

## Vietnam to apply regulatory sandbox for development of circular economy

*Vietnam Law & Legal Forum – September 24*



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# 1. POLICY & LEGAL

## The Ministry of Industry and Trade proposes two cases of direct electricity purchase and sale

*Industry and Trade Newspaper – September 19*

The ministry has suggested two cases of direct electricity purchase and sale between renewable energy generators and large electricity consumers in the production group. The first case is through a private transmission line invested by private sector, and the second case is through the national grid. According to MOIT, the proposed DPPA mechanism will be implemented in two phases. In the first phase, when the Law on Prices and related guiding documents are not yet effective, model 1 will be deployed first, and then the legal document system will be completed to switch to model 2, which is when large customers and power generators sign a contract for difference (a type of financial derivative contract) similar to model 1.

MOIT proposed to regulate CfD contracts in detail in the revision of the Electricity Law, in response to MOF comments that the CfD contracts have not been defined in any laws and regulations (e.g. Commercial Law, VAT Law) and there is no legal basis for VAT calculation for such contracts.

## Why did the Government ask the Ministry of Industry and Trade to resubmit the Plan for implementing PDP VIII?

*An ninh Thủ do Newspaper – September 16*

The Ministry of Industry and Trade and the localities are instructed to review renewable energy projects that have been approved for investment. The Government also requested a review of legal regulations on planning, electricity, land,

electricity supply management, ensuring national energy security. For coal-fired power projects that are behind schedule, facing difficulties in changing shareholders, the Government noted that the draft plan needs to clarify the feasibility and progress. The draft plan must also supplement the pilot assignment of EVN and domestic enterprises that are eligible to implement offshore wind power projects. In case the Ministry keeps the proposed plan for developing renewable energy sources, it must report clearly on the implementation after being approved.

## Foreign corporations want to do 'super projects' of offshore wind power, what does the Ministry of Industry and Trade say?

*VietnamNet - September 20*

The Ministry of Industry and Trade has just sent a document to Enterprize Energy Group regarding the pilot implementation of the Thang Long Wind offshore wind power project/Thang Long Wind 2 Project. According to the Ministry of Industry and Trade, currently, regulations on piloting deploying offshore wind power projects that have not been issued by competent authorities. Therefore, this Ministry believes that "there is no basis to resolve the proposal of Enterprize Energy Group".

## Wind power export: Waiting for policy

*Tuổi Trẻ Newspaper - September 21*

Many investors are ready to develop offshore wind power to export electricity to Singapore, but management agencies are still confused because there are no mechanisms and policies for licensing and implementing investment in these projects.



## EU to ban greenwashing and improve consumer information on product durability

*European Parliament – September 19*

Generic environmental claims and other misleading marketing tricks will be banned. Ban will also apply to commercial communications about goods that contain a design feature introduced to limit product durability. Only sustainability labels based on approved certification schemes or established by public authorities will be allowed. Guarantee information to be more visible and a new guarantee extension label to be introduced

## EU ministers weaken position on vehicle emissions

*Reuters – September 25*

European Union ministers agreed on Monday to dilute a European Commission proposal on new vehicle commissions after eight states, including France and Italy said the changes could divert investment from the electric vehicle industry.

The EU countries agreed not to change the existing "Euro 6" test conditions and emissions limits for cars and vans, although they will be lower for buses and heavy vehicles. They also accepted new particle emissions limits for brakes and tyres.





## 2. RENEWABLE ENERGY & ENERGY EFFICIENCY



### Electricity prices must reflect production costs for green transition

*Vietnam Investment Review – September 20*

The National Assembly's Economic Committee submitted a report to the assembly in early September, observing that current electricity retail prices do not mirror market developments accurately, considering the fluctuating supply and demand and input fuel costs. The report highlighted the absence of a refined legal framework for competitive wholesale electricity markets, and how renewable energy plants, built under the feed-in tariff price mindset, face substantial risks in electricity auctions.

### Just energy transition requires higher labourers' skills: Experts

*VietnamPlus – September 20*

According to the draft National Power Development Plan, by 2045, the whole country will have over 75% renewable energy. Current studies also show that, in the fields of wind and solar energy, about 25% of jobs created are for high-skilled workers. Therefore, the official stressed the need for training facilities to adapt to this trend and meet the domestic demand.

