ADDENDUM No. 1

To Financing Agreement
VIET NAM – "EU – Viet Nam Sustainable Energy Transition Programme"
OPSYS / CRIS No ACA/2020/040-898

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the EU**",

of the one part, and

The Government of the Socialist Republic of Viet Nam, hereinafter referred to as "**the Partner**", represented by the Ministry of Industry and Trade,

of the other part,

have agreed as follows:

The above-mentioned Financing Agreement, signed on 31/12/2021, is modified as follows:

Annex I to the Financing Agreement No. ACA/2020/040-898 – Technical and Administrative Provisions

- 2.4. Indicative Logical Framework
- Appendix 1: Disbursement arrangements, Conditions and Performance Indicators:
    - 2. Indicative disbursement timetable
    - 5. Summary table of the variable tranche performance indicators
    - 6. Description of the performance indicators and targets used for the disbursement of variable tranches
        - Indicator no. 2
        - Indicator no. 3
        - Indicator no. 10

shall be replaced by Annex I to the present Addendum.

The addendum shall enter into force on the date on which it is signed by the last party.

Done in four original copies, 2 copies being handed to the Commission and 2 to the Partner.

Done at

FOR THE PARTNER

KT. BỘ TRƯỞNG
THỨ TRƯỞNG

Signature Nguyễn Hoàng Long

Date: 6th August, 2025

Encl. : enclosure no. 1

Done at Brussels

FOR THE COMMISSION

Peteris USTUBS

Director for Middle East, Asia and Pacific, Directorate-General for International Partnerships

Signature

Date 12.02.2025

ENCLOSURE NO. 1

2.4 Indicative Logical Framework Matrix

	Results chain	Indicators	Baselines (year)	Targets by the end of the budget support contract (year)	Sources of data
Expected impact of the policy (Overall objective)	1. To contribute to a sustainable energy transition in Viet Nam	1.1. Primary Energy Intensity (total primary energy consumption converted to standard oil equivalent to produce 1 economic value unit)	1.1. 361 kgOE/1,000USD (2019)	1.1. Minus 4.13% corresponding to 346 kgOE/1,000USD (2026)	1.1. VNEEP3 mid-term evaluation report 2025 Viet Nam Energy Statistics (VES), Yearbook (IE), Statistical Yearbook of Viet Nam (General Statistics Office)
		1.2. Amount of annual electricity generated from grid-connected renewable energy sources (solar and wind)	1.2. Wind: 980 million kWh (2020) Solar: 10,760 million kWh (2020)	1.2. Wind: [10 - 17.7] billion kWh (2026) Solar: 16,928 million kWh (2026)	1.2. PDP8 / MOIT implementation report
Expected outcomes of the policy (Specific objective(s)	1. Improved energy efficiency	1.1. Percentage of power losses	1.1. 6.42% (2020)	1.1. <6.5% (2026)	1.1. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026
		1.2. Percentage of national energy consumption saved	1.2. 94,495 kTOE (TPES – Total Primary Energy Supply, 2019)	1.2. 3 - 5% (2026)	1.2. VNEEP3 implementation report, EVN report, VNEEP3 mid-term evaluation report 2026
	2. Larger share of renewable energy in the energy mix	2.1. Amount of grid-connected renewable energy (solar and wind) capacity in total system capacity	2.1. Wind: 538 MW (2020) Solar: 16,500 MW (2020)	2.1. Wind: [5,000 – 11,320] MW (2026) Solar: 17,240 MW (2025)	2.1. PDP8/MOIT implementation report
	3. Improved performance of the Viet Nam Energy Information System (VEIS)	3.1. Status of energy data & statistics	3.1. VEIS is not fully established and functional (2020)	3.1. VEIS is fully established and functional (2026)	3.1. MOIT report on the implementation of the VEIS action plan (MOIT Decision No. 4651/QĐ-BCT of 14 Dec 2018) and MOIT Circular 34/2019/TT-BCT of 28 Nov 2019). Decision 804/QD-BCT of 08 Apr 2024: VEIS Action Plan is to be completed in period 2025-2030

