



CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
BỘ TÀI NGUYÊN VÀ MÔI TRƯỜNG

27 September 2013

Ms. Patricia Bliss-Guest
Head, CIF Administrative Unit
CTF Trust Fund Committee
1818 H Street NW
Washington, DC 20433, USA

Subject: Clean Technology Fund (CTF) – Revised Investment Plan for Vietnam

Dear Ms. Bliss-Guest:

The Ministry of Natural Resources and Environment, The Government of Viet Nam (GoV) is please to submit the revised CTF Country Investment Plan (CIP) for consideration by the Trust Fund Committee. The CIP has been revised pursuant to extensive dialogue between the Ministries of GoV, the multilateral banks (MDBs), executing agencies, and other stakeholders leading up to and including the Joint Mission fielded from 18 -20 September 2013. The Joint Mission met with the Ministry of Natural Resources and Environment (MONRE), which is the coordinating agency for climate change activities and the CTF Focal Point for the GOV, as well as the Ministry of Planning and Investment (MPI), the Ministry of Finance (MOF), Ministry of Industry and Trade (MOIT)/Viet Nam Electricity (EVN), bilateral development partners, and other stakeholders during a consultation workshop held on 19 September 2013. Key findings of the Joint Mission are as follows:

- The proposed industrial energy efficiency project has been decided to drop out from ADB's country program, and it will not be considered for CTF funding at this time.
- IFC has experienced some challenges in implementing its private sector finance program for energy efficiency, cleaner production, and renewable energy. Given the slower than expected rate of utilization of CTF cofinancing under the program, IFC proposed to relinquish part of its allocation under the IP and make some amendments to its ongoing program.
- CTF funding for the Ho Chi Minh City (HCMC) sustainable urban transport program was approved by the Trust Fund Committee on 19 September 2013. A similar transport program for Hanoi is expected to reach the appraisal stage by first quarter of 2014, and will be considered by ADB's Board no later than the third quarter of 2014. GoV reiterated its commitment for these sustainable urban transport investments, and expressed desire to seek additional funding through reallocation and additional funding from CTF.
- A request from Vietnam Electricity (EVN) to pursue CTF cofinancing for a new ADB electricity grid efficiency project which is in the preparation stage now is agreed by GOV. This project is expected to reach the appraisal stage by first quarter of 2014, and ADB Board consideration is scheduled for second quarter 2014.

MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

Add.: No. 83 Nguyen Chi Thanh str., Dong Da dist., Ha Noi, Viet Nam; Tel.: +84 4 8357910;
Fax.: +84 4 8352191/8359221; E-mail: icd-monre@monre.gov.vn; Website: <http://www.monre.gov.vn>

- The Joint Mission and GoV discussed 4 possible scenarios for reallocation: (i) reallocate all funds to the Hanoi urban transport project, (ii) reallocate all funds to the new ADB electricity grid efficiency improvement project, (iii) reallocate \$50 million to Hanoi urban transport and about \$61 million to the ADB grid efficiency project, or (iv) return all available allocations to the CTF fund for use by other countries. The mission and government agreed on scenario (iii), as these 2 projects are the only new candidate investments in the MDB programs which meet CTF eligibility criteria and which can be processed and approved within 12 to 18 months from endorsement of the revised IP.

The revised CIP covers the implementation status, the circumstances and rationale for the update, the proposed changes, and the potential impacts of the proposed changes on CIP objectives. In accordance with paragraph 12 of the *CTF Guidance for Management of Pipeline and Revisions to Investment Plans* dated 15 December 2011, GoV requests the guidance and endorsement from the Trust Fund Committee through a decision by mail.

We look forward to receiving favorable consideration by the CTF Trust Fund Committee for endorsement of the revised CIP so that the respective project teams can continue project preparation activities. GoV will be happy to address any questions or comments.

Sincerely,



**Tran Thi Minh Ha,
Director General
Department of International Cooperation**