### Effectively utilizing the green transition as a growth engine

*Industry and Trade Magazine – September 21*

Investment projects in the field of renewable energy need to be given top priority and the highest preferential mechanisms need to be applied to attract private investment both domestically and internationally into this field. The first policy priority is to strengthen the power grid to transmit renewable electricity from production to consumption. The power grid also needs to be invested in a "smart" direction to be able to respond flexibly to fluctuations in supply and demand. The cost of balancing and stabilizing the power grid using battery storage is decreasing. The next policy priority is to build a system of

bidding for electricity prices for renewable energy producers. Because solar and wind power (as well as hydro) have low or near-zero operating costs, mainly fixed costs, these sources have a natural advantage when participating in bidding for electricity prices compared to coal or gas power sources (which cannot offer lower prices than fuel costs without losing money).

### The key factors to take into account for switch to LNG

*Vietnam Investment Review – September 22*

Currently, energy investors are facing key challenges in Vietnam including electricity pricing pressure. High and fluctuating LNG prices purchased at the spot would be an obstacle when signing power purchase agreements (PPAs) with Vietnam Electricity (EVN). Secondly, there is no commitment from the government of power output. Power plants need a commitment to purchase power at an agreed price for the long term. Thirdly, there is a lack of technical standards or regulations in Vietnam on the design, construction, transportation, operation, and maintenance of LNG terminals or storage.



### More options looked at for energy-efficiency goals

*Vietnam Investment Review – September 28*

According to the MoIT, one of the key tasks set by the government is an energy efficiency conversion programme of vehicles and energy-using equipment. The goal is that by 2030, Vietnam will save cumulative consumption of about VND10 trillion (\$480 million), equivalent to reducing 34 million tonnes of carbon emissions. This means saving about 6,000GWh/year, equivalent to two 500MW coal-fired power plants. According to a decision made in May, low-efficiency energy-consuming equipment such as storage water heaters and infrared hobs is prohibited to import, produce, and sell in Vietnam.



## 2. RENEWABLE ENERGY & ENERGY EFFICIENCY

### **After the price increase, EVN still lost tens of thousands of billions, and the electricity price policy was criticized for being inadequate**

*Tuổi trẻ Newspaper, September 20*

Although the average retail electricity price has been adjusted to increase by 3%, the electricity price mechanism is considered to reveal shortcomings and is not synchronized with the actual development of the electricity market. After increasing electricity prices in May, EVN's expected losses in the first 8 months of 2023 have decreased by about 6,700 billion VND but still remain at more than 28,700 billion VND.

### **EVN proposes increasing electricity import from Laos**

*Saigon Times – September 26*

In August this year, the prime minister approved a policy to import power from Laos, with a combined capacity of 2,689MW. EVN has signed 19 agreements to import power from 26 power plants in Laos, with a capacity of 2,240MW. Due to the risk of an electricity undersupply in 2025, EVN has proposed importing more electricity from Laos.

### **Vietnam businesses keen on generating own solar power**

*NetZero Vietnam – September 18*

Vietnamese enterprises are focusing on producing their own solar power to meet production needs

as no more commercial solar power sources are planned to be put into operation between now and 2030. However, because solar power plants only produce electricity when there is sunlight, the companies have been forced to invest a huge sum in a BESS to ensure a continuous supply.

### **Policy plays pivotal role in facilitating transitioning towards cleaner energy sources: expert**

*NetZero Vietnam – September 25*

It is essential to prioritise the scaling up of renewable energy and firming capacity through measures like battery and pumped hydro energy storage before phasing out coal power. This approach helps mitigate the risk of power shortages and allows for more efficient management of renewable energy.

### **Hydroelectric power plants waste resources**

*Thai Nay Newspaper - September 22*

Whereas many localities across the country have to implement alternating power cuts to save electricity and prioritize production, and Vietnam Electricity Group (EVN) has to mobilize other types of electricity with high prices, many small and medium hydropower plants (SHPs) have to watch their water resources wasted without being able to generate electricity and sell to EVN at low prices.







### 3. CIRCULAR ECONOMY



#### Vietnam to apply regulatory sandbox for development of circular economy

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The State and local administrations would provide technology recommendation and consultancy to circular economy projects. These projects would also be entitled to a financial support equaling half of the expenses for hiring technology consultants. In terms of land-related policies, under the sandbox, local administrations would require allocating “clear” land to circular economy projects.