Induced outputs	1.1. Legal & technical frameworks on economical and efficient use of energy are amended and/or supplemented	1.1. Status of legal documents and technical standards & guidelines	1.1. Circulars issued: Circular 39/2019/TT-BCT on energy consumption in sugar industry; Circular 25/2020/TT-BCT on planning and reporting of EMS and energy audit; Circular 20/2016/TT-BCT stipulating the benchmark on energy consumption of the steel industry; Circular 38/2016/TT-BCT stipulating the benchmark on energy consumption of the plastic industry; Circular 19/2016/TT-BCT stipulating the benchmark on energy consumption of the beer and beverage industry (2020)	1.1. 10 legal documents, technical standards and guidelines (including the energy efficiency benchmark) on energy efficiency and energy conservation are produced, reviewed, amended and/or supplemented (2026)	1.1. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026, Other MOIT reports
	1.2. Network of energy efficiency and cleaner production units is expanded	1.2. Number of energy efficiency (EE) and cleaner production (CP) units in operation	1.2. 18 EE and CP units (2020)	1.2. ≥50 EE and CP units (2026)	1.2. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026, Other MOIT reports
	1.3. Average percentage of energy consumption for four industrial sectors/sub-sectors is reduced	1.3.1. Percentage of energy consumption reduction in steel industry	1.3.1. (Unit: MJ/ton) Ore sintering: 2,750 Iron cast production by blast furnace: 22,022 Steel billet production by arc furnace : 2,859 Hot rolled steel production: 1,713 Cold rolled steel plate production: 1,418 (2020)	1.3.1. 3 to 10% depending on the type of products and production technologies Ore sintering: 10% Iron cast production by blast furnace: 3% Steel billet production by arc furnace: 7.5% Hot rolled steel production: 7% Cold rolled steel plate production: 5% (2026)	1.3.1. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026, Reporting 2026 on Circular 20/2016/TT-BCT stipulating the benchmark on energy consumption of the steel industry
		1.3.2. Percentage of energy consumption reduction in the plastics industry	1.3.2. (Unit: kWh/kg) Bag: 0.629 Bottle: 1.52 Packing plastic: 0.65 Technical plastic: 0.5 Construction plastic: 1.3 (2020)	1.3.2. 4.5 to 12% depending on the specific types of plastic products Bag: 4.5% Bottle: 4.5% Packing plastic:7% Technical plastic: 12% Construction plastic: 7% (2026) 1.3.3 Thermal energy consumption: 5.3%;	1.3.2. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026, Reporting 2026 on Circular 38/2016/TT-BCT stipulating the benchmark on energy consumption of the plastic industry

