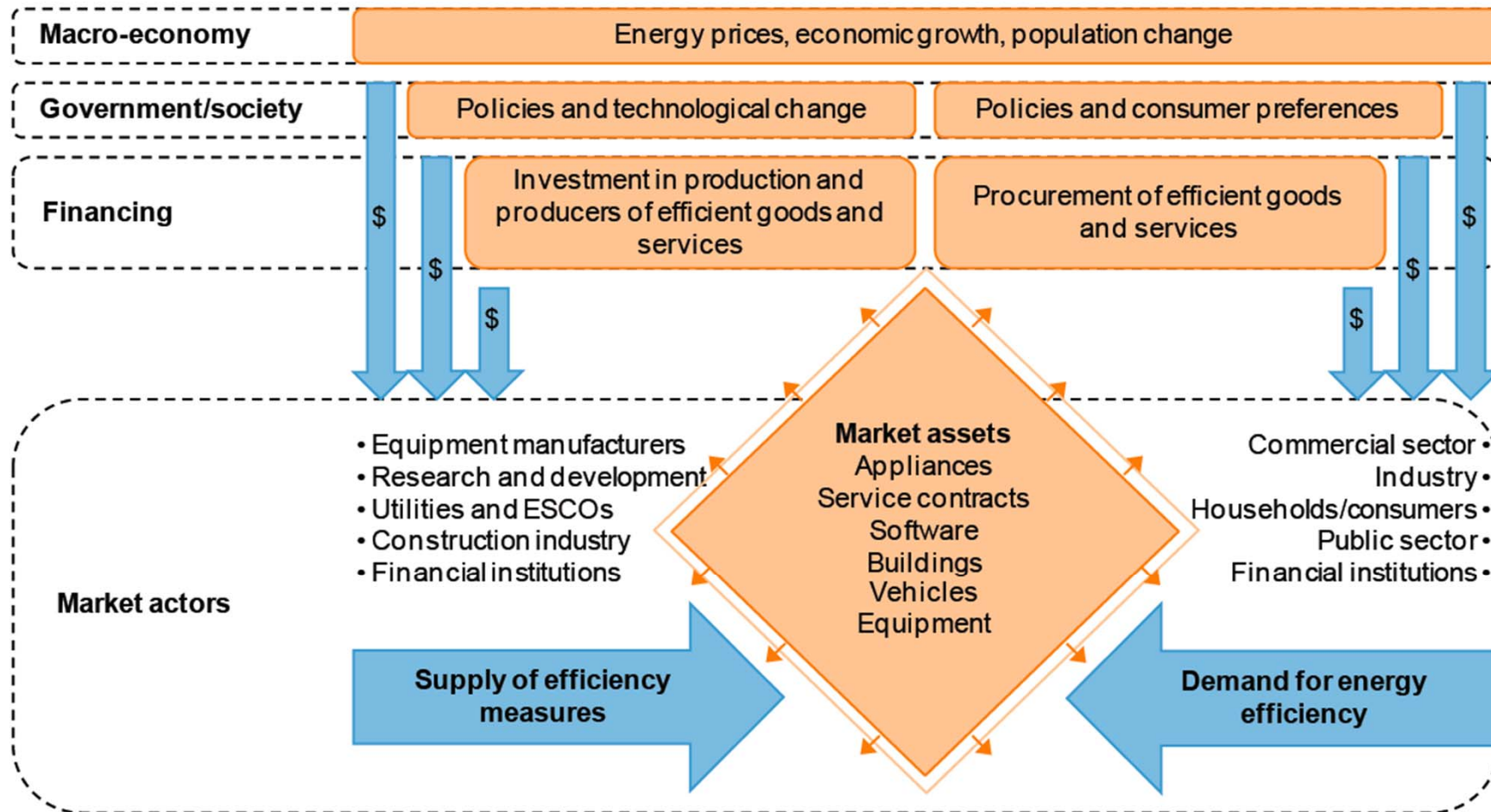
# 1. BARRIERS FOR EE INVESTMENT

## EE MARKET BARRIERS



# 1. BARRIERS FOR EE INVESTMENT

## WHAT DRIVES EE INVESTMENT?



