United Nations Development Programme (UNDP) Resident Representative Caitlin Wiesen talks to *Việt Nam News* reporter Khánh Vân about Việt Nam's efforts in renewable energy development to meet its net-zero emissions targets

Strong efforts made to hit zero-emissions target: UNDP

United Nations Development Programme Resident Representative Caitlin Wiesen. *Photo courtesy of UNDP*

A wind power project in Mekong Delta province of Sóc Trăng. *VNA/VNS Photo Hồng Đạt*

Could you summarise global trends in renewable energy development?

More than 70 countries including Việt Nam have now set net-zero emissions targets by 2050. Realising these commitments requires a transition from fossil fuels to renewable energy sources at a scale and speed unprecedented in human history.

Countries such in G7 and Australia have committed to end bilateral international financing of coal power plants and phase out their support for fossil fuels. International investors have also divested from coal power and are looking for investing substantially in renewable energy.

In Việt Nam, there was already evidence of this when a foreign firm decided to withdraw from the Vĩnh Tân 3 coal-fired power plant project due to increasing pressure from investors against fossil fuel investment.

In 2021, global renewable capacity broke a new record, increasing by 6 per cent to almost 295GW, despite supply-chain challenges spurred by the pandemic. In 2022, renewable capacity is expected to increase by over 8 per cent to reach almost 320GW, thanks to strong policy support from the EU, China, and Latin America.

Growth in renewable energy is being facilitated by declining costs. The cost of electricity from solar energy has reduced by 89 per cent over the past decade (2010-2019), while the cost of onshore wind reduced by 70 per cent over the same period. By 2050, offshore wind energy is expected to cost 50 per cent less than it did in 2015.

The share of renewables will continue to expand as they are set to provide almost all (95 per cent) of the growth in global power capacity through 2026, with solar providing more than half of that increase.

In addition, several multinational companies have committed to shift to using renewable energy. For example, Lego Group and Samsung Electronics have committed to greening their supply chains and pursuing 100 per cent renewable energy goals.

In response to the ongoing energy crisis, we see that many countries are intent on tackling climate change and improving their energy security through the use of renewables and improved energy efficiency.

UNDP has provided some technical support to Việt Nam in energy development. How do you assess Việt Nam's transition progress to efficient and renewable energies?

Việt Nam must be congratulated for joining 70 other countries in committing to reach net-zero emissions by 2050. The international community also highly appreciates Việt Nam joining with 190 other countries in committing to phase out coal power and end support for new coal power plants.

Việt Nam has made remarkable progress in expanding its capacity to generate renewable energy and is leading the energy transition in Southeast Asia in terms of installed solar and wind power capacity.

Renewable energy will help Việt Nam to ensure energy security. Since 2015, Việt Nam has increasingly relied on imported coal to meet the demand for power, and it is projected that coal and gas imports will increase significantly in the future while the prices of imported fossil fuels will be highly influenced by market fluctuations.

Meanwhile, Việt Nam has enormous potential for renewable energy.

Over just five years, Việt Nam scaled-up solar energy capacity from almost nothing in 2017 to more than 16,000MW in 2022, far exceeding national targets.

Việt Nam also has enviable wind power potential, particularly for offshore wind, with more than 3,200km of coastline. In 2022 and 2023, 20 wind power projects will be installed in Sóc Trăng alone.

With rapid advances in technology, renewable energy is now cheaper than coal-based power, and renewable energy prices will continue to fall. When the other costs of coal-based power are taken into account, such as environmental pollution, contamination of water and soil, health impacts on the population, and increased costs to the medical and environmental sectors, then renewable energy is far more affordable than coal-based power.

Challenges remain for Việt Nam to develop policies, technology, and financing to promote the development of clean energy projects as the country moves towards carbon neutrality. Do you have any recommendations to help the country address these challenges?

Countries around the world are facing similar challenges, leading the Intergovernmental Panel on Climate Change (IPCC) in its recent report to urge countries to accelerate enabling conditions through policies that can drive up the adoption of available renewable energy technologies.

In Việt Nam, despite progress made with the unprecedented boom in renewable energy investments, transmission lines connecting solar and wind energy to the national grid do not yet have sufficient capacity to cope with spikes in supply.

Though the Feed-in-Tariff (FiT) was initially an effective mechanism to improve the competitiveness of renewable technologies, it has also led to uneven and unsustainable development of solar energy in Việt Nam. Meanwhile, the price policy that will replace the FiT is not yet in place.

Power purchase agreements (PPA) have not yet met international standards. There is also significant potential to pursue Direct Power Purchase Agreements (DPPA) driven by the private sector, which helps facilitate private renewable energy generation. DPPAs are currently being piloted and could have a significant impact if scaled.

In addition, Việt Nam's expansion in hard-to-abate sectors such as steel, chemicals, and cement will need to be offset by looking ahead and investing now in technologies such as green hydrogen and carbon capture, utilisation, and storage (CCUS).

Most important is establishing a plan to decommission coal power plants. The PDP8 draft energy plan to phase out unabated coal power in the 2040s is a promising start. UNDP encourages further action to reduce coal dependence.

Việt Nam has been receiving comparatively large amounts of international assistance for a just energy transition and continues to have opportunities. However, the amounts are likely to remain limited compared to overall investment needs.

One of the important factors in helping the country fulfil its energy development and climate change adaptation goals is international support. Does UNDP have any plan to support or cooperate with Việt Nam in this field until 2030?

As the UN Secretary-General Antonio Guterres stated in his concluding remarks at COP26: 'We are still knocking on the door of catastrophic climate change.' Việt Nam is among the top 10 countries globally most vulnerable to climate change. The greater the carbon intensity of growth, the greater the climate change risks and impacts, and the greater the costs for Việt Nam to adapt and cope with climate change.

UNDP is supporting Việt Nam to accelerate a just energy transition and adapt to climate change through policy support, studies, and projects including:

Providing technical analysis for aligning new and revised policies with net-zero emissions targets across the Power Development Plan 8, the Green Growth Strategy, and the development of the National Climate Change Strategy, including assessment of international and domestic finance opportunities and ways to enhance private sector contributions to achieve the targets.

Demonstrating new areas of energy efficiency through innovations in high-rise buildings and public lighting that generate energy savings of 25-67 per cent, helping to reduce CO2 emissions while also reducing building operation costs.

Promoting investments in energy efficiency and clean energy by businesses, especially small and medium enterprises.

Supporting the Ministry of Natural Resources and Environment to update the Nationally Determined Contribution (NDC) and strengthen the national Monitoring Reporting and Verification (MRV) system to improve the greenhouse gas inventory to meet requirements under the Paris Agreement.

To support and accelerate a just energy transition and particularly the target of net-zero emissions by 2050 and phasing out coal in the 2040s, UNDP is:

Providing technical analysis and policy support to assess the potential of green hydrogen and CCUS in Việt Nam and reduce economy-wide greenhouse gas emissions.

Assessing current and planned coal-thermal electricity generation in Việt Nam and assessing scenarios of coal-thermal power generation in Việt Nam.

Greening transport by promoting electric vehicles (EVs) and developing the ecosystem for their operation in urban settings to help reduce fossil fuel consumption.

In terms of climate finance, UNDP will support Việt Nam to mobilise and effectively manage, utilise, track and report finance sources for climate change responses in Việt Nam.

Working in close collaboration with government and development partners, UNDP currently co-chairs the technical working group on energy efficiency with MOIT under the Việt Nam Energy Partnership Working Group and co-chairs the Technical Working Group on Nationally Determined Contributions (NDCs) and Climate Change, under the Development Partners Group in Việt Nam. VNS