

## Energy Working Group (EWG) – Meeting Summary

*Note issued to EWG on 27<sup>th</sup> February 2024 – with attachment*

<b>Date &amp; Time</b>	26 <sup>th</sup> January 2024, 5-6pm combined (then split Hanoi)
<b>Venue</b>	Hanoi – BritCham – Spaces Meeting room HCMC – Freshfields Office, linked on MS Teams
<b>Member Attendance</b>	Denzel Eades (PIC), EWG Chairman Chris Milliken (Freshfields) Dang Thi Huong Lan (bp) Hugh Sykes (Perygrene Ltd) Jordan Lee (Tony Blair Institute for Global Change) Mark Atkinson (Mathews Daniel) Melvyn Flitman (HSS Restoration Asia Group) Nguyen Tuong Khanh (bp) Nguyen Nhat Ha Chi (Dragon Capital) Paul Cleves (Edge Worldwide Logistics) Phil MacLaurin (CFIL) Ray Haveron (IMPAC Group)
<b>Attending Invitees</b>	UK Embassy based FCDO Climate team, comprised: Mark George, Climate Counsellor; Anna Gibson, JETP Finance, Private Sector Dev't Advisor Eden Coates, JETP Delivery lead; Le Thi Ngoc Bich, Energy Attache; and Sara Hamid, JETP Energy Advisor.

Chair-person	Meeting Introduction & Outline of Outcome
Denzel	<p>EWG was joined by the Foreign Commonwealth and Development Office (FCDO) Climate Team who are based with the British Embassy in Hanoi and a senior member of the FCDO Climate Team from London (the UK Team).</p> <p>The UK Team provided an overview of Vietnam’s Just Energy Partnership (JETP), including an update following publication of the Resource Mobilisation Plan on 1 December 2023 and insight into the UK’s role in Vietnam’s JETP.</p>

## MEETING KEY POINTS

- Welcomed
  - new EWG members; Chi, Jordon and Melvyn.
  - invitees from the UK Team.
- JETP:
  - Thorough and insightful overview from the UK Team with questions from the EWG attendees on JETP.
  - EWG member interest expressed to liaise forward and seek opportunities to be involved in and support the working group activities forward.
  - GFANZ workshop planned for 28<sup>th</sup> May noted.
  - Discussion notes in the Attachment.
  - Actions recorded with EWG to coordinate with UK Team and DBT (Consul General), see action box, below.
- Next meeting, timing advised (post meeting), below. Denzel to reach out for contributions. Volunteers/proposals welcome.

**Actions proposed**

EWG to write to UK Team and Cc VN Director DBT (Consul General) to propose participation and support from EWG members across various points/areas above; RMP consultation and Green Finance.

EWG to liaise with the UK Team regarding the GFANZ business forum (28<sup>th</sup> March), for updates and, hopefully member participation.

**Next Meeting(s)**

14<sup>th</sup> March 2024 [TENTATIVE – Denzel to confirm]

Scope potentially bp Offshore Wind team to present

Volunteers and proposals welcome from membership

**Note Distribution**

All EWG & Board Members,

Secretariat (Matt Ryland, Nguyen Khanh Duyen, Ho Long)

**ATTACHMENT – JETP DISCUSSION AT EWG MEETING, 26<sup>th</sup> January 2024****UK TEAM JETP LED DISCUSSION****[CHATHAM HOUSE RULES]**

The Just Energy Transition Partnership (JETP) evolved from a political declaration signed in Dec 2022 pledging US\$15.5billion to 2030. Vietnam's PDP8 needs US\$135bn, so JETP is a modest but significant contribution. 50% from public and 50% from private sources with important roles for private investors such as bp, SC, HSBC, etc... JETP is trying to support VN on its energy transition; bring emissions peak earlier and more RE in mix and reduce coal in the mix.