Source: IEA 2013 Energy Efficiency Market Report



# 1. BARRIERS FOR EE INVESTMENT

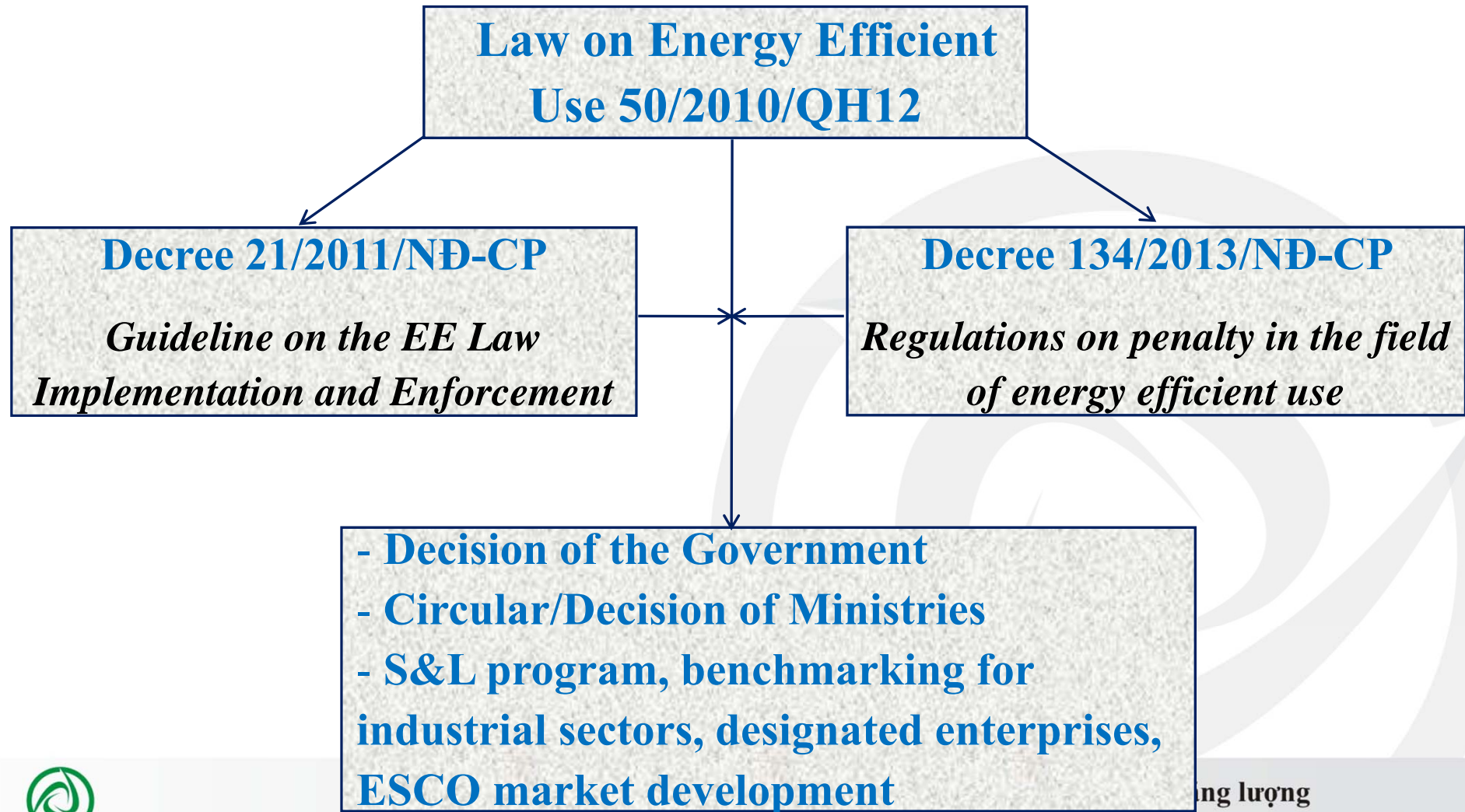
## WHAT DRIVES EE INVESTMENT?