		1.3.3. Percentage of energy consumption reduction in the cement industry	1.3.3. Thermal energy consumption: 3,715 MJ/ton of clinker Electricity consumption: 96,5 kWh/ton of cement (2018)	Electricity consumption: 2.2% (2026)	1.3.3. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026, other MOIT reports, USAID-VLEEP Technical report on benchmarking results for cement sector.
		1.3.4. Percentage of energy consumption reduction in the beer and beverage industry (only fizzy beverages)	1.3.4. (Unit: MJ/hl) Beer (capacity of >100 million litres): 140 Beer (capacity of 20-100 million litres): 215 Beer (capacity of < 20 million litres): 306 Fizzy beverage (total combined capacity): 55 (2020)	1.3.4. 3 to 5% depending on the specific type of products and volume of production Beer (capacity of >100 million litres): 4.0% Beer (capacity of 20-100 million litres): 5.0% Beer (capacity of < 20 million litres): 3.9% Fizzy beverage (total combined capacity): 3% (2026)	1.3.4. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026 , Reporting 2026 on Circular 19/2016/TT-BCT stipulating the benchmark on energy consumption of the beer and beverage industry
	1.4. Designated Energy Users apply the Energy Management System as regulated	1.4. Percentage of Designated Energy Users applying the Energy Management System as regulated	1.4. 0% (2019)	1.4. ≥70% (2026)	1.4. VNEEP3 implementation report, VNEEP3 mid-term evaluation report 2026, other MOIT reports
Induced outputs	2.1. Existing mechanisms to encourage investment in developing renewable energy power generation are revised	2.1.1. Regulation for renewable energy development	2.1.1. No solar FIT (01/01/2021) No wind FIT (01/11/2021) Biomass FIT (no deadline) Waste-to-Energy FIT (no deadline) Auction mechanism is not in place (2021)	2.1.1. Regulation for renewable energy development is adopted by mandated authority (2023)	2.1.1. PM decision and/or MOIT implementation circulars
	2.2. Direct Power Purchase Agreements (DPPA) are allowed and the electricity market is progressively adjusted to allow for an optimised generation and uptake of renewable energy	2.2.a) Status of DPPA regulation 2.2.b) Status of Electricity Reform Roadmap	2.2.a) Draft Regulation for piloting DPPA mechanism is being developed and published for comments (2021) 2.2.b) Electricity Wholesale Market operation phase is ongoing (2021)	2.2.a) Regulation for implementation of DPPA mechanism is adopted by mandated authority (2026) 2.2.b) Electricity Wholesale market operation phase continues after 2021 Electricity Retail Market: eligible customers are able to	2.2. MOIT implementation report

				choose electricity suppliers (2026, after the completion of amending the Electricity Law)	
	2.3. On-site renewable or hybrid energy supply for remote, deep-lying and offshore areas are supported	2.3. Status of off-grid systems operating in remote offshore islands	2.3. 3 islands are supplied by off-grid fuel-based generators (2019)	2.3. 3 islands are supplied by off-grid hybrid power solutions (2026)	2.3. MOIT implementation report
	3.1. Legal framework set up and prepared for information infrastructure investment	3.1. Status of VEIS investment project	3.1. Not yet available (2020)	3.1. VEIS investment policy Decision is adopted (2022) and implemented (2026)	3.1. MOIT implementation report
	3.2. VEIS organisational capacity and infrastructure are strengthened	3.2. Status of staff	3.2. 11 staff (5 males and 6 females) were assigned to work for the Viet Nam Energy Information Centre (2020)	3.2. Staff is trained (disaggregated by sex) (2026)	3.2. MOIT implementation report
Direct outputs	1. Additional fiscal space created by the transfer of funds and increased predictability of funds	1.1. Amount of EU external assistance made available through the national budget	1.1. € 100 million (2018-2020)	1.1. € 121 million (2022-2026)	1.1. Disbursement files
	2. Continued high-level policy dialogue with the Government, jointly with other development partners, on the energy transition in Viet Nam	2.1. Status of VEPG policy dialogue and recommendations	2.1. 40 policy recommendations endorsed (Nov 2018)	2.1. VEPG high level meetings follow-up on policy recommendations and take place at least once a year	2.1. VEPG minutes and proceedings
	3. Strengthened capacities of and coordination among key stakeholders in the energy sector, like Government, private sector and Social Organisations	3.1. Provision of ad-hoc EU TA on a demand-driven basis to institutional stakeholders involved in the energy sector	3.1. Ongoing EU - Viet Nam Energy Facility (2021)	3.1. Number of people trained (disaggregated by sex); number of technical assignments deployed on demand by the EU through the EU – Viet Nam Sustainable Energy Transition Facility	3.1. Implementation report of relevant EU implementing partners

APPENDIX 1: DISBURSEMENT ARRANGEMENTS, CONDITIONS AND PERFORMANCE INDICATORS

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2. Indicative disbursement timetable

Country fiscal year and quarterly breakdown	Year 1 (2022)				Year 2 (2023)				Year 3 (2024)				Year 4 (2025)				Year 5 (2026)				Year 6 (2027)				Total in MEUR
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Fixed tranche in MEUR			10				10				10				8				5				7		50
Variable tranche in MEUR			16				12				15				7				13				8		71
Total in MEUR			26				22				25				15				18				15		121

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5. Modalities for variable tranche calculation and disbursement

The performance indicators described hereafter apply to the calculation of the share of variable tranches to be disbursed. Tranche release requests must be supported by all appropriate information and documents on the performance indicators. Indicators are described in detail in section 6.