Circular economy projects would be allowed to borrow soft loans and loans without government guarantee from the sources of green credit provided by credit institutions, international finance organizations, the Vietnam Development Bank and assorted environmental funds. In addition, they might coordinate with qualified units and local development investment funds to issue green bonds and work with domestic and international partners to develop green bonds and voluntary carbon credit exchanges on a trial basis.

#### Businesses ready for challenges on circular economy transformation

*Vietnam Investment Review - September 28*

It is important for the state to craft a relatively sophisticated tax system. Along with that, the procedures for exploitation of primary materials

shall be tightened, meanwhile those for recycling materials should be easier.

#### 11 groups of products that must implement EPR responsibility

*Industry & Trade Magazine – September 18*

Regarding the roadmap, manufacturers and importers of tires, batteries and accumulators, lubricants and packaged products will implement recycling responsibility from January 1, 2024; manufacturers and importers of electrical and electronic products will implement recycling responsibility from January 1, 2025; manufacturers and importers of transportation vehicles (cars, motorcycles) will implement recycling responsibility from January 1, 2027.

#### Vietnam and the EU Strategy for Sustainable and Circular Textiles

*Vietnam Briefing – September 21*

In March of 2022, the European Union adopted the EU Strategy for Sustainable and Circular Textiles. Recognizing the vast environmental cost of the EU's clothing and apparel consumption, this strategy encompasses a series of environmental regulations aimed at mitigating those costs.

Notably, however, a huge volume of the clothing and apparel consumed in the EU comes from emerging markets like Vietnam. Big-name European brands like Adidas and H&M, for example, both have a number of factories in the emerging Southeast Asian country.

#### Misconceptions lead to ineffectiveness in household waste sorting

*Vietnam News – September 25*

Last year, the government also issued Decree 45/2022/ND-CP, which puts a fine of VNĐ500,000-1 million (US\$20.5-41) on families and individuals that do not sort out and use appropriate bags for their domestic solid waste. A study found that informal trash collectors, known in Vietnamese as “đồng nát” or “ve chai”, play a significant role in waste treatment. .



## 4. WATER

### **Circular Water Economy: A Sustainable Solution for Modern Cities?**

*Impakter - September 26*

The circular water model sees wastewater treatment plants as resource centers instead of waste generators. Alongside this, repurposing sludge and byproducts using innovative technologies like biogas production may make it easier for modern cities to get closer to achieving environmental sustainability and resource efficiency.

### **Mekong Delta urged to prioritise resources for clean water projects**

*Nhan Dan Newspaper - September 26*

The Ministry of Agriculture and Rural Development (MARD) has asked provinces in the Mekong Delta region to prioritise funding for clean water projects to ensure access for all rural residents at affordable costs. Specifically, regional provinces need to combine their local budgets with the central budget and official development assistance to build water supply facilities in areas with difficult access to water and susceptibility to drought, saltwater intrusion and water contamination.

### **There should be strong sanctions for organizations and individuals who cause degradation and pollution of water sources**

*Hau Giang Newspaper - September 26*

Commenting on the draft Law on Water Resources (amended), the delegates proposed to add the phrase “aquaculture” to point d, clause 1, Article 58 because in the province, farmers have used groundwater to raise aquaculture, which can be reused to serve irrigation for other crops. At the same time, the delegates also proposed to supplement regulations on considering criminal responsibility for organizations and individuals who exploit and use water resources to degrade the function of water sources, causing land subsidence, depletion, pollution, and salinization of water sources.

### **ADB helps promote sustainable, inclusive water sector in Vietnam**

*VietnamPlus - September 28*

The Asian Development Bank (ADB) and the Vietnam Water Supply and Sewerage Association (VWSA) have signed a memorandum of understanding (MoU) to further strengthen their cooperation in promoting a sustainable and inclusive water sector in Vietnam, according to an ADB press release. The collaboration will support water utility companies in their ongoing transformation to become autonomous, service-oriented organisations.



### **Solar wastewater treatment could bring clean water to remote places**

*Advanced Science News - September 22*

Wastewater and seawater purification can be an energy-intensive process. According to some estimates, wastewater treatment plants account for between 1% and 3% of total global energy output.

Researchers at the National Engineering Research Center for Marine Aquaculture, Marine Science and Technology College at Zhejiang Ocean University in Zhoushan, China are helping advance clean, drinkable water with a solar-powered device that can turn wastewater into clean water.





