

## **A PARTNER IN DELIVERING VIETNAMESE AND INTERNATIONAL LOW COST, SECURE ENERGY TO VIET NAM**

*Presented by  
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VBF welcomes and would like to participate in the analysis and recommendations for Power Master Plan 8 (PMP8). A key issue is to design PMP8 to encourage and enable linkages between Private international finance and technology with domestic banks and company know-how, and to develop a market which attracts major Vietnamese and International corporations and SMEs alike.

In early June VBF attended the 2018 Asia Pacific Energy Conference – Exploring Opportunities in Renewable Energy. The conference was attended by over 150 international energy banks, developers, operators and suppliers for investment into Asia Pacific energy generation projects. Viet Nam was rated as the highest in the region for future investments, but also highest in that the current energy Power Purchase Agreements and Public Private Partnerships (PPP's) are not bankable from the perspective of international and Vietnamese investors. The reasons are as follows:

- There is no clear framework for risk allocation between government and private sector and management of associated contingent liabilities
- Reluctance of the Government to provide adequate contractual support especially for foreign exchange convertibility, termination and curtailment, off-take credit worthiness
- Procurement and negotiation of PPPs
- Viet Nam did not develop similar successful power generation investment policies used in other ASEAN countries for Private Sector involvement and participation.

The Working Group can bring value to the power and energy planning process:

- Accurate analysis of current power market conditions in Vietnam/ASEAN
- Quantifying the Financial Resources: what is available and what conditions apply
- A Partnership to deliver energy security, in a power market that needs to attract \$56 Bn power generation investment before 2030.

### **Missed Opportunities:**

- **Vietnam Energy Partnership Group:** has no private sector Partner
- **Working Group - Direct Power Purchase Agreement:** has no private sector representation, private companies in Viet Nam with actual investment, development, implementation and operation are not at the table for developing Viet Nam policy.
- **Readiness for Climate Finance Support:** has no defined role for the private Sector
- **Power Development Plan #8:** A private sector contribution to the design and implementation of the new plan is essential.

We are happy to announce that the **Green Climate Fund** set-up by 194 countries of the United Nations Framework Convention on Climate Change and given a role of supporting the 2015 Paris agreement has recognize Viet Nam Business Forum Power and Energy Working Group and on June 19, 2018 and awarded Observer Status and invited to meetings.

**Recommendation:** To include VBF and the other Vietnamese and International private sector representative groups in all these policy and planning processes and begin **Development through Private Sector Partnership.**