Summary table of the variable tranche performance indicators

Indicator	Year 1 (2021) Targets with their amount/weighting		Year 2 (2022) Targets with their amount/weighting		Year 3 (2023) Targets with their amount/weighting		Year 4 (2024) Targets with their amount/weighting		Year 5 (2025) Targets with their amount/weighting		Year 6 (2026) Targets with their amount/weighting	
No.1 – PI 1 (EE) **Energy Managers/Auditors**	300	5 M€	400	6 M€	400	5 M€						

No.2 – PI 2 (EE) **EE training centres**									2 centres established	4 M€	2 centres operational	3 M€
No.3 – PI 3 (EE) **EE testing labs**									2 labs established	4 M€	2 labs operational	3 M€
No.4 – PI 4 (EE) **DEUs applying EMS**							30%	5 M€	50%	5 M€		
No.5 – PI 5 (RE) **Wind power**	2,500 MW	7 M€										
No.6 – PI 6 (RE) **RE support mechanism**					new support mechanism	10 M€						
No.7 – PI 7 (RE) **500 kV transmission lines**	8,985 km	4 M€	10,185 km	4 M€								
No.8 – PI 8 (VEIS) **Investment Policy Decision**			decision adopted	2 M€								
No.9 – PI 9 (VEIS) **Circular 34 revision**							revised circular	2 M€				
No.10 – PI 10 (VEIS) **Full establishment/operation**											Yes	2 M€

Indicators no. 6, 8, 9 and 10 will be scored 1 (one) if the target is met or 0 (zero) if the target is not met.

Indicators no. 2 and 3 will be scored 1 if the target is met, 0.5 if the target is partially met (the requirements are specified for each indicator hereafter) or 0 if the target is not met.

- Indicator no. 2:
  Target Year 5 – 0.5: Partially (one training centre is established)
  Target Year 6 – 0.5: Partially (one training centre is operational)
- Indicator no. 3:
  Target Year 5 – 0.5: Partially (one laboratory is established)
  Target Year 6 – 0.5: Partially (one laboratory is operational)

Indicators no. 1, 4, 5 and 7 will be rated according to the degree of achievement:

- 100% if target achieved ≥ 100%;
- 90% if target achieved ≥ 90% and < 100%;
- 80% if target achieved ≥ 80% and < 90%;
- 70% if target achieved ≥ 70% and < 80%;
- 60% if target achieved ≥ 60% and < 70%;
- 50% if target achieved ≥ 50% and < 60%;
- 0% if target achieved <50%.

Once each indicator has been assessed and a performance score has been attributed to each of them, the amount of the variable tranche to be disbursed will be determined by adding up those scores according to the respective weights of indicators.

The assessment of performance indicators may require carrying out external reviews or data verification exercises to inform disbursement decisions and to contribute to strengthening the policy monitoring framework and national statistical systems.

Once the disbursement has taken place, the funds corresponding to the undisbursed share of the variable tranche will be decommitted.

6. Description of the performance indicators and targets used for the disbursement of variable tranches

The disbursement of variable tranches will be contingent on the achievement of the targets set for each of the following performance indicators, as per the following indicator fiches.

