Quick facts

<table>
<thead>
<tr>
<th>Zone</th>
<th>National territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Eco-efficiency</td>
</tr>
<tr>
<td>Time Frame</td>
<td>2006 - 2015</td>
</tr>
</tbody>
</table>

Background information

The energy sector has been a key component of Vietnam’s sustained and strong economic growth over the past decade and will remain so for the projected future. However, like many countries with similar demographics, Vietnam faces the difficult challenge of maintaining this growth in a sustainable manner, with no or minimal adverse impacts on society and the environment.

Given Vietnam’s overall rise in energy consumption it is likely to become increasingly dependent on fossil fuels. However, it is expected that domestic energy production will meet most of the projected requirements as Vietnam has large oil, natural gas and coal reserves. In fact, Vietnam has been a net energy exporter and is expected to remain so in the foreseeable future. Therefore, the efficient use of energy plays an important role of Vietnam’s overall energy and economic policy.

National Strategic Program on Energy Saving and Effective Use

The National Strategic Program on Energy Saving and Effective Use (VNEEP) lays out a plan for achieving very ambitious energy saving targets in the Vietnamese economy, including reductions of 3–5 per cent in total energy consumption in
2006–2010 and from 5–8 percent in 2011–2015, based on the present forecast on energy development and socio-economic development. These targets are in line with the long-term objective of reducing the elasticity factor (growth rate of energy demand/growth rate of GDP) from the historical level of 1.46 to 1.0 by 2015, and further to 0.9 by 2020 and 0.8 in subsequent years.

**Time frame: 2006–2015**
- Phase 1 (2006–2010): Active start-up of all components of the programme.
- Phase 2 (2011–2015): Develop and adjust each component of the programme, based on the lessons learned in phase 1.

**Overall goals:**
1) Encouraging, promoting, developing the necessary science and technology and introducing compulsory forms for the harmonizing of activities on energy saving and efficient use in society.
2) Saving energy, reducing investment costs for the development of energy supply systems.
3) Contributing to environmental protection and exploring potential energy sources for a sustainable socio-economic development.

**Main barriers:**
1- national energy policy and legal framework strong enough for promoting energy efficiency;
2- sufficient awareness on energy efficiency;
3- regulatory framework for energy efficiency;
4- data on energy efficiency;
5- financing services and access to loans for developing sustainability technologies; and
6 - general enthusiasm for using energy more efficiently.

**References**
Thai, V.V. 2006. Vietnam Energy Policy: Energy Investment and Climate Change, presented in workshop on mainstreaming policies and investment in low carbon: opportunity for new approaches to investment and flexible mechanisms