The VN Gov struggled to set up the Secretariat. 11 parts of the VN Gov system involved, but four (4) are key; MonRE, MoIT, MPI and MoF. In the end MonRE was determined as the JETP lead. The JETP "Decision" embedded it in the Vietnam legislation; scheme that established the Secretariat. Other working groups are led by other Ministries. The International Partners Group (IPG) implementing the JETP comprises G7 (Canada, US, Germany, France, UK, Japan, Italy) plus EU, Norway, Denmark, ....

The EU and UK teams co-lead JETP. The IPG is helping to fund the working groups. The interactions between the parts as still being worked out. Not all parts are in place but MoNRE is very active. A consultation workshop was held and the Resource Management Plan (RMP) was progressed.

Important Concept Notes across 10 sectors were prepared by different members of the IPG. After a period of rapid RMP progress and another workshop, RMP was presented at COP28 with an Annex of about 140 priority projects.

A lot of back and forth between IPG and VN Gov on the RMP. Crucial to start working on implementation. Plan for January did not happen and the next workshop be after Tet now.

MoNRE has done a good job in the face of relatively uncooperative partners across VN Gov and is really genuine in wanting to implement JETP. MoF, MPI and MoIT have yet to really engage at the level expected. The COP26 Committee (Chaired by PM and co-chaired by DPM Hà) can assist MoNRE by instructing Ministries to engage and for the working groups to start operating.

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Regarding funding, [in addition to the public money,] the USD7.75bn private finance with under Glasgow Financial Alliance for Net Zero (GFANZ) coordination, comprising some 11 banks, with the core team in London. VN Gov would prefer funding to be via grants, but it is concessionary finance. MoF's national borrowing limits, or quota and EVN's evolving financial position and ability to borrow are key areas. Recognised JETP is loan finance at a time when VN Gov is less willing to borrow. JETP is emphasising to VN Gov the multiplier effect delivering the RMP will have on the country.

MoNRE's traditional role has been to force compliance and to sanction activities around land use administration and environment, rather than pursuing large revenues/investment for the economy. It is notable that DPM Hà's previous role was Minister of MoNRE. However, MoNRE is the driving force to progress JETP so far.

Three specific initiatives forward:

1. Monitoring and evaluation framework;
2. List of projects for 2024; and
3. List of regulatory reform.

Lack of a deadline(s) is a widely understood risk.

From EWG, it was noted for the leading Offshore wind projects, there is only 5-6 years left until 2030, with respect to the PDP8 implementation [for 6GW].

The benefit of narrowing down and prioritising the most practicable and feasible projects was discussed, to consider what practical things to apply JETP spending that can be progressed.

Priority Projects: IPG have reviewed the list and have gone back to the VN Gov with projects that it wants to move forward. They are "sovereign projects" rather than the "private projects" that the UK Team sees are available and ready to go; ones that have gone through various stages of approvals. Given that list to VN Gov and they are considering; hopefully to match with their priorities. MoNRE wants to look at what is most feasible. Believe a JETP technical working group meeting should take place as soon as possible. Thereafter the Ministries will meet to discuss projects proposed by the IPG, ministries and other stakeholders to move this forward. No timeline yet; relying on the COP26 Steering Committee and political progress. IPG will look very closely on

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proposals from the Gov; signalling their own commitment to move it forward. A lot of IPG finance is more than a pledge; relatively flexible. The list is of ones that could move quickly and are ready to go; fiscal projects and technical assistance.

Project selection criteria are uncertain; applying existing regulations or authorised with very new selection criteria under JETP. MPI would like to use what is available.

Defining a pilot project for different areas and alignment with JETP would be interesting. IPG seeking to influence the VN Gov JETP target, not just waiting [for milestones].

The RMP annex identified offshore wind, the grid and storage as being priority target projects and that came from the VN Gov. Other key targets are solar, energy efficiency and coal, for getting emissions down. There are six priority areas generally accepted. Beyond that is the IP technology transfer.

Watch for an amendment to the Vietnam Communist Party's Resolution 55, to be upgraded to address the transition and maybe JETP. There is a plan to have a workshop by the end of 2024.