Indicator no. 2 – EE Training Centres

Full title	***Two National Energy Efficiency Training Centres of Viet Nam are established and operational***
Baseline for year 0	The locations of the two new national EE training centres have been pre-identified. *Source:* MoIT Road Map in their letter to MPI dated 5 May 2021 ref. 2983/BCT-KH, table page 8 line B.1-2.
Target for year 5	The two new training centres in Hanoi and Hue have been established *Period under review:* Calendar year 2025 *Source(s) of verification and expected date of transmission to the Commission* DEESD regularly submits to the MoIT Minister an activity report (yearly N+1). Copies of certificates and verification documentation as listed under 'calculation' will be communicated to the EU within Q1 of 2026. Information will be shared with EU in the form of an official MoIT letter. *Partial payment for partial achievement:* – 100% if: Yes (two training centres are established) – 50% if: Partially (one training centre is established) – 0% if: No (no training centre is established) *Amount attached:* EUR 4 000 000
Target for year 6	The two new training centres in Hanoi and Hue are operational *Period under review:* Calendar year 2026 *Source(s) of verification and expected date of transmission to the Commission* DEESD regularly submits to the MoIT Minister an activity report (yearly N+1). Copies of certificates and verification documentation as listed under 'calculation' will be communicated to the EU within Q1 of 2027. Information will be shared with EU in the form of an official MoIT letter. *Partial payment for partial achievement:* – 100% if: Yes (two training centres are operational) – 50% if: Partially (one training centre is operational) – 0% if: No (no training centre is operational) *Amount attached:* EUR 3 000 000
Indicator features	
Indicator type	output
SDG marker	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Purpose	*5 digit code as per the OECD-DAC Creditor Reporting System* 23181 - Energy Education/training All levels of training not included elsewhere
Relevance/reference to country's public policy	Viet Nam National Energy Efficiency Programme 2019-2030 (VNEEP3), Prime Minister Decision No. 280/QD-TTg, one of the Specific Objectives up to 2025 is to build at least'02 national training centres on economical and efficient use of energy' ref. online published version http://vepg.vn/wp-content/uploads/2019/03/the-signed-version-of-VNEEP-3_ENG_Final.pdf These targets were also detailed in the Road Map for implementation of legal documents on energy efficiency labelling, minimum energy performance standards (MEPS), with reference to the Decision 04/2017/QD-TTg dated 09 March 2017 (ref. http://vneec.gov.vn/Document/Detail/114) as approved by the Prime Minister, providing for the list of equipment and appliances to which the mandatory energy labelling and minimum energy efficiency standards are applied, and the roadmap to their implementation (Article 4: Assistance solutions for energy labelling and the minimum energy efficiency standards, point 2: Enhance the professional competence of the managers, technicians, and skilled workers involved in the verification process). *Relevance to the intervention logic:* Directly relevant to induced output: 1.1 Legal & technical frameworks on economical and efficient use of energy are amended and/or supplemented *Relevance to polic' dialogue:* The EU noted that DEESD presented to MPI the two new national EE training centres as investment projects funded by external sources, i.e. EU grant, while the purpose of the SETP budget support is to leverage additional Partner funding in the energy sector.
Definition and calculation	*Measurement unit:* Based on evidence: Yes/Partially/No *Calculation method:* Based on documentary evidence as listed in verification documents 1) At the latest by Q1 2025 MOIT will inform the EU on the Central State budget allocated to the two new national training centres; 2) Established: final acceptance certificate of the new centre's works and supplies including equipment testing certificate, certificate of completion by the supplier of the after delivery services and installation of the equipment (by 31 December 2025): verification in Q1 of 2026; 3) Operational: full team of trainers at each new centre has been selected (lists are shared with EU), curriculum in line with new curriculum in place (currently being updated by MoIT) by 31 December 2026: verification in Q1 of 2027.
Disaggregation	The new facilities will be located in Hanoi (split in two facilities: Electric Power University. 235 Hoang Quoc Viet, Hanoi and Tan Minh, Soc Son, Hanoi) and Hue (split in two facilities: Industrial College: 70 Nguyen Hue, Vinh Ninh, Hue City and A quarter, An Van Duong area, Thua Thien – Hue), to cover respectively the north and centre of Viet Nam. The national EE training centres will therefore be available in the three main geographical areas of Viet Nam (north, centre, south) and may be used for higher education and businesses, as an adequate strategy to promote availability of skilled expertise in EE.