## 5. SUSTAINABLE CITIES AND BUILDINGS



### **Vietnam's 300 certified green buildings yet to reach net-zero**

*Net-Zero Vietnam – September 20*

“As per the statistics up to Q2/2023, Vietnam boasts nearly 300 green buildings certified to international standards, including Lotus, Edge, LEED, and Green Mark, covering a combined floor area of around seven million square metres. Currently, the nation ranks 28th globally in terms of LEED-certified buildings,” the report added. However, to date, no building in Vietnam has been designed, constructed, or managed to meet net-zero emissions criteria.

### **Vietnam is lacking in green buildings: construction official**

*Tuoi Tre News - September 29*

Despite Vietnam's rapid urbanization, investors remain cautious about developing green buildings due to high costs and their incomplete perception of the value of environment-friendly construction. She added that Vietnam faces a shortfall of green finance providers, making it difficult for businesses to access green funding.

### **How urban heat islands are making cities dangerously warm**

*Eco-Business – September 21*

Urban heat island (UHI) effect - where dense clusters of concrete buildings and infrastructure such as roads absorb, retain and radiate more heat than green areas, lead to temperatures that are often several degrees hotter.

About 200 million urban-dwellers across more than 350 cities now experience summer temperature highs of at least 35°C (95°F), and the number of cities exposed to extreme temperatures will triple by 2050, according to the C40 Cities network

### **'Green' buildings face a flood of doubts**

*Politico – September 25*

More than 800 U.S. buildings certified as “sustainable” are at extreme risk of flooding — and may have to be abandoned as the planet continues to overheat.

That's because the U.S. Green Building Council — an influential nonprofit that works to make buildings more climate-friendly — has for years largely overlooked the impact of extreme weather.

### **A Carbon-neutral built environment by 2050**

*Anthropocene Magazine – September 12 Euractiv – September 21*

The Commission is now developing an EU roadmap for reducing whole life carbon (WLC Roadmap) in the building sector by 2050, looking at both the building's operational emissions and embodied emissions.

Concrete vital attributes – safety, durability, affordability and versatility – make it indispensable in construction. From the buildings in which we live and work, to the infrastructures facilitating clean water, public transportation and carbon-free electricity, the ubiquity of cement and concrete is often overlooked.



## 6. SUSTAINABLE FINANCE

### 20 billion USD of private and foreign capital poured into renewable energy

*Vietnam Finance - September 23*

To date, it is estimated that about 20 billion USD, mainly from private and foreign capital, has been mobilized into renewable energy. This reduces the pressure on state capital to invest in power sources in a limited budget context.

### IFC: Climate investment opportunities in Vietnam to amount to 757 billion USD by 2030

*VietnamPlus - September 21*

The International Finance Corporation (IFC) estimates that Vietnam's climate investment opportunities will reach up to 757 billion USD by 2030, focusing on renewable energy, green construction, energy efficiency and transportation.

### Carbon Markets: Pivotal for Achieving Net Zero Goals

*NetZero Vietnam - September 21*

Long-term participation in the carbon market obliges emission-emitting establishments and enterprises to adopt research-based technological solutions to curtail emissions from internal resources. This encompasses energy conservation, technology upgrades, renewable energy adoption, and cleaner production technology shifts. Moreover, exploring avenues for carbon storage and absorption, such as tree planting, is vital. These choices are made following cost-benefit analyses of each enterprise's strategies and measures.



### Renewable energy REITs and what they mean for Asia's green ambitions

*Eco-Business - September 22*

A REIT is a securitised vehicle that converts a non-

liquid asset to one that can be used more easily to raise capital. Instead of having to keep borrowing from banks or issuing bonds, companies can recycle their capital from the REIT IPO to fund other investments. The main use of real estate assets in a REIT portfolio is for renewable energy generation.

### Boom in 'sustainable' debt fuels scrutiny of green labels

*Financial Times - September 15*

Many deals fund polluters or projects unrelated to climate goals as banks chase trillion-dollar environmental finance targets.

### Accelerating Bond Financing in Asia and the Pacific Toward the Sustainable Development Goals

*International Banker - September 25*

In Asia and the Pacific, the share of sovereign and other public-sector issuances grew rapidly between 2019 and 2022, sending important signals to the market about the commitments and direction of governments toward sustainability and climate goals. In addition, the uptake of local-currency issuances of GSS+ bonds is a promising sign of the increased appetite of local investors and the potential to expand access to these markets by local issuers. Although sovereign credit ratings can affect the cost of GSS+ bond issuances, few developing countries have, nevertheless, successfully issued sustainable-finance instruments without investment-grade ratings. At the same time, countries with less-developed financial markets, such as Cambodia and Viet Nam, still issued maiden green bonds, suggesting that countries can leapfrog traditional phases of financial-system development to accelerate their journeys toward sustainability.