Working Groups; MoIT, MoF .... Vice Ministers chair each working group with representatives from across the 11 ministries. Hard to say how they will all work together. Again, COP Steering Committee will help confirm the structure. IPG funding can help the working group operations; technical and logistical support.

Very different contexts in each country; Vietnam, Senegal, South Africa, and Indonesia. However, notable that Indonesia established their Secretariat outside of the Government systems, with co-chairing between IPG representation and Government representation, being sort of national experts. In Vietnam it is encouraging that the groups are within Government, IPG can provide finance and demonstrate they want to work alongside them [Government].

The UK team will make further links with other parts of Government. To date the discussion has largely been with MoNRE, OoG and MoFA. We want to start having more direct IPG relations with MoFA, MoIT and NPR[?].

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A question was raised on how the IPG coordinates amongst its members with the VN Gov interactions. From the Secretariat's perspective how the UN/donor support from multiple countries regarding the work is to be performed over the next 12 months e.g. being lined up with what Germany is doing?

IPG support; support is financial but also offers of in-kind support; GIZ, Denmark, ADB, etc. UK Team support ... UNDP as Secretariat support agency ... IGP funding the Secretariat ... IPG offers of technical support ... Coordinated on the ground by the UK Team and EU ... IPG Capitals team ... no doubt there will be coordination problems between strong partners ... also have bilateral relations with Vietnam. The skill for coordinators is to try and bring those things together so they are coherent. Communication of the whole process is a big thing. E.g. Eden specifically the coordinator to apply the UK Team's efforts.

How EWG support and expertise can help is a question from the EWG. UK Team indicated the provision of consultants to support the working groups could come from various.

EWG interested to understand how far the JETP funding will take a project, or example an offshore wind project; up to an Investment Policy Decision, or beyond it? UK Team indicated the [sovereign] JETP funding would not be expected to extend to the full project cycle, but the GFANZ group would be expected to participate in the full cycle.

EWG commented from a recent OECD workshop "Unlocking transmission grid finance and investment for the clean energy transition in emerging markets and developing countries" (17<sup>th</sup> January 2024) statements from the finance experts that capital is available globally to meet energy transmission projects globally. As such it would appear completion of the work necessary on the plans and projects is the focus to demonstrate readiness to attract/allocate finance. UK Team noted the three largest "UK" projects on the RMP would total nearly the US\$7.5bn level. This illustrates

EWG commented that City UK is undertaking a project to assess/strategize the potential of creating an international financial centre in Vietnam, potentially in Ho Chi Minh City, but maybe elsewhere. In relation to financing and, more specifically green financing to what extent is the UK Team aware of the various

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UK initiatives going on and are there opportunities to bring them together. Or is it too early?

UK Team mentioned:

1. Currently MPI and MoNRE looking at the taxonomy for green projects firstly.
2. SBV will be issuing policies and regulations related to green financing and issues related to ESG.

So, a few commercial banks have been very active to be ready for the introduction of such policies, even though Vietnam is quite far behind others in the region. The UK Team has been flagging to SBV for a while, even back to 2018-19.

UK Team is working with the DBT very regularly.

EWG stated the Vietnam Business Forum (VBF) Power and Energy Working Group (PEWG) has been recognized as the representative group for certain working groups. The representative group of the private sector EuroCham also wrote to the VN Gov (perhaps the Prime Minister) to say, please, can we also be there. So, if there's an opportunity for BritCham to be a representative in any forum in the sort of VN Gov group which has been set up on the power sector EWG would be grateful to be notified. Specifically, if the PEWG is going to be there, then EWG hopes it can also be represented there.

BritCham EWG membership could look to provide support and attendance, whether advisory, power sector companies, financial services to assist in that work.

UK Team requested EWG to send that proposal to them, and Cc the UK Consul General.

Furthermore, the International Financial Centre where City UK is involved is also looking to brand it as a green finance centre, so certainly BritCham would anticipate City UK's "fire power" could be sensibly coordinated with DBT and BritCham contributing.

UK Team mentioned GFAZ plans a business forum on 28<sup>th</sup> March in Vietnam in person.





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