Data collection and publication	*Department(s) in charge of data collection, processing, analysis and publication* *Data collection:* Administrative collection by the Department of Energy Efficiency and Sustainable Development (DEESD) of MoIT. *Publication*: Issuance of a specific DEESD report to EUD, which can be issued within Q1 of year N+1. Information will be shared to EU in the form of an official MoIT letter. *Usual publication periodicity, timeliness or delays observed in the past* Verification as indicated under 'Definition and calculation'. MOIT will provide EU with relevant data.
Data quality	The achievement of this indicator will contribute to enhance training capacity in the sector, but will not contribute to support achievement of PI1 because the training facilities already in place will be used to achieve PI1 2021, 2022 and 2023 targets. Following reporting from DEESD-MoIT at year N-1 and year N, if required an audit can be launched. It will significantly contribute to enhance - because of the geographical locations - access to training resources in areas where training facilities are currently not available. At present the existing facility is located in HCMC, in the south of Viet Nam, and it was established under HCMC DOIT with a grant from JICA in the period 2012-2015.
Risks or exogenous factors	In order to mitigate uncertainties, it is advisable to have coordinated quarterly DEESD-EUD follow-ups/field visits starting 18 months prior to the cut-off date of the target.
Additional considerations	N/A

Indicator no. 3 – National EE testing laboratories

Full title	***Two National laboratories for the testing of the energy performance of two products are established and operational***
Baseline for year 0	The locations and products of the two new national energy performance testing laboratories have been pre-identified *Source:* MOST confirmation on the establishment of one national energy performance laboratory for household air conditioners under the Quality Assurance and Testing Center 1 in Hanoi. MoIT Road Map in their letter to MPI dated 5 May 2021 ref. 2983/BCT-KH, table page 8 line B.3-4. Revision by MOIT, Industrial Safety Techniques and Environment (ISTE) Agency and Industrial Inspection Center no. 2 on the establishment of one national energy performance laboratory for motors under the Industrial Inspection Center no. 2 (SITES II) in Ho Chi Minh City (MOIT Minister notification letter dated 24 May 2024 ref. 134/TB-BCT; ISTE Agency letter to DEESD dated 10 May 2024 ref. 762/ATMT-BVMT; and SITES II letter to DEESD of 24 April 2024 ref. 086/KĐCN II-PTH. This location replaces the second center initially located in QUATEST 3 in Ho Chi Minh city.
Target for year 5	The two new laboratories (one for electric motors and one for household air conditioners) have been established *Period under review:* Calendar year 2025