- Policies: investment in energy efficiency in most regions has largely been stimulated by policy interventions
- Energy prices: Higher price will affect behavior and operations energy users
- The EE & RE market is diverse and growing
- The market has unique characteristics related to country-specific socio-economic conditions and resources
- The drivers for energy efficiency investment are more closely related to economic development, energy security and supply reliability



## 2. Overcome bottlenecks to EE investment

### Overcome policy barriers



## 2. Overcome bottlenecks to EE investment

### **VNEEP (2006-2015):**

- Component 1: Strengthening education, information dissemination, community mobilization, awareness raising, promoting the use of energy efficiency and conservation, environment protection
- Component 2: Development and dissemination of high-performance, energy saving equipment, gradual phase-out of low performance equipment
- Component 3: Energy saving and efficiency in buildings
- Component 4: Promote energy efficiency in the transportation sector



## 2. Overcome bottlenecks to EE investment

### **Solutions for education, information dissemination, awareness raising**

- Organize awareness campaigns on EE in community and the public, integrate the EE education into National Education System, implement pilot RE projects and EE household model.
- Effective propaganda, organization of events, workshops & seminars, exhibitions on EE.
- Organize the programs such as: green EE building, EE in industry and building, EE prize for radio agencies and newspaper...





## 2. Overcome bottlenecks to EE investment

### **Solutions for science, technology and training investment**

- Selectively invest in strengthening capacity for energy design consultancy, testing, audit organizations;
- Integrate the research content of EE and conservation with State science and technology program;
- Investment in training and capacity building for managers, particularly for local authorities and designated energy users on EE;
- Investment in communication, information, advocacy, education and community awareness raising of energy saving;
- Cooperation among Ministries, in proposing topics for developing new technology for EE products, developing policies EE and conservation through annual science and technology funding of the Ministries.



## 2. Overcome bottlenecks to EE investment

### EE financing approaches

- The funds are mobilized from the following sources: the state budget, funding of organizations and individuals at home and abroad, funds from enterprises and other lawful sources;
- The program fund is allocated to management activities, implementation of the project's economic career, partial support to business projects in investing in the renovation and replacement of equipment, energy efficiency improvement of the production line.



## 2. Overcome bottlenecks to EE investment

### EE financing approaches

#### **Domestic financing sources:**

- Time-bound financing through target programs
- National budget funding through the “revolving fund” mechanism
- Financial sources from private sector