### Another World Bank first: an emission reduction-linked bond

*The Banker - September 26*

"The World Bank returned with an inaugural emission reduction-linked bond (ERLB) that aims to provide clean drinking water to children in Vietnam and may also help to scale up voluntary carbon markets.

The bond investors forego traditional coupon payments which are converted to an equivalent upfront amount (\$7.2m) through a hedge transaction designed by Citi and transferred to the project developer in Vietnam to finance the manufacture of the water purifiers.





## 7. OTHERS

### **Electric vehicle subsidies underpin green transport shift**

*Vietnam Investment Review – September 19*

The Ministry of Transport (MoT) is collecting feedback on its proposed policy of offering a \$1,000 subsidy to electric car buyers. If approved, this policy is expected to change customer behaviour towards EVs, thereby contributing to the growth of the EV sector and the adoption of green energy in Vietnam.

### **Added spark wanted for EV charge stations**

*Vietnam Investment Review – September 28*



### **Support for fossil fuel subsidy cuts and coal phase-out gains momentum among Southeast Asians: survey**

*Eco-Business – September 21*

### **Ahead of COP28 climate talks, fossil fuels increasingly under fire**

*Eco-Business - September 25*

### **After U.N. meeting, countries brace for COP28 fossil fuel fight**

*Reuters - September 25*



## 8. EVENTS

### Green building promotion activities to take place across localities

The Vietnam Green Building Week 2023 was held in various locations across the country, with its key activities scheduled for September 27 and 28 in Ho Chi Minh City. The discussion focused on the development of green factories, offices and buildings aimed at improving the quality of living and working spaces, the trends of using energy-saving and environmentally friendly materials, and the application of advanced equipment and technology for modern, eco-friendly, low-emission, and user-friendly construction projects

### Workshop on Vietnam Energy Outlook Report 2023

On September 13, 2023, in Hanoi, the Electricity and Renewable Energy Authority - Ministry of Industry and Trade in collaboration with the Danish Energy Agency organized a consultation workshop on the preliminary results of the Vietnam Energy Outlook Report 2023.

### Seminar shares international experiences in building smart cities

An international seminar themed “Smart city for green growth” was jointly held in Ho Chi Minh City on September 21 by the Vietnam Academy of Social Sciences (VASS), the Lao Academy of Social and Economic Sciences (LASES), the Royal Academy of Cambodia (RAC) and the Korea Environment Institute (KEI).

## Upcoming Events

### Green Drinks | Green Growth Sector Committee - European Chamber of Commerce

October 12, 2023 –  
Runam D'or, Ho Chi  
Minh City, Vietnam  
and Online

With the support of

LINK POWER

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**green drinks series**

Creating Vietnam's first sustainability-focused networking group through Art, Food and Drinks

**Topic:** Renewable Energy & Energy Efficiency  
**Speaker:** Stuart Livesey - EuroCham GGSC Vice-Chairman

Register at: [greengrowthsc@eurochamvn.org](mailto:greengrowthsc@eurochamvn.org)

October 12th, 2023  
6 p.m. - 9 p.m.

VND 500,000 pax  
(including food & drinks)

Runam d'Or  
5 Cong Xu Paris, District 1, HCMC

**For more information:**  
[cvo@linkpower.eco](mailto:cvo@linkpower.eco)  
Betty Pallard -  
EuroCham GGSC Vice Chairwoman of Event

### 14th International Water Supply, Sanitation, Water Resources and Purification Exhibition

October 11-13, 2023 – Saigon Exhibition and Convention Centre (SECC), Ho Chi Minh City, Vietnam

### [Breakfast Seminar] Renewable Energy – Growth Opportunities and Insurance Challenges in Viet Nam | European Chamber of Commerce

October 25, 2023 – Sofitel Plaza Saigon, Ho Chi Minh City, Vietnam

### Green Economy Forum 2023 – European Chamber of Commerce

November 02, 2023 - JW Marriott, Hanoi, Vietnam

### Vietnam Circular Economy Forum 2023

Theme: Develop the National Action Plan on Circular Economy in Viet Nam

December 05, 2023 – Melia Hotel, Hanoi, Vietnam and Online



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