	Source(s) of verification and expected date of transmission to the Commission DEESD regularly submits to the MoIT Minister an activity report (yearly N+1). Copies of certificates and verification documentation as listed under 'calculation' will be communicated to the EU within Q1 of 2026. Information will be shared with EU in the form of an official MoIT letter. *Partial payment for partial achievement:* – 100% if: Yes (two laboratories are established) – 50% if: Partially (one laboratory is established) – 0% if: No (no laboratory is established) *Amount attached:* EUR 4 000 000
Target for year 6	The two new laboratories (one for electric motors and one for household air conditioners) are operational *Period under review:* Calendar year 2026 *Source(s) of verification and expected date of transmission to the Commission* DEESD regularly submits to the MoIT Minister an activity report (yearly N+1). Copies of certificates and verification documentation as listed under 'calculation' will be communicated to the EU within Q1 of the year N+1 (2027). Information will be shared to EU in the form of an official MoIT letter. *Partial payment for partial achievement:* – 100% if: Yes (two laboratories are operational) – 50% if: Partially (one laboratory is operational) – 0% if: No (no laboratory is operational) *Amount attached:* EUR 3 000 000
Indicator features	
Indicator type	output
SDG marker	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all
Purpose	*5 digit code as per the OECD-DAC Creditor Reporting System* 23183 - Energy conservation and demand-side efficiency
Relevance/reference to country's public policy	Viet Nam National Energy Efficiency Programme 2019-2030 (VNEEP3), Prime Minister Decision No. 280/QD-TTg, one of the Specific Objectives in the period up to 2025 is to build at least' 02 energy efficiency laboratories', ref. online published version http://vepg.vn/wp-content/uploads/2019/03/the-signed-version-of-VNEEP-3_ENG_Final.pdf These targets were also detailed in the Road Map for implementation of legal documents on energy efficiency labelling, minimum energy performance standards (MEPS), with reference to Decision 04/2017/QD-TTg dated 09 March 2017 (ref. http://vneec.gov.vn/Document/Detail/114) on the list of equipment and appliances to which the mandatory energy labelling and minimum energy efficiency standards are applied, and the roadmap to their implementation and Decision 24/2018/QD-TTg dated 18 May 2018 (ref. http://vneec.gov.vn/Document/Detail/116) by the Prime Minister promulgating the list of low-efficiency equipment that has to be discarded and low-efficiency generating sets that are prohibited from being built, and the roadmap to implementation thereof.

	Relevance to the intervention logic: Directly relevant to induced output 1.3 Average percentage of energy consumption for the industrial sectors/sub-sectors is reduced *Relevance to policy dialogue:* The EU noted that all concerned GoV stakeholders consider the two new energy performance testing laboratories as investment projects funded by external sources, i.e. EU grant, while the purpose of the SETP budget support is to leverage additional Partner funding in the energy sector.
Definition and calculation	*Measurement unit:* Based on evidence: Yes/Partially/No *Calculation:* Based on documentary evidence as listed in verification documents 1) At the latest by Q1 2025 MOIT will inform the EU on the Central State budget allocated to the two new national testing laboratories; 2) Established: final acceptance certificate of the new laboratory's supplies including equipment testing certificate, certificate of completion by the supplier of the after-delivery services and installation of the equipment and the certificates are shared with the EUD (by the cut-off date of 31 December 2025): verification in Q1 of 2026; 3) Operational: the first 5 testing compliance certificates have been issued to 5 products per category after performance test and the certificates are shared with the EU (by the cut-off date of 31 December 2026): verification in Q1 of 2027.
Disaggregation	VNEEP1 and VNEEP2 invested in the network of laboratories to faciliate the labelling program. There are five laboratories already operational, two in Hanoi, two in HCMC and one in Da Nang. VNEEP3 aims to broaden the network and the selection of two labs in Hanoi and HCMC is to ensure the testing capacity balance of different regions as well as to meet the actual market needs of all regions throughout the country. Head Office of Quality Assurance and Testing Center 1 (Quatest 1) is located in Block E, no. 8 Hoang Quoc Viet street, Nghia Do ward, Cau Giay district, Hanoi. Head Office of Industrial Inspection Center No. II (SITES II) is located at No.12, Nguyen Thi Minh Khai street., Da Kao ward, District 1, Ho Chi Minh city.
Data collection and publication	*Department(s) in charge of data collection, processing, analysis and publication* *Data collection:* Administrative collection by the Department of Energy Efficiency and Sustainable Development (DEESD) of MoIT. *Publication:* Issuance of a specific DEESD report to EUD, which can be issued within Q1 of year N+1. Information will be shared with EU in the form of an official MoIT letter. *Usual publication periodicity, timeliness or delays observed in the past* Verification as indicated under 'Definition and calculation'. MoIT will provide EU with relevant data.

Data quality	This indicator is linked to the Minimum Energy Performance Standards (MEPS) programme for industry equipment and home appliances. The programme supports market transformation of electric equipment. The enhanced testing capacity will support the Partner monitoring of compliance of products in two areas: 1. Electric motors with specific definition in line with National Standard TCVN 7540-1of Appendix I of Decision 24/2018/QD-TTg dated 18 May 2018. 2. Household air conditioners with specific definition in line with National Standards TCVN 7830:2015 of Appendix II of Decision 24/2018/QD-TTg dated 18 May 2018. The achievement of this indicator will contribute to enhance quality of auditing and data in the sector, but will not contribute directly to the achievement of PI 4. However, it may indirectly enhance compliance because of the wider geographical scope and access to testing laboratories: one will be in fact located in Hanoi and one in HCMC. In the VNEEP1 and VNEEP2, EE laboratories were planned in view of progressing towards energy efficiency labelling. VNEEP3 will help increasing the number of laboratories for testing of appliances.
Risks or exogenous factors	In order to mitigate uncertainties, it is advisable to have coordinated quarterly DEESD-EUD follow-ups/field visits starting 18 months prior to the cut-off date of the target.
Additional considerations	N/A

Indicator no. 10 – VEIS: full establishment

Full title	The VEIS is fully established and functional
Baseline for year 0	VEIS is not fully established and functional in 2020
Target for year 6	VEIS is fully established and functional *Indicative date of completion for an action/reform*: 31 December 2026 *Source(s) of verification and expected date of transmission to the Commission*: MOIT completion report on the implementation of investment will be communicated to the EU within Q1 of the year N+1 (2027). *Partial payment for partial achievement* - 100% if target achieved - No payment if target not achieved *Amount attached:* EUR 2,000,000
Indicator features	
Indicator type	Process
SDG marker	SDGs 7 & 13
Purpose	*5 digit code as per the OECD-DAC Creditor Reporting System* 23110 – Energy policy and administrative management
Relevance/reference to country's public policy	MOIT Decision 4651/QD-BCT promulgating the Action Plan for the establishment of the VEIS for the period 2021 – 2024. MOIT Decision 804/QD-BCT of 8 April 2024 promulgating a digital transformation plan in the energy sector until

	2025, with a vision to 2030. Among other provisions, MOIT Decision 804/QD-BCT extends the deadline for VEIS full establishment and function until before 2030. The VEIS is fully established and functional upon the completion of the VEIS investment project or the completion of the implementation of the Decision approving the Feasibility Study for establishment and operation of the VEIS. This is the final step of the Action 2.1.4 of the Action Plan (MOIT Decision 4651). Directly relevant to the expected outcome 3. Policy dialogue and related support measures: – The EU shall monitor the approval of the public medium term investment plan and annual public investment plan that provides allocation for the investment in the VEIS and the implementation of the allocation, in line with MOIT's action plan for the establishment of the VEIS in the period 2019–2024 (Decision No. 4651/QD-BCT). – The EU shall monitor GoV's own funding for VEIS implementation. – The EVSET Facility, a complementary measure under the SETP, will provide demand-driven technical assistance to MOIT and non-MOIT stakeholders to build capacity of concerned stakeholders for the operation of the VEIS.
Definition and calculation	All proposed invested items in the approved VEIS Investment Decision are procured. The VEIS completed its test run and handed over to the project owner.
Disaggregation	N/A
Data collection and publication	*Department(s) in charge of data collection, processing, analysis and publication* Electricity and Renewable Energy Authority (EREA) of the Ministry of Industry and Trade of Viet Nam *Usual publication periodicity, timeliness or delays observed in the past* No delay observed in the past.
Data quality	Based on evidence, yes or no. No issues with data quality. Verification of the target could be complemented through independent checks and/or field visits by the EU or resources deployed under the EU - Viet Nam Sustainable Energy Transition Facility (EVSET).
Risks or exogenous factors	The achievement of the targets is dependent on supplies from the selected contractors. There might be external factors out of the contract control (for example the COVID-19 pandemic) that have impact on the supply chain. *Mitigating measures:* MOIT will closely monitor the implementation of the procurement contracts.
Additional considerations	N/A