#### **Sponsor sources:**

- Grant
- Preferential loans (preferential: EIB, GCPF)
- FDI in RE projects



## 2. Overcome bottlenecks to EE investment

### **ODA projects:**

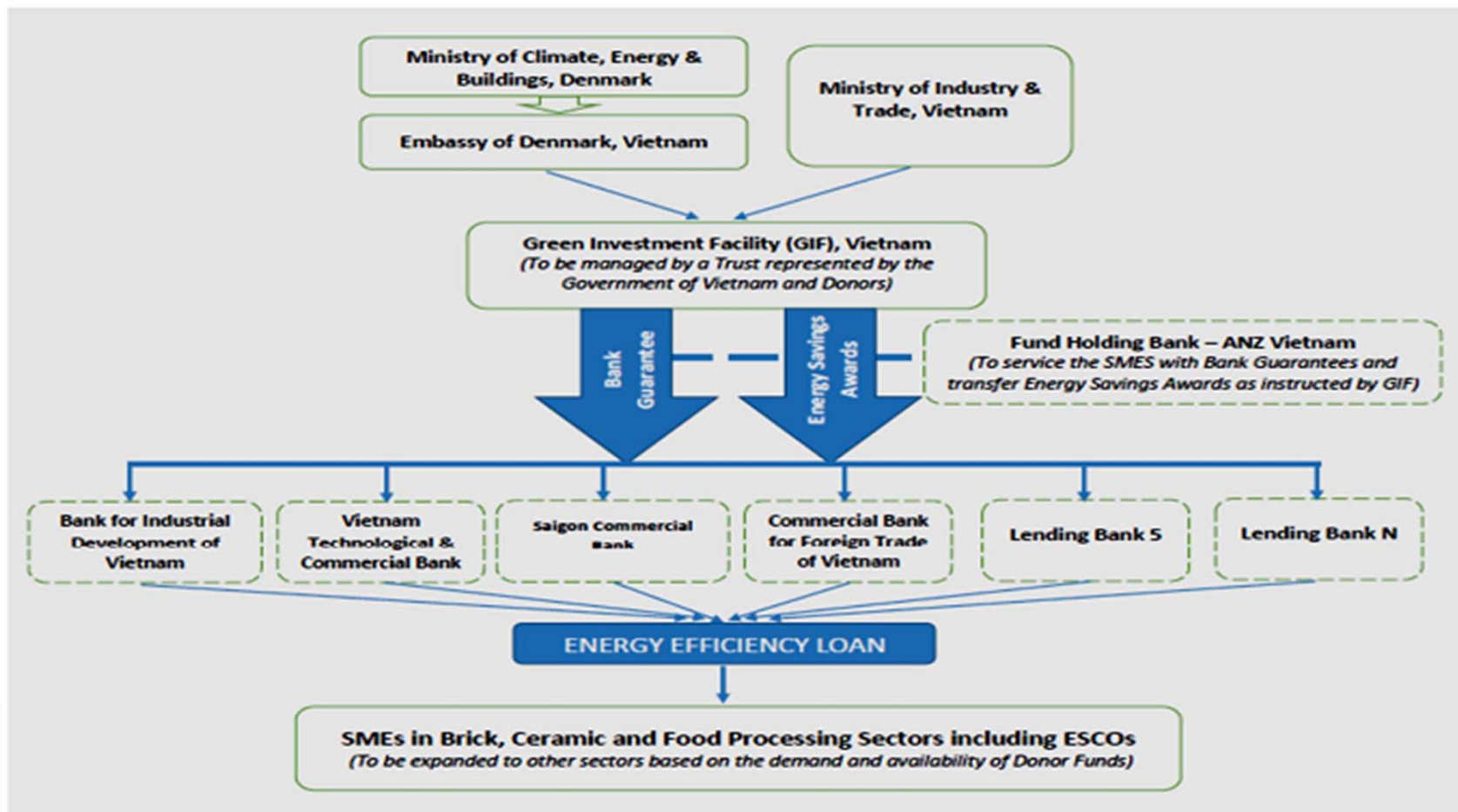
- Provide technical assistance to EE sectors (policy, capacity building, awareness raising, training...)
- Financing support for EE investment (Guarantee fund, GIF for SMEs, VEEIEs for medium & large-scaled EE projects)



## 2. Overcome bottlenecks to EE investment

### EE financing approaches

### Structure of GIF



### 3. Lessons learned for RE

- Legal framework: develop the implementation plan based on the approved strategy in the Decision 2068/2015/QĐ-TTg
  - Potential study reports for each RE: wind, solar, biomass...
  - Integration of RE in national network (technical and trading mechanism); Develop competitive power market taking in consideration of RE
  - Develop proper action plan to deployment of RE
- RE Technology transfer: wind power, solar power, ancillary systems
- Incentives mechanism for RE: FIT-feed in tariff, avoided cost tariff, tax exemption, RE fund



# THANK